

Petro Vista Energy Corp.

Condensed Consolidated Interim Financial Statements

March 31, 2017

Unaudited

Expressed in Canadian Dollars

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Company's auditors have not reviewed these unaudited condensed consolidated interim financial statements.

Petro Vista Energy Corp.**Condensed Consolidated Interim Statements of Financial Position***Unaudited**In thousands of Canadian Dollars*

ASSETS	March 31, 2017	September 30, 2016
Current		
Cash and cash equivalents	\$ 1,508	\$ 141
Accounts receivable (Note 4)	22	14
Prepaid expenses	26	21
	<u>1,556</u>	<u>176</u>
Assets held for sale (Note 5 (c))	-	3,130
	<u>\$ 1,556</u>	<u>\$ 3,306</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 60	\$ 196
Due to related parties (Note 9)	-	512
	<u>60</u>	<u>708</u>
Liabilities relating to assets held for sale (Note 5 (c))	-	1,783
	<u>60</u>	<u>2,491</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 8)	32,591	32,591
Reserves (Note 8)	12,818	12,818
Accumulated other comprehensive loss	-	(2,466)
Deficit	(43,913)	(42,128)
	<u>1,496</u>	<u>815</u>
	<u>\$ 1,556</u>	<u>\$ 3,306</u>

Subsequent Events (Notes 5 and 13)

Approved on behalf of the Board of Directors:

"Darren Devine", Director"Darryl Cardey", Director

- See Accompanying Notes -

Petro Vista Energy Corp.

Condensed Consolidated Statements of Comprehensive Loss

Unaudited

In thousands of Canadian Dollars (Except per share amounts which are in Canadian Dollars)

	Three Months Ended March 31		Six Months Ended March 31	
	2017	2016	2017	2016
Expenses				
Accounting and audit	31	11	43	12
Consulting	8	61	72	124
Directors' fees	4	22	29	43
Foreign exchange (gain) loss	(3)	(6)	1	(2)
Legal	8	14	11	24
Office, filing and insurance	15	18	26	27
	63	120	182	228
Loss from Continuing Operations	63	120	182	228
Gain on sale of PVE Brazil <i>(Note 5)</i>	(797)	-	(797)	-
Loss from discontinued operations <i>(Note 5)</i>	2,403	459	2,400	956
Net loss for the period	1,669	579	1,785	1,184
Other Comprehensive loss				
Current period translation differences related to discontinued operations	11	(70)	(19)	(150)
Transfer to net loss from discontinued operations upon sale of PVE Brazil	(2,447)	-	(2,447)	-
Comprehensive loss (income) for the period	\$ (767)	\$ 509	\$ (681)	\$ 1,034
Loss per share from continuing operations – basic and diluted	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Loss per share from discontinued operations – basic and diluted	\$ 0.05	\$ 0.02	\$ 0.05	\$ 0.03
Loss per share – basic and diluted	\$ 0.06	\$ 0.02	\$ 0.06	\$ 0.04
Weighted average number of common shares outstanding	29,425,994	29,425,994	29,425,994	29,425,994

– See Accompanying Notes –

Petro Vista Energy Corp.
Condensed Consolidated Interim Statements of Cash Flows

Unaudited

In thousands of Canadian Dollars

Cash Provided By (Used In):	Six months ended March 31, 2017	Six months ended March 31, 2016
Operations:		
Loss for the period from continuing operations	\$ (182)	\$ (228)
Items not affecting cash:		
Unrealized foreign exchange loss	1	(2)
	<u>(181)</u>	<u>(230)</u>
Change in non-cash working capital:		
Accounts receivable	(8)	(5)
Prepaid expenses	(5)	5
Accounts payable and accrued liabilities	(136)	32
Due to related parties	(512)	169
	<u>(842)</u>	<u>(29)</u>
Net cash flows from continuing operations	(842)	(29)
Net cash flows from discontinued operations	(49)	(1,222)
	<u>(891)</u>	<u>(1,251)</u>
Investing:		
Proceeds from sale of PVE Brazil, net	2,257	-
Financing:		
Discontinued operations	-	1,149
Net increase (decrease) in cash	1,366	(102)
Exchange impact on cash held in foreign currency	1	8
Cash - beginning of period	141	161
Cash - end of period	\$ 1,508	\$ 67
Supplemental schedule of non-cash financing and investing activities:		
Repayment of Maha loan by deducting funds from PVE Brazil sales proceeds	\$ 87	\$ -
Supplemental schedule of cash flows activities:		
Income taxes paid	\$ -	\$ 1

- See Accompanying Notes -

Petro Vista Energy Corp.
Condensed Consolidated Interim Statements of Changes in Equity

Unaudited

In thousands of Canadian Dollars (Except for number of shares)

	<u>Share Capital (Note 8)</u>							
	Shares	Amount \$	Share Option Reserves \$	Warrant Reserves \$	Equity Portion of Convertible Loans Reserves \$	Accumulated Other Comprehensive Loss ⁽¹⁾ \$	Deficit \$	Total \$
Balance, September 30, 2015	29,425,994	32,591	2,068	10,050	700	(2,725)	(40,955)	1,729
Foreign currency translation	-	-	-	-	-	150	-	150
Net loss for the period	-	-	-	-	-	-	(1,185)	(1,185)
Balance, March 31, 2016	29,425,994	32,591	2,068	10,050	700	(2,575)	(42,140)	694
Foreign currency translation	-	-	-	-	-	109	-	109
Net loss for the period	-	-	-	-	-	-	12	12
Balance, September 30, 2016	29,425,994	32,591	2,068	10,050	700	(2,466)	(42,128)	815
Foreign currency translation	-	-	-	-	-	2,466	-	2,466
Net loss for the period	-	-	-	-	-	-	(1,785)	(1,785)
Balance, March 31, 2017	29,425,994	32,591	2,068	10,050	700	-	(43,913)	1,496

⁽¹⁾ Accumulated Other Comprehensive Loss is comprised solely of foreign currency translation adjustments which were reclassified to net loss on January 13, 2017, date of sale of PVE Brazil to Maha.

- See Accompanying Notes -

Petro Vista Energy Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three and six months ended March 31, 2017

Unaudited

In Canadian Dollars

1. Nature of Operations

Petro Vista Energy Corp. (“**the Company**” or “**PVE**” or “**Petro Vista**”) was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 6, 2006. Until January 13, 2017, the Company was in the business of exploration, development and exploitation of oil and natural gas properties in Brazil. On January 13, 2017, the Company sold its wholly owned Brazilian subsidiary which holds the Company’s 37.5% participating interest in the Tartaruga block (*Note 5*). On May 26, 2017, the Company will undertake a return of capital and will distribute pro-rata to its registered shareholders cash in the amount of \$0.0471 per common share, for a total of \$1,385,964 (“**Return of Capital**”) determined based on the TSX Venture Exchange’s “due bill” trading procedure. Petro Vista is currently a shell company and it is expected that the Company’s common shares will be suspended from trading on the TSX Venture Exchange and will be listed for trading on the NEX board of the TSX Venture Exchange. The Company is currently looking for new business opportunities. The Company’s address is: Suite 1430 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

2. Basis of Presentation

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting.

These financial statements were approved for issue by the Company’s Board of Directors on May 25, 2017.

b) Basis of Measurement

These financial statements have been prepared on the historical cost basis, as explained in the accounting policies set out in Note 3 of the audited consolidated financial statements of the Company for the year ended September 30, 2016.

All figures presented on the statements of financial position, statements of comprehensive loss, statements of cash flows, and statements of changes in equity are in thousands of Canadian dollars, except for the number of shares and loss per share. All figures presented in the notes to the financial statements are in Canadian dollars, unless otherwise indicated.

c) Basis of Consolidation

These condensed interim financial statements include the accounts of the Company and its wholly-owned subsidiaries: Petro Vista Energy Holdings (Barbados) Corp (“**PVE Holdings (Barbados)**”) and Petro Vista Energy Brazil (Barbados) Corp. (“**PVE Brazil (Barbados)**”). Results of operations of Petro Vista Energy Petroleo do Brasil Ltda. (“**PVE Brazil**”) are included in the consolidated results of operations until January 13, 2017, date of disposal (*Note 5*).

The Company’s financial statements include the accounts of all subsidiaries subject to control by the Company. Control is achieved when the Company has exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

Petro Vista Energy Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three and six months ended March 31, 2017

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In Canadian Dollars

3. Significant Accounting Policies

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those for the year ended September 30, 2016, except as described below. These financial statements should be read together with the audited consolidated financial statements for the year ended September 30, 2016, which in Note 3 detail all significant accounting policies adopted by the Company.

a) Changes in Accounting Policies and Recent Accounting Pronouncements

The Company did not adopt any new accounting policies since September 30, 2016. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards. There were no new accounting pronouncements relevant to the Company's operations issued subsequent to September 30, 2016.

4. Accounts Receivable

Accounts receivable details are as follows:

	March 31, 2017	September 30, 2016
Taxes receivable from federal governments	\$ 22,388	\$ 14,154
Trade receivable	-	168,000
Transfer to Assets Held for Sale	-	(168,000)
	\$ 22,388	\$ 14,154

5. Sale of PVE Brazil

a) Sale of PVE Brazil

On January 13, 2017, the Company sold to Maha Energy Inc. ("**Maha**") 100% of the issued and outstanding quota capital in PVE Brazil, which holds the Company's 37.5% participating interest in the Tartaruga block (the "**Transaction**"). Total gross cash consideration received by the Company from Maha was \$2,542,600, less \$114,791 of purchase price adjustments, for net sales proceeds of \$2,427,809, which was released from escrow on January 16, 2017. In connection with closing of the transaction, the Company also incurred \$48,813 of legal costs.

Pursuant to the Agreement, upon closing of the Transaction, Maha was entitled to receive revenue, and is responsible for all operating costs of PVE Brazil from January 1, 2016 (the "**Effective Date**"). Based on the terms of the Agreement, the Company indemnified Maha from unanticipated income tax and environmental liabilities.

Joint Interest Billing obligations of PVE Brazil from January 1, 2016 until closing of the Transaction were paid by Maha and would not be recoverable by Maha even if the Transaction did not close. During the quarter ended June 30, 2016, Maha advanced to the Company \$71,600 to finance these costs, which was recorded as a recovery of operating costs on the statement of comprehensive loss. During the quarter ended December 31, 2016, Maha advanced to the Company an additional \$40,410 to finance these costs, which was also recorded as a recovery of operating costs on the statement of comprehensive loss.

Petro Vista Energy Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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In Canadian Dollars

5. Sale of PVE Brazil - Continued

a) Sale of PVE Brazil - Continued

The following table summarizes the carrying value of assets and liabilities as at January 13, 2017, sold to Maha:

Cash	\$	83,925
Accounts receivable		254,427
Petroleum and natural gas properties		2,950,649
Accounts payable and accrued liabilities		(491,670)
Loan payable to Maha		(985,139)
Decommissioning liabilities		(230,292)
Carrying value of net assets disposed of		<u>1,581,900</u>
Proceeds of disposition		(2,427,809)
Transaction costs		48,813
Gain on sale of PVE Brazil	\$	<u>797,096</u>

b) Loans Payable to Maha

Loan Payable # 1

As part of the Transaction, on January 15, 2016, as amended on October 27, 2016, the Company and Maha entered into Loan Agreement #1. Pursuant to Loan Agreement #1, Petro Vista borrowed from Maha US\$750,000 to cover outstanding Joint Interest Billing obligations of PVE Brazil up to December 31, 2015. The loan's maturity date was the earlier of a) closing of the Transaction, b) December 31, 2016 or c) termination of the Agreement. Upon closing of the Transaction on January 13, 2017, Petro Vista was not required to repay amounts owing under Loan Payable #1. On January 13, 2017, the carrying value of this loan was \$985,139.

Loan Payable #2

On March 18, 2016, the Company and Maha entered into Loan Agreement #2. Pursuant to Loan Agreement #2, Petro Vista borrowed from Maha US\$65,500 to cover the remaining balance of Joint Interest Billing obligations of PVE Brazil to December 31, 2015. Upon closing of the Transaction on January 13, 2017, the principal amount of Loan Payable #2 were deducted by Maha from the sales proceeds.

Petro Vista Energy Corp.
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In Canadian Dollars

5. Sale of PVE Brazil – Continued

c) Assets and Liabilities Held for Sale

As of September 30, 2016, assets and liabilities held for sale related to the Company's disposition of PVE Brazil, which closed January 13, 2017, were as follows:

Assets held for sale	As of September 30 2016
Cash	\$ 48,072
Accounts Receivable	168,000
Petroleum and natural gas properties (Note 6)	2,913,892
	\$ 3,129,964

Liabilities relating to assets held for sale	As of September 30 2016
Accounts Payable	\$ 490,911
Loans Payable to Maha (Note 5(b))	1,069,699
Decommissioning liabilities (Note 7)	222,347
	\$ 1,782,957

d) Discontinued Operations

Details of discontinued operations are as follows:

	Period from October 1, 2016 to January 13 2017	Six months ended March 31 2016
Revenue		
Oil and gas revenue	\$ 558,157	\$ 346,263
Royalties	(152,749)	(94,762)
	405,408	251,501
Expenses		
Accretion of decommissioning liabilities (Note 7)	7,577	10,494
Depletion of oil and gas costs (Note 6(a))	-	215,519
Foreign exchange (gain) loss	(14,778)	145,315
General and administrative	37,802	99,389
Operating oil and gas costs	368,027	735,952
Recovery of operating oil and gas costs (Note 5(a))	(40,410)	-
Write-off of accumulated currency translation adjustments	2,447,169	-
	2,805,387	1,206,669
Loss from discontinued operations before income taxes	2,399,979	955,168
Provision for current income taxes	-	488
Net loss for the period from discontinued operations	\$ 2,399,979	\$ 955,656

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6. Petroleum and Natural Gas Properties

a) *Tartaruga Block, Sergipe Alagoas Basin, Brazil*

The summary of accumulated costs related to petroleum and natural gas properties in property, plant and equipment is as follows:

	January 13, 2017	September 30, 2016
Exploration and development costs	\$ 8,874,262	\$ 8,874,262
Foreign currency translation adjustments	(2,073,841)	(2,110,598)
Accumulated depletion (i)	(3,849,772)	(3,849,772)
Transfer to Assets Held for Sale (Note 5)	-	(2,913,892)
Sale to Maha (Note 5)	(2,950,649)	-
	\$ -	\$ -

The summary of activity in petroleum and natural gas properties is as follows:

	January 13, 2017	September 30, 2016
Beginning Balance	\$ 2,913,892	\$ 2,855,022
Decrease in decommissioning liabilities	-	(210,253)
Depletion (i)	-	(623,977)
Foreign currency translation adjustments	36,757	499,122
Impairment reversal	-	393,978
Transfer to Assets Held for Sale (Note 5)	-	(2,913,892)
Sale of PVE Brazil to Maha (Note 5)	(2,950,649)	-
	\$ -	\$ -

(i) Assets held for sale are not subject to depletion and depreciation, therefore no depletion expense was recognized after September 30, 2016.

7. Decommissioning Liabilities

Future decommissioning liabilities were estimated by management based on the Company's net ownership interest in all wells and facilities. This includes all estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. As of January 13, 2017, date of sale of PVE Brazil to Maha, the present value of decommissioning liabilities was \$233,657 (September 30, 2016 - \$222,347). As of January 13, 2017, the undiscounted value of decommissioning liabilities was estimated at \$402,336 (September 30, 2016 - \$406,850). The estimated cash flows were discounted using a risk free rate of 11.99% (2015 - 6.21%) for two wells on the Tartaruga Block, which is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. Summary of transactions impacting the decommissioning liabilities is as follows:

	January 13, 2017	September 30, 2016
Beginning Balance	\$ 222,347	\$ 337,981
Accretion expense	7,577	20,066
Increase (decrease) in liabilities	-	(210,253)
Foreign currency translation adjustments	368	74,553
Transfer to Liabilities Held for Sale (Note 5)	-	(222,347)
Sale of PVE Brazil to Maha (Note 5)	(230,292)	-
	\$ -	\$ -

Petro Vista Energy Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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Unaudited

In Canadian Dollars

8. Shareholders' Equity

a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

b) Share Capital Transactions

There were no share capital transactions during the current period.

c) Share Purchase Warrants

Details of warrants activity for the period ended March 31, 2017 are as follows:

September 30, 2016	Issued	Expired	Exercised	March 31, 2017	Weighted Average Exercise Price	Expiry Date
10,666,666	-	-	-	10,666,666	\$0.50	February 22, 2018
10,135,046	-	-	-	10,135,046	\$0.50	February 22, 2018
20,801,712	-	-	-	20,801,712	\$0.50	

9. Related Party Transactions

Related party transactions and balances are as follows:

- (a) During the period ended March 31, 2017, the Company recorded \$66,000 (March 31, 2016 - \$120,000) of management fees to companies controlled by a director and senior officers of the Company.
- (b) During the period ended March 31, 2016, the Company recorded \$25,053 (March 31, 2016 - \$42,726) of directors' fees to the Company's directors.
- (c) As of March 31, 2017, amount payable to directors and officers for accrued management and directors' fees was \$NIL (September 30, 2016 - \$511,774).
- (d) Compensation of Key Management Personnel

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of March 31, 2017 and September 30, 2016, the Company's key management personnel consist of the Company's directors and senior management (Executive Vice President, President, CEO, Corporate Secretary and Chief Financial Officer). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows:

Nature of Transactions	Six months ended	
	March 31, 2017	March 31, 2016
	(\$)	(\$)
Management consulting fees	66,000	120,000
Directors' fees	25,053	42,726
Total	91,053	162,726

Petro Vista Energy Corp.
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Unaudited

In Canadian Dollars

10. Segmented Information

The Company operated in one reportable segment, being exploration, development and exploitation of oil and natural gas properties. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. On January 13, 2017, the Company sold its oil and gas operations, therefore discontinued operations and assets held for sale represent this operating segment. Revenues from the Tartaruga block relate to the sale of oil and gas to one external customer in Brazil.

11. Capital Management

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may arrange more loans or issue new shares to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

12. Financial Instruments

a) Categories of Financial Assets and Liabilities

The carrying value of the Company's financial instruments (including assets and liabilities held for sale) is classified into the following categories:

	March 31, 2017		September 30, 2016	
Loans and receivables	\$	1,556,956	\$	371,142
Other financial liabilities	\$	60,471	\$	2,268,722

b) Fair Value of Financial Instruments

During the current period, there were no changes in classification of fair value measurements of the Company's financial instruments. The carrying value of the Company's financial instruments approximates their carrying value.

13. Return of Capital

On March 31, 2017, the Company's shareholders approved Return of Capital. The Return of Capital will be undertaken on May 26, 2017 at the rate of \$0.0471 per common share, for an aggregate cash distribution of \$1,385,964.