

TENTH AVENUE PETROLEUM CORP.
(formerly Jadela Oil Corp.)

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

THREE MONTHS ENDED MARCH 31, 2015

TENTH AVENUE PETROLEUM CORP.
(formerly JADELA OIL CORP.)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015
(unaudited)

NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Jadela Oil Corp. have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Calgary, Alberta
May 29, 2015

TENTH AVENUE PETROLEUM CORP. (formerly JADELA OIL CORP.)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

In Canadian Dollars

	Note	March 31 2015		Dec. 31 2014
ASSETS				
CURRENT				
Cash		\$ 44,886	\$	87,814
Accounts receivable		236,184		211,399
Prepaid expenses and deposits		5,271		7,712
		286,341		306,925
Restricted cash held in trust		117,427		114,918
Property and equipment	4	426,124		442,036
Exploration and evaluation assets	5	75,393		69,229
		\$ 905,285	\$	933,108
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities		\$ 112,672	\$	111,095
Asset retirement obligations	6	135,000		135,000
		247,672		246,095
Asset retirement obligations	6	66,802		56,534
SHAREHOLDERS' EQUITY				
Share capital	7	12,365,831		12,365,831
Warrants	9	7,820		7,820
Contributed surplus		9,636,895		9,636,542
Accumulated other comprehensive income		140,697		134,937
Deficit		(21,560,432)		(21,514,651)
		590,811		630,479
		\$ 905,285	\$	933,108

Going Concern	1
Subsequent event	13

Signed "Gregory J. Leia"

Gregory J. Leia, Director

Signed "Gerald Roe"

Gerald Roe, Director

TENTH AVENUE PETROLEUM CORP.
(formerly JADELA OIL CORP.)

**INTERIM CONDENSED CONSOLIDATED STATEMENTS
OF LOSS AND COMPREHENSIVE LOSS
(unaudited)
FOR THE THREE MONTHS ENDED**

In Canadian Dollars

	Note	March 31 2015	March 31 2014
REVENUE			
Natural gas and liquids sales		\$ 29,733	\$ 70,374
Oil sales		5,852	8,578
Royalties		(4,566)	(18,365)
Other income		1,634	10,611
		<u>32,653</u>	<u>71,198</u>
EXPENSES			
Production and transportation		15,281	20,932
General and administrative	10	41,454	98,612
Depletion, depreciation	4	16,593	19,629
Share based compensation	8	353	451
		<u>73,681</u>	<u>139,624</u>
OPERATING LOSS		<u>\$ (41,028)</u>	<u>\$ (68,426)</u>
Other (income) expense items			
Interest expense and accretion		4,752	4,130
NET LOSS		<u>(45,780)</u>	<u>(72,556)</u>
Foreign exchange translation adjustment		5,760	3,957
COMPREHENSIVE LOSS		<u>(40,020)</u>	<u>(68,599)</u>
LOSS PER SHARE			
Basic and Diluted	11	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

TENTH AVENUE PETROLEUM CORP. (formerly JADELA OIL CORP.)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED (unaudited)

In Canadian Dollars

	Note	March 31, 2015		March 31, 2014
OPERATING ACTIVITIES				
Net loss		\$ (45,780)		\$ (72,556)
Items not requiring cash:				
Depletion, depreciation		16,593		19,629
Interest expense and accretion, non-cash		4,752		4,130
Share based compensation		353		451
		(24,082)		(48,346)
Changes in non-cash working capital		(20,767)		(66,928)
CASH USED IN OPERATING ACTIVITIES		(44,849)		(115,274)
CASH PROVIDED BY FINANCING ACTIVITIES				
Proceeds from Issue of Shares		-		330,600
CASH PROVIDED BY FINANCING		-		330,600
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES				
Divestitures of exploration and evaluation assets		1,554		1,749
Restricted cash held in trust		(2,509)		(879)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(955)		870
(DECREASE) IN CASH AND CASH EQUIVALENTS		(45,804)		216,196
Foreign exchange on cash balances		2,876		(1,541)
CASH AND CASH EQUIVALENTS, beginning of period		87,814		12,599
CASH AND CASH EQUIVALENTS, end of period		\$ 44,886		\$ 227,254
Interest paid		\$ -		\$ -

TENTH AVENUE PETROLEUM CORP. (formerly JADELA OIL CORP.)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (unaudited)

In Canadian Dollars

FOR THE THREE MONTHS ENDED

	March 31, 2015	March 31, 2014
SHAREHOLDERS' EQUITY		
<u>Share capital</u>		
Balance, beginning of period	\$ 12,365,831	\$ 12,043,051
Private placement	-	355,180
Share issue costs	-	(30,600)
Balance, end of period	12,365,831	12,367,631
<u>Warrants</u>		
Balance, beginning of period	7,820	-
Warrants issued	-	6,020
Balance, end of period	7,820	6,020
<u>Contributed surplus</u>		
Balance, beginning of period	9,636,542	9,562,791
Stock comp expense	353	451
Balance, end of period	9,636,895	9,563,242
<u>Accumulated other comprehensive income</u>		
Balance, beginning of period	134,937	124,831
Foreign exchange translation adjustment	5,760	3,967
Balance, end of period	140,697	128,788
<u>Deficit</u>		
Balance, beginning of period	(21,514,651)	(21,068,829)
Net loss	(45,781)	(72,556)
Balance, end of period	(21,560,432)	(21,141,385)
TOTAL SHAREHOLDERS' EQUITY	\$ 590,811	\$ 924,296

TENTH AVENUE PETROLEUM CORP.

(formerly JADELA OIL CORP.)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2015

In Canadian Dollars

(unaudited)

On June 29, 2006, Unitech Energy Corp. ("UEC") amalgamated with NR2 Resources Corporation ("NR2), a capital pool company listed on the TSX Venture Exchange, to form an amalgamated entity, which continued under the name of Unitech Energy Resources Inc.

On June 23, 2008, UEC acquired all the issued and outstanding shares of three private companies - Pendor IV Joint Venture Ltd., Pendor V Joint Venture Ltd., and Medicine Hat VI Inc. On July 19, 2011 the three subsidiary companies were amalgamated with UEC.

On May 10, 2011, UEC acquired all the issued and outstanding shares of Jadela Oil (US) Operating LLC. Results of operations from the acquired company subsequent to May 10, 2011 are included in the consolidated financial statements.

On July 21, 2011, UEC changed its name to Jadela Oil Corp. ("Jadela") and consolidated its common shares on a one new for ten old basis.

On May 6, 2015, Jadela Oil Corp. changed its name to "Tenth Avenue Petroleum Corp. (the "Company" or "TPC"). On May 6, 2015, Jadela Oil Corp. completed a consolidation of its common shares on a 1 new for 5 old basis. On May 6, 2015, the exercise price to all existing options and warrants (other than finders warrants) was re-priced to \$0.075 post consolidated share. Note 13 "Subsequent Events" discusses the effect of the consolidation on the issued and outstanding common shares, warrants and options on a post consolidated basis.

TPC is in the business of exploring for and developing petroleum and natural gas properties in Western Canada and Texas, USA. TPC is a corporation domiciled in Canada. The address of the Company's registered office is 203, 221 10th Avenue SE, Calgary, Alberta.

1. GOING CONCERN

These financial statements do not reflect the adjustments and classifications of assets, liabilities, revenues and expenses which would be necessary if the Company were unable to continue as a going concern. The accompanying financial statements have been prepared using the going concern assumption which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

As the Company incurred losses and used cash flow in operations over at least the past two years and expects that it will need capital to fund its planned exploration and development activities, there is a material uncertainty which casts doubt on the Company's ability to continue as a going concern. For the three months ended March 31, 2015, the Company incurred a net loss of \$45,780 and used cash flows in operating activities of \$44,849 and at March 31, 2015 the Company had an accumulated deficit of \$21,560,432 and working capital of \$38,669.

2. BASIS OF PREPARATION

Statement of Compliance

These interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 – "Interim Financial Reporting" using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The interim financial statements should be read in conjunction with the Company's audited annual financial statements and the notes thereto for the year ended December 31, 2014. The consolidated financial statements of the Company include the accounts of Tenth Avenue Petroleum Corp. (formerly Jadela Oil Corp.) and its subsidiaries (collectively referred to as ("the Company")) and have been prepared by management.

These financial statements were authorized for issue by the Board of Directors on May 28, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are described in Note 2 to the December 31, 2014 audited annual financial statements. Those accounting policies have been applied consistently to all periods presented in these interim financial statements.

Future accounting pronouncements

TENTH AVENUE PETROLEUM CORP.

(formerly JADELA OIL CORP.)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2015

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IFRS 15 Revenue from contracts with Customers, provides clarification for recognizing revenue from contracts with customers and establishes a single revenue recognition and measurement framework that applies to contracts with customers. The new standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The IASB has proposed to defer the adoption date to January 2018. Management is currently assessing the potential impact of the adoption of IFRS 15 on the Company's financial statements.

IFRS 9 Financial Instruments, is intended to replace IAS 39 Financial Instruments: Recognition and Measurement and uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial liabilities designated at fair value through profit or loss, a company can recognize the portion of the change in fair value related to the change in the company's own credit risk through other comprehensive income rather than profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39, and incorporates new hedge accounting requirements. The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact of the adoption of IFRS 9 on the Company's financial statements.

4. PROPERTY AND EQUIPMENT

	Oil and Natural Gas Assets	Water-well assets	Other assets	Total
COST OR DEEMED COST				
Balance, December 31, 2013	\$ 825,310	\$ 155,800	\$ 94,930	\$ 1,076,040
Dispositions of property, plant and equipment	-	-	(25,281)	(25,281)
Foreign exchange	-	-	2,125	2,125
Balance, December 31, 2014	\$ 825,310	\$ 155,800	\$ 71,774	\$ 1,052,884
Foreign exchange	-	-	681	681
Balance, March 31, 2015	\$ 825,310	\$ 155,800	\$ 72,455	\$ 1,053,565
ACCUMULATED DEPLETION, DEPRECIATION				
Balance, December 31, 2013	\$ 400,038	\$ 81,986	\$ 69,753	\$ 551,777
Divestitures	-	-	(11,123)	(11,123)
Depletion, depreciation for the year	50,426	15,580	1,471	67,477
Foreign exchange	-	-	2,717	2,717
Balance, December 31, 2014	\$ 450,464	\$ 97,566	\$ 62,818	\$ 610,848
Depletion, depreciation for the period	12,106	3,895	592	16,593
Balance, March 31, 2015	\$ 462,570	\$ 101,461	\$ 63,410	\$ 627,441
CARRYING AMOUNT				
December 31, 2014	374,846	58,234	8,956	442,036
March 31, 2015	362,740	54,339	9,045	426,124

5. EXPLORATION AND EVALUATION ASSETS

The following table summarizes information about the Company's exploration and evaluation assets:

Cost	
Balance, December 31, 2013	\$ 148,743
Impairment loss	(78,462)
Sale of assets	(14,028)
Foreign exchange	12,976
Balance, December 31, 2014	\$ 69,229
Additions	-
Foreign exchange	6,164
Balance, March 31, 2015	\$ 75,393

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The Company has recognized a \$375,103 impairment on the carrying value of the Option Assets as of December 31, 2013. The Option Assets rights ended on the execution of lease agreements and the Company did not exercise its rights to participate in lease agreements on the previous Option Asset lands. The remaining E&E Assets of \$75,393 related to estimated recoverable salvage value of existing assets in Texas

6. ASSET RETIREMENT OBLIGATIONS

The following table reconciles the asset retirement obligations:

Asset Retirement Obligations	Three months ended March 31, 2015	Year ended Dec. 31, 2014
Balance, beginning of period	\$ 191,534	\$ 169,566
Foreign exchange	5,516	4,556
Accretion expense	4,752	17,412
Balance, end of period	\$ 201,802	\$ 191,534

7. SHARE CAPITAL

Issued:	Number of common shares	Value
Balance, December 31, 2013	28,443,337	\$ 12,043,051
Private placements	6,020,000	361,200
Share issue costs	-	(30,600)
Allocated to warrants	-	(7,820)
Over issuance	100,000	-
Balance, December 31, 2014	34,563,337	\$ 12,365,831
Balance, March 31, 2015	34,563,337	\$ 12,365,831

At March 31, 2014, a non-brokered private placement of 6,020,000 units at a price of \$0.06 were issued for a gross proceeds of \$361,200. Each unit was comprised of one common share and one common share purchase warrant.

8. STOCK OPTIONS

A summary of the status of the Company's stock option plan as at March 31, 2015 and December 31, 2014 and changes during the periods ending on those dates is as follows:

	March 31, 2015		Dec. 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	3,433,500	\$ 0.15	2,400,500	\$ 0.24
Granted	-	-	1,550,000	0.05
Forfeited / Expired	-	-	(517,000)	0.25
Outstanding, end of period	3,433,500	\$ 0.15	3,433,500	\$ 0.15
Exercisable, end of period	3,433,500	\$ 0.15	3,433,500	\$ 0.15

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2015

In Canadian Dollars

(unaudited)

The following table summarizes information about stock options outstanding and exercisable as at March 31, 2015:

	Exercise Price	Number	Weighted Average Remaining Contractual Life in Years
\$	0.05	1,550,000	4.32
\$	0.10	350,000	3.37
\$	0.20	1,150,000	2.68
\$	0.30	383,500	1.33
\$	0.25	3,433,500	2.92

At the annual general and special meetings of shareholders on January 31, 2013, 1,363,000 options held by management and directors with an exercise price of \$1.00 and a current weighted average fair value of \$0.077 per option were re-priced to \$0.30 per option. All other terms and conditions remained unchanged. The fair value of the 1,363,000 options re-priced was estimated on the date of re-pricing at a weighted average fair value of \$0.078 per option using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.16%, weighted average remaining term of 3.41 years, expected volatility of 277% and a 0% expected dividend yield.

9. WARRANTS

The following table summarizes information about the Company's common share purchase warrants as of March 31, 2015

	Number of Warrants	Stated Value
Balance, December 31, 2013	1,800,000	\$ -
Warrants issued	6,530,000	7,820
Balance December 31, 2014	8,330,000	7,820
Balance, March 31, 2015	8,330,000	\$ 7,820

At March 31, 2014, a non-brokered private placement of 6,020,000 units at a price of \$0.06 were issued for a gross proceeds of \$361,200. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.09 per common share exercisable no later than the earlier of: (i) the date that is two years from the date of issuance of such warrant; or (ii) should the volume weighted average closing price of the common shares trade on the TSXV, Exceed \$0.15 per common share for more than 10 consecutive trading days following the date that is four months and one day after the closing date. The Corporation may accelerate the warrant exercise period to a date which is 20 calendar days following the date of a press release issued by the Corporation announcing the reduced warrant exercise period.

In connection with the private placement, the Corporation issued finder's fee warrants equal to 10% of the funds raised to eligible finders who introduced subscribers to the private placement, and issued one finder's fee warrant for every 10 units issued to such subscribers. Each finder's fee warrant has the same terms as the warrants comprising the units. A total of 510,000 finder's fee warrants were issued.

TENTH AVENUE PETROLEUM CORP.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2015

In Canadian Dollars

(unaudited)

10. RELATED PARTY TRANSACTIONS

El Indio Investments Corp. (formerly Batoche Resources Limited), a company owned by an officer and director of the Company, earned a 22.5% working interest in 660 acres upon the drilling of El Indio #1H well in Texas where the Company paid 100% of capital costs of the well. The Company is entitled to 100% of revenues from the well until payout.

Key Management Personnel

The Company has determined that the key management personnel of the Company consists of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	2015	2014
Wages, consulting fees and benefits	\$ 18,895	\$ 71,444
	<u>\$ 18,895</u>	<u>\$ 71,444</u>

11. PER SHARE AMOUNTS

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the period of 34,563,337. As the Company was in a loss position, there was no change in the numerator or denominator in calculating diluted loss per share. The effect of all stock options and warrants has been excluded from the calculation as they are anti-dilutive.

12. SEGMENTED INFORMATION

The Company's reportable segments are organized by geographical areas and consist of Canada and the United States. The following is the statements of operations for each segment for the three months ended March 31, 2015.

	Canada	United States	Total
REVENUE			
Natural gas and liquids sales	\$ 29,733	\$ -	\$ 29,733
Oil sales	5,852	-	5,852
Royalties	(4,566)	-	(4,566)
Other income	1,634	-	1,634
	<u>32,653</u>	<u>-</u>	<u>32,653</u>
EXPENSES			
Production and transportation	8,822	6,459	15,281
General and administrative	41,309	144	41,453
Depletion and depreciation	16,564	29	16,593
	<u>66,695</u>	<u>6,632</u>	<u>73,327</u>
OPERATING LOSS	<u>(34,042)</u>	<u>(6,632)</u>	<u>(40,674)</u>
Other (income) expense items			
Interest expense and accretion	3,112	1,640	4,752
NET (LOSS)	<u>\$ (37,154)</u>	<u>\$ (8,272)</u>	<u>\$(45,426)</u>

As at March 31, 2015, total assets in Canada and the United States amounted to \$0.8 million and \$0.1 million respectively.

TENTH AVENUE PETROLEUM CORP.

(formerly JADELA OIL CORP.)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2015

In Canadian Dollars

(unaudited)

13. SUBSEQUENT EVENT

At the meeting of shareholders held on April 24, 2015, the shareholders of the Company approved the plan to consolidate its common shares on the basis of 5 old for 1 new and to change its name to "Tenth Avenue Petroleum Corp" or such name as is approved by the board of directors and the TSX Venture Exchange. The shareholders also approved the re-pricing of the exercise price of all warrant and option agreements (other than finders warrant agreements) to \$0.075 per common share post consolidation.

Share Capital

Issued:	Number of common shares	Value
Balance, December 31, 2013	28,443,337	\$ 12,043,051
Private placements	6,020,000	361,200
Share issue costs	-	(30,600)
Allocated to warrants	-	(7,820)
Over issuance	100,000	-
Balance, December 31, 2014	34,563,337	\$ 12,365,831
Balance, March 31, 2015	34,563,337	\$ 12,365,831
Balance May 6, 2015	6,912,667	\$ 12,365,831

Options

	March 31, 2015		Dec. 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	3,433,500	\$ 0.15	2,400,500	\$ 0.24
Granted	-	-	1,550,000	0.05
Forfeited / Expired	-	-	(517,000)	0.25
Outstanding, March 31, 2015	3,433,500	\$ 0.15	3,433,500	\$ 0.15
Exercisable, March 31, 2015	3,433,500	\$ 0.15	3,433,500	\$ 0.15
Outstanding/Exercisable May 6, 2015	686,700	0.075		

Warrants

The following table summarizes information about the Company's common share purchase warrants as of March 31, 2015 and May 6, 2015

	# of Pre Consolidation Warrants	# of Post Consolidation Warrants	Exercise Price	Expiry Date
Balance, December 31, 2013	1,800,000			
Warrants issued	<u>6,530,000</u>			
Balance December 31, 2014	8,330,000			
Balance, March 31, 2015	8,330,000			
May 6, 2015		360,000	0.075	Nov 11, 2015
		102,000	0.45	March 6, 2016
		<u>1,204,000</u>	0.075	March 6, 2016
		1,666,000		