

BOOMERANG OIL, INC.

Formerly (0922327 B.C. Ltd.)

Unaudited Condensed Interim Financial Statements

DECEMBER 31, 2014

(Expressed in Canadian dollars)

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MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Boomerang Oil, Inc. [the "Company"] are the responsibility of the management and Board of Directors of the Company. The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Dennis R. Alexander
Chief Executive Officer

Paradise Valley, AZ, 85253
February 25, 2014

NOTICE TO READERS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim financial statements for the three months period ended December 31, 2014 have not been reviewed by the Company's auditors.

Boomerang Oil, Inc.
 Unaudited Interim Statements of Financial Position
 (Expressed in Canadian dollars)

	December 31 2014	September 30 2014
Assets		
Current		
Cash & cash equivalents	\$ 742	\$ 684
Accounts receivable – related parties	32,918	25,867
HST receivable	625	625
Total current assets	34,285	27,176
Other assets		
Oil and gas leases, net of depletion	1,131,791	1,131,992
Well equipment ,net of depreciation	37,147	39,013
Asset retirement costs	10,129	10,129
Total other assets	1,179,067	1,181,134
Total assets	\$ 1,213,352	\$ 1,218,310
Liabilities and Shareholders' Deficiency		
Current Liabilities		
Accounts payable	\$ 46,162	\$ 59,636
Accounts payable – related parties	3,799	
Accrued liabilities – related parties	148,722	106,108
Notes payable	650,012	519,360
Total current liabilities	848,695	685,104
Long term liabilities		
Asset retirement obligation	9,222	9,174
Total long term liabilities	9,222	9,174
Total liabilities	857,917	694,278
Shareholders' Deficiency:		
Capital stock no par value 71,210,792 shares at December 31, 2014 and 71,025,792 Shares at September 30,2014.	423,350	347,500
Additional paid in capital	533,550	533,550
Stock payable	20,000	20,000
Accumulated Deficit	(621,465)	(387,018)
Total shareholder's deficiency	355,435	514,032
Total Liabilities and Shareholders' Deficiency	\$ 1,213,352	\$ 1,208,310

The accompanying notes are an integral part of these Financial Statements

Approved on behalf of the Board of Directors on February 25, 2015:

Director (signed) "Dennis Alexander"

Director (signed) "Joanne M. Sylvanus"

Director (signed) "Brendan Purdy"

Boomerang Oil, Inc.
 Unaudited Interim Statements of Income (Loss) and Comprehensive Income (Loss)
 (Expressed in Canadian dollars)

	Three months ended December 31 2014	Three months ended December 31 2013
<hr/>		
Revenues		
Gross revenues from oil and gas sales-related party	\$ 30,315	\$ -
Well operating costs	(25,379)	-
Gross Margin	<u>4,936</u>	<u>-</u>
General and administrative expenses'		
General and administration	111,862	497
Total general and administrative expenses	<u>111,862</u>	<u>497</u>
Net loss from operations	(106,926)	(497)
Other income and (expenses)		
Interest expense	(143,469)	-
Other income	16,208	-
Net loss before for income taxes	<u>(234,187)</u>	<u>(497)</u>
) Provision for income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ (234,187)</u>	<u>\$ (497)</u>
Basic and diluted net income (loss) per common share	<u>\$ (0.045)</u>	<u>\$ 0.0005</u>
Weighted average common shares outstanding	<u>52,062,211</u>	<u>1,025,792</u>

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Approved on behalf of the Board of Directors on February 25, 2015:

Director (signed) "Dennis Alexander"

Director (signed) "Joanne M. Sylvanus"

Director (signed) "Brendan Purdy"

Boomerang Oil, Inc.
 Unaudited Interim Statements of Changes in Shareholders' Deficiency
 (Expressed in Canadian dollars except the number of shares)

	Number of Outstanding Shares	Share Capital	Additional Paid-in Capital	Stock Payable	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance at September 30, 2012	1,025,792	2,500	-	-	(77,456)	(74,956)
Net income and comprehensive income for the year	-	-	-	-	59,627	59,627
Balance, September 20, 2013	1,025,792	2,500	-	-	(17,829)	(15,329)
Shares issued in amalgamation	70,000,000	345,000	548,879	-	-	893,879
Effect of amalgamation	-	-	(15,329)	20,000	(17,050)	(12,379)
Net income (loss) and comprehensive income for the year	-	-	-	-	(352,139)	(352,139)
Balance, September 30, 2014	71,025,793	347,500	533,550	20,000	(387,018)	514,032
Shares issued For services	185,000	75,850				75,850
Net income (loss) and comprehensive income for the period					(234,447)	(234,447)
Balance, December 31,2014	71,210,793	423,350	533,550	20,000	(621,465)	355,435

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Director (signed) "Dennis Alexander"

Director (signed) "Joanne M. Sylvanus"

Director (signed) "Brendan Purdy"

Boomerang Oil, Inc.
 Unaudited Interim Statements of Cash Flows
 (Expressed in Canadian dollars)

	Three months ended December 31 2014	Three months ended December 31 2013
<hr/>		
Operating activities		
Net income (loss)	\$ (234,447)	\$ (497)
Adjustments to reconcile net loss to net cash used in operating activities		
Accretion of asset retirement obligation	48	-
Depletion	201	-
Depreciation	1,866	-
Changes in operating assets and liabilities		
Accounts receivable – related party	(7,051)	-
Accounts payable	(34,510)	(12)
Accounts payable – related party	198,101	-
Net cash provided by (used in) operating activities	<u>(75,792)</u>	<u>(509)</u>
Investing activities		
Net cash used in investing activities	<u>-</u>	<u>-</u>
Financing activities		
Borrowing on debt – related parties	75,850	-
Net cash provided by financing activities	<u>75,850</u>	<u>-</u>
Net increase (decrease) in cash during the period	58	(509)
Cash balance at October 1, 2013	<u>684</u>	<u>673</u>
Cash balance at September 30, 2014	<u><u>742</u></u>	<u><u>164</u></u>
Supplemental disclosures of cash flow information		
Interest paid during the year	-	-
Income tax paid during the year	-	-

The accompanying notes are an integral part of these Financial Statements

Approved on behalf of the Board of Directors on February 25, 2015:

Director (signed) "Dennis Alexander"

Director (signed) "Joanne M. Sylvanus"

Director (signed) "Brendan Purdy"

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

0922327 BC Ltd. (the “**Company**”), now named “Boomerang”, was incorporated on October 7, 2011 and, pursuant to a Plan of Arrangement between the Company and Silican Processing Corp. (“**Silican**”) dated October 8, 2011, it was to acquire the Letter of Intent signed between Silican and Crystal Peak Abrasives Ltd. (“**Crystal Peak LOI**”) and \$2,500 in cash from Silican as part of the Arrangement Agreement, and was to commence operations as a mineral property exploration company. The \$2,500 coming from Silican as part of the Arrangement was to provide the Company with the capital necessary to fulfill its short-term needs. As consideration for this asset, the Company issued 20,515,911 common shares, multiplied by the Conversion Factor, or total of 1,025,792 common shares, as defined in the Plan of Arrangement, which shares were distributed to the Silican Shareholders who held Silican Shares on the Share Distribution Record Date. Silican completed the Plan of Arrangement registration filing on November 15, 2011 and transferred \$2,500 cash and assigned the Crystal Peak LOI to the Company on April 12, 2012. The Company initiated the share distribution on May 1, 2012 and issued 1,025,792 common shares to Silican, which were then re-distributed to the shareholders of Silican as of record date of November 17, 2011. The Company’s principal business following the Plan of Arrangement was to commence operations as a development stage company with the principal business being the exploration and development of mining properties. The Company could also acquire additional properties and could carry out early stage exploration on such mineral properties and then sell, option or joint venture the properties.

On June 22, 2012 the Company entered into another non-binding letter of intent with Railhead Resources Ltd. (See Note 6). The Company has decided to let this letter of intent lapse and not pursue the mining sector.

On January 22, 2014, the Company entered into another binding letter of intent with Shale Corp., (“**Shale**”) (See Note 6) which provided for the Company to acquire all of Shale’s Texas-based oil and gas assets by way of an amalgamation between the Company and Shale. Subsequent to signing the letter of intent, the Company entered into an amalgamation agreement dated January 30, 2014 with Shale, which replaced and superseded the Letter of Intent in its entirety. Pursuant to the amalgamation agreement the Company intended to acquire all of the issued and outstanding common shares of Shale by amalgamating Shale with a wholly-owned subsidiary (“**Subco**”) created for the sole purpose of effecting the amalgamation. Subco was included as the amalgamation vehicle in order to amalgamate under the same jurisdiction as Shale which had been incorporated and governed under the laws of Ontario.

On March 26, 2014 the Company concluded the amalgamation between Subco and Shale whereby all of the issued and outstanding Shale common shares were exchanged on a one for one basis with the shares of the Company. Accordingly, the Company issued 70,000,000 common shares of the capital stock of the Company at a deemed price of \$0.015 per common share to the Shale shareholders. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. The shares that were granted in the transaction were valued based upon the cost of the assets acquired. The assets have further been pledged as collateral for security on certain notes (see Section 4 in this report on “Commitments”).

On March 31, 2014, the Company completed a private placement for \$20,000 and issued 100,000 common shares of the company at \$.20 per share.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The head office and principal office of the Company is located at 2828-401 Bay Street, Toronto, Ontario.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can explore and develop Oil and Gas properties and the economic viability of developing any such additional properties.

The discovery of and the development of Oil and Gas properties to the point where they will produce economically may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. As a development stage company, the company is planning to continue to produce revenues from its existing properties, however expansion and growth will be dependent on obtaining development financing in the future, which can not be determined, if at all, at this time. On December 31, 2014 the Company had not yet achieved profitable operations, had recurring losses, a deficit of \$234,187 for the three months ended December 31, 2014 with a cumulative deficit since inception of 621,465, a working capital deficiency of \$847,953, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying consolidated financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company has experienced substantial losses, maintains a negative working capital and capital deficits, which raise substantial doubt about the Company's ability to continue as a going concern.

The Company is working to manage its current liabilities while it continues to make changes in operations to improve its cash flow and liquidity position. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon the Company's ability to generate revenue from the sale of its services and the cooperation of the Company's note holders to assist with obtaining working capital to meet operating costs in addition to our ability to raise funds.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION

The Company was incorporated on October 7, 2011. These consolidated financial statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

These financial statements are presented in Canadian dollars, which is the Company’s functional and reporting currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss (“FVTPL”), which are stated at their fair value.

a. SIGNIFICANT ACCOUNTING POLICIES

i. Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

ii. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less. As at December 31, 2014, and December 31, 2013 there is \$Nil included as cash equivalents.

iii. Shared-based payments

Pursuant to the Company’s option plan (“Option Plan”), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv. Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

v. Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

vi. Revenue and cost recognition

Oil and gas revenue is recognized from oil and gas sales in the period of delivery. Settlement on sales occurs anywhere from two weeks to two months after the delivery date. The Company recognizes revenue when an arrangement exists, the product has been delivered, the sale price has been fixed or determinable, and collectability is reasonably assured.

Financial instruments at fair value through profit or loss (FVTPL).

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Financial instruments (continued)

Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss). Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. *Financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

g) Impairment income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income (loss) consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

h) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Boomerang Oil, Inc.

Notes to the United Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense.

j) Future changes in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting years after January 1, 2013 or later years. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below. The company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 9, Financial Instruments, replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Future changes in accounting policies (continued)

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

k. Exploration, development and evaluation

The Company is in the exploration and development stage with respect to its investment in oil and gas properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration and development of oil and gas interest claims crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related interests. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned oil and gas wells and or properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a oil and gas property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income the costs recovered on oil and gas properties when the amounts received or receivable are in excess of the carrying amount. Upon transfer of “Exploration and evaluation costs” into “Oil and Gas Development”, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within “Oil and Gas development”. After production starts, all assets included in “Oil and Gas development” are transferred to “Producing Assets”.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

k) Segment reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the oil and exploration and development segment.

l) Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of the oil and gas property when those obligations result from the acquisition, development or normal operations of the assets. The net present value of future rehabilitation cost estimates arising from decommissioning a site and other work is capitalized to resource assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as oil and gas assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to resource assets with a corresponding entry to the rehabilitation provision. The Company's estimates are renewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charges to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the income statement in the period incurred.

As at March 31, 2014, the Company, given the early stage of exploration on its mineral property, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Fixed Assets

Fixed assets are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset. The following is a summary of the estimate useful lives used in computing depreciation expense.

n) Well Equipment – 5 Years

Expenditures for major repairs and renewals that extend the useful life of the asset are capitalized. Minor repair expenditures are charged to expense as incurred.

Recent US Based accounting pronouncements Revenue Recognition

In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*, to improve the transparency of reporting these reclassifications. Other comprehensive income includes gains and losses that are initially excluded from net income for an accounting period. Those gains and losses are later reclassified out of accumulated other comprehensive income into net income. The amendments in the ASU do not change the current requirements for reporting net income or other comprehensive income in financial statements. All of the information that this ASU requires already is required to be disclosed elsewhere in the financial statements under U.S. GAAP. The new amendments will require an organization to:

- Present (either on the face of the statement where net income is presented or in the notes) the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income – but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period; and
- Cross-reference to other disclosures currently required under U.S. GAAP for other reclassification items (that are not required under U.S. GAAP) to be reclassified directly to net income in their entirety in the same reporting period. This would be the case when a portion of the amount reclassified out of accumulated other comprehensive income is initially transferred to a balance sheet account (e.g., inventory for pension-related amounts) instead of directly to income or expense

The amendments apply to all public and private companies that report items of other comprehensive income. Public companies are required to comply with these amendments for all reporting periods (interim and annual). The amendments are effective for reporting periods beginning after December 15, 2012, for public companies. Early adoption is permitted. The adoption of ASU No. 2013-02 is not expected to have a material impact on our financial position or results of operations.

4. COMMITMENTS

The Company's Subsidiary has entered into two promissory note agreements the total aggregate amount of \$438,880 effective January 1, 2014 as follows:

Boomerang Oil, Inc.

Notes to the Unaudited Interim Financial Statements, December 31, 2014
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4. COMMITMENTS (Continued)

i) Assumption of \$320,705.16 pro rata portion with identical terms as of the date of even, of an Agreement effective as of July 1, 2012 by and between EGPI Firecreek, Inc., a Nevada corporation, and its wholly owned subsidiary Energy Producers Inc., also a Nevada corporation, and TWL Investments a LLC, ("TWL") an Arizona limited liability company, each a "Party" and collectively (the "Parties"). The material terms of the note are 18% interest only, compounded monthly, and due per the terms of each of the underlying collective agreements, as amended, or on demand. The debt is secured by the oil and gas interests related to the JB Tubb Leasehold Estate only, held by the subsidiary. The term of the assumed debt is based on an extension of the term of the TWL Investments, a LLC Note to Thirty Six (36) months from July 1, 2012, the last amended date thereof, and adjust the total monthly payment due each month by increasing the amortization period from the current 24 months to one hundred twenty (120) months with a balloon payment due in Thirty Six months (36) in the amount of any remaining amounts owed TWL including principal, interest, fees, damages, penalties or any other amounts then due.

ii) Assumption of \$105,094.87 pro rata portion with identical terms as of the date of even, of an Agreement effective as of December 31, 2013 by and between EGPI Firecreek, Inc., a Nevada corporation, 85253 and its wholly owned subsidiary Energy Producers Inc., also a Nevada corporation, and Mr. Thomas J. Richards, an individual residing in Mesa, Arizona, each a "Party" and collectively (the "Parties"). The material terms of the note are 18% interest only, compounded monthly, and due per the terms of each of the underlying collective agreements, as amended, or on demand. The debt is secured by the oil and gas interests related to the JB Tubb Leasehold Estate only, held by the Company.

On March 26, 2014 the Company's Subsidiary entered into a Modification and Extension to "Amended Participation Agreement" dated January 21, 2014. The Modification and Extension updates and extends Exhibit "B" of an Asset Purchase Agreement made and entered into as of January 21, 2014, the Effective Date ("Effective Date"), by and among Shale Corp., a corporation organized under the laws of the Province of Ontario in Canada with its principal place of business located at 365 Bay St, Suite 400, Toronto On, M5H 2V1, and the Investor acting as Mondial Ventures, Inc., along with approvals from Success Oil Co., Inc., its Operator and Partner, EGPI Firecreek, Inc. via its wholly owned subsidiary Energy Producers, Inc., Partner, and TWL Investments, LLC, investing participants, to amend, modify and extend Section II. Paragraph one thereto, giving extra time to the Participation Agreement allowing for six (6) months (through June 30, 2014 unless mutually extended by all parties thereto) for participants to deliver to Operator Participant's share of the Turnkey Cost to Casing Point for drilling of the first Prospect Well, and the first project for development on a successful completion of financing. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired.

During the period ended December 31, 2014, an individual advanced a total of \$8,958 for certain expenses of the Company. A loan agreement was entered into for that amount.

During the period ended December 31, 2014, a related party advanced a total of \$12,816 for certain expenses of the Company. Two loan agreements, for \$10,000 and \$2,816 were entered into for that amount.

Boomerang Oil, Inc.

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4. COMMITMENTS (Continued)

On March 26, 2014 the subsidiary entered into a Second Amendment to Modification, Amendment, and Further Extension of the Agreement to Extend Option dated effective on December 31, 2013 between EGPI Firecreek, Inc. on behalf of itself and all of its wholly owned subsidiaries including, but not limited to, Energy Producers, Inc. (“EPI”), and Mondial Ventures, Inc., which is amended to be by and through 2301840 Ontario Inc., a wholly owned subsidiary of Boomerang Oil, Inc. (formerly 0922337 BC LTD) (“Boomerang”), now a Majority owned subsidiary of Mondial Ventures, Inc.. The parties thereto, as amended, having earlier entered into an Agreement to Extend Option with Success Oil Co., Inc., (“Success”) along with all the parties to wit, agreed summarily to i) further extend the Option Agreement through June 30, 2014 unless further modified or extended by the parties in writing, and ii) in summary, to allow certain past due capital expenditure costs in the total aggregate amount of \$200,000 historically held by Success to begin to be paid out of available cash flow on a monthly basis from the Joint Interest Billings, and from only the current producing economic wells and interests, pro rata, not to include future wells, and to begin after April 6, 2014 for the January 2014 forward billings, until paid, unless otherwise negotiated to the satisfaction of Success.

5. CAPITAL STOCK

- a. Authorized: unlimited Common shares without par value
- b. Issued and Outstanding:

	Number of Shares	Amount (\$)
Common shares issued for cash	1	1
Cancellation of incorporator share	-1	(1)
Shares issuance pursuant to Plan of Arrangement	1,025,792	2,500
Balance as at December 31, 2013,	1,025,792	2,500
Shares issued on Amalgamation	70,000,000	345,000
Shares issued for services	185,000	
Balance as at September 30, 2014	71,210,792	347,500

One common share was issued at \$1 per common share on October 7, 2011 to Silican. The incorporator share was cancelled on May 1, 2012.

As discussed in Note 1, the Company issued 1,025,792 common shares to Silican and Silican re-distributed these shares to its shareholders as of record date of November 17, 2011. The aggregate fair value of these shares in the amount of \$2,500 was based on the fair value estimates of assets transferred from Silican to the Company. On April 12, 2012, Silican transferred \$2,500 cash and assigned the Crystal Peak LOI valued at \$Nil to the Company.

On March 26, 2014, the Company closed a “three cornered amalgamation” pursuant to an acquisition and amalgamation agreement (“Amalgamation Agreement”) dated March 25, 2014 among Boomerang Oil Inc. (formerly 0922327 B.C. Ltd.) (“Boomerang”), S Corp, and 2301840 Ontario Inc. (“Newco”), a wholly-owned

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5. CAPITAL STOCK (Continued)

subsidiary of Boomerang incorporated solely for the purpose of completing the Amalgamation. Pursuant to the Amalgamation Agreement, SCorp amalgamated with Newco to form a combined entity ("Amalco") and Boomerang issued 70,000,000 common shares in the capital of Boomerang to the holders of common shares in the capital of SCorp on the basis (1:1) or one share of Boomerang common stock for one share of common stock of SCorp held by the SCorp shareholders. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired.

On March 31, 2014, the Company completed a private placement for \$20,000 and 100,000 common shares of the company at \$.20 per share as of September 30, 2014 have not been issued but have been reported as stock payable.

On December 3, 2014 the Company issued 185,000 common shares to several individuals for services rendered in the aggregate amount of \$75,850.

Stock Options:

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at and during the period ended December 31, 2014 and December 31, 2013 no options were granted or outstanding.

6. MINERAL PROPERTY INTEREST

On September 29, 2011, Silican entered into a Letter of Intent with Crystal Peak Abrasives Ltd. ("Crystal") and the shareholders of Crystal Peak Abrasives Ltd. (the "Vendor"), owners of 100% of the issued and outstanding capital stock of Crystal, with respect to a proposed transaction in which Silican was to form a subsidiary (the "Company") to purchase all of the issued and outstanding capital stock of Crystal (the "Shares") from the Vendor. Crystal has a Garnet property, consisting of 2 crown reverted Grants and 2 unpatented map staked claims, which is located on Mount Riordan in the Osoyoos Mining Division of British Columbia at Latitude 49°24' North and Longitude 119° 55' West, between Hedley and Penticton British Columbia. The property is located 2 kilometres west of the Apex Ski Village and 7 kilometres east of the Nickel Plate Gold Mine and 300 kilometres east of Vancouver British Columbia. The Company was to purchase the capital stock of Crystal (the "Purchase Price"), subject to the terms and conditions of the Definitive Agreement. The Purchase Price was to be paid on the date of closing by the issuance of Approximately 39,000,000 post-consolidated common shares of the capital stock of the Company at a deemed price of \$0.10 per common share to the Vendor. The exact number of shares to be issued by the Company was to be determined prior to entering into the Definitive Agreement.

Boomerang Oil, Inc.

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6. MINERAL PROPERTY INTEREST (Continued)

On April 12, 2012, Silican assigned the Crystal Peak LOI to the Company as part of the Plan of Arrangement discussed above. On June 22, 2012, the Company entered into another Letter of Intent with Railhead Resources Ltd. (“Railhead”) and the shareholders of Railhead Resources Ltd. (the “Vendor”), owners of 100% of the issued and outstanding capital stock of Railhead, with respect to a proposed transaction in which the Company was to purchase all of the issued and outstanding shares of Railhead. Railhead owns 100% of the RHG property in northern British Columbia, Canada and has options to earn a 100% interest in several properties in Nevada, USA namely Quartz Mountain, Downeyville, Ellsworth, San Juan, Troy, Grant, Irwin, Willow. In addition, Railhead has the option to a 100% interest in the San Jose project in Honduras. The RHG property consist of eleven contiguous claims covering 3,501 hectares and lies approximately 115 kilometres southwest of Dease Lake, British Columbia and 35 kilometers west of Telegraph Creek, BC. An independent technical report which is NI 43- 101 compliant was be completed on the RHG property prior to entering into a definitive agreement. The Company was to purchase the capital stock of Railhead (the “Purchase Price”), subject to the terms and conditions of the Definitive Agreement. The Purchase Price was to be paid on the date of closing by the issuance of approximately 32,000,000 common shares of the capital stock of the Company at a deemed price of \$0.20 per common share to the Vendor. The exact number of shares to be issued by the Company shall be determined prior to entering into the Definitive Agreement.

The Company has decided to let this letter of intent lapse and not pursue the mining sector.

7. ACQUISITION OF OIL AND GAS INTERESTS FROM RELATED PARTIES

On January 1, 2014, Shale Corp. (“Shale”) acquired a 50.0% Working Interest and 37.5% corresponding Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, and pro rata oil & gas revenue and reserves for all depths below the surface to 8,500 feet pursuant to an asset acquisition agreement between Mondial Ventures Inc., a US based publically traded company and Shale.

On January 22, 2014, the Company entered into a binding letter of intent with Shale to acquire all of the issued and outstanding capital stock of Shale by way of a three-cornered amalgamation (the “Amalgamation”). On March 25, 2014, the Company and Shale entered into a definitive amalgamation agreement (the “Amalgamation Agreement”) which provided for the Company to acquire Shale’s oil and gas assets by amalgamating Shale with a wholly owned subsidiary which would be incorporated in Ontario for the sole purpose of effecting the Amalgamation. On April 8, 2014, the Company’s wholly owned subsidiary, 2301840 Ontario Inc. (herinafter “Subco”) amalgamated with Shale, and Shale shareholders were issued 70,000,000 common shares in the capital of the Company on a 1:1 basis; whereby, one share of the Company was exchanged for one share of Shale held by the Shale shareholders.

The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired. The assets have further been pledged as collateral for security on certain notes (see Section 4 in this report on “Commitments”).

Boomerang Oil, Inc.

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7. ACQUISITION OF OIL AND GAS INTERESTS FROM RELATED PARTIES (Continued)

Included in the transaction, the Company will also acquire 50.0% Working Interest and 37.5% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft. As consideration for the transaction the Company agreed to authorize, and issue to Mondial Ventures, Inc. 47,000,000 shares of common stock, for the assets, and assumption of \$438,880 in related debt. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired. The acquired leases and the property to which they relate are identified below:

North 40 acres: J.B. TUBB "18-1", being the W1/2 of the NW1/4 of Section 18, Block B-20, Public School Lands, Ward County, Texas, containing Forty (North 40) acres only.

Well-bore located on South 40 acres: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W 1/2 of the NW 1/4 of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

The following wells are located on the leases identified, above:

1. Crawar #1
2. Tubb #18-1
3. Highland Production Company(Crawar) #2 well-bore only, with depth of ownership 4700' to 4900' ft. in well bore, described as: The Highland Production Company (Crawar) #2 well-bore, API No. 42- 475-33611, located on the J.B. Tubb Lease in W 1/2 of the NW 1/4 of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

Listing for the Equipment items related to the wells on the leases on the J.B. Tubb Leasehold Estate (RRC #33611) Amoco/ Crawar field are as follows:

The following is the current & present equipment list that the Company will acquire 50.0% ownership rights, on the J.B. Tubb property: 2 (Two) 500 barrels metal tanks, 1(One) 500 barrel cement salt water tank- (open top), 1 (One) heater treater/oil & gas separator, all flow lines, on the north forty acres, well-heads, 2 (two) Christmas tree valve systems on well-heads, 3 (Three) well heads, three wells (well-bores). Model 320D Pumpjack Serial No. E98371M/456604, One (1) Fiberglass lined heater-treater, One (1) Test pot, Tubing string Rods and down hole pump. Additionally, pursuant the Company has acquired the full assignment and transfer of Mondial Ventures, Inc. interests in:

- (1) Participation Agreement with Success Oil Co., Inc. for turnkey drilling, re-entry, and multiple wells, with all extensions and amendments located therein; and

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7. ACQUISITION OF OIL AND GAS INTERESTS FROM RELATED PARTIES (Continued)

(2) Definitive Short Form Agreement with Energy Producers, Inc., a wholly owned subsidiary of EGPI Fire Creek, Inc. and CUBO Energy, PLC, both related parties, for the evaluation and potential acquisition for up to 100% oil and gas working interests in Callahan, Stephens, and Shakelford Counties, Texas.

Under the terms of the Participation agreement, the Company shall acquire the option to provide \$1.6 million on a best efforts basis for Capital Expenditures (CAPEX) development fund for drilling an Ellenburger Well on the South 40 acreage to 8,300' foot depth on a turnkey basis with Success Oil as the Operator and Co-Owner, through completion of the well to the tanks. Accordingly, the Company will receive 75% Working Interests and a corresponding 56.5% Net Revenue Interests until payout, and thereafter upon payout will receive 50% Working Interest and a corresponding 37.5 Net Revenue Interest. Additionally, under the terms of the Definitive Short Form Agreement, Shale shall acquire 50% working interests and corresponding 32% net revenue interest in oil and gas leases representing an aggregate total of 240 acre leases, reserves, three wells, and equipment located in Callahan, Stephens, and Shakelford Counties, West Central Texas.

8. PROPERTY AND EQUIPMENT

	Cost		
	Equipment	Petroleum Natural Gas Properties	Total
Balance, September 30, 2013	\$ 47,580	\$ 1,178,44	\$ 1,226,12
Acquisition			(16,665)
Depreciation/Depletion			(40,421)
Impairment loss	-	(40,421)	(40,421)
Balance, December 31, 2014	\$ 37,147	\$	\$
<i>Accumulated depletion and depreciation</i>			
Balance, December 31,	\$ -	\$ -	\$ -
Depletion and depreciation for the year	-	-	-
Balance, September 30,	8,567	\$	\$
Depletion and depreciation for the quarter	1,866	201	2,067
Balance, December 31,	\$ 10,433	\$ 6,232	\$ 16,665
Carrying value			
At December 31, 2013	\$ -	\$ -	\$ -
At December 31, 2014	\$ 37,147	\$	\$ 1,168,938

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8. PROPERTY AND EQUIPMENT (Continued)

At September 30, 2014, the company assessed the recoverability of its investment in petroleum and natural gas properties by performing an impairment test at the cash-generating unit level. The recoverable amount of each cash-generating unit was estimated based on the higher of the value in use and the fair value less costs to sell. The estimated fair value less costs to sell was used and was determined using estimated future cash flows based on estimated reserves, discounted at 10%, with prices as noted below. Based on the impairment test, the carrying amount of the investment in petroleum and natural gas properties was determined to be impaired in the amount of \$40,421 relating to wells API 42-475-33523 and API 42-475-33611. This amount was recognized in profit or loss for the year. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. The property and equipment are collateral for the debt balances for TWL Investments, LLC and Tom Richards (please see Section on “Commitments” listed in this Report).

9. EXPLORATION AND EVALUATION ASSETS

a. The company has capitalized the following amounts:

	2014	2013
Petroleum and natural gas properties:		
Lease holdings (i)	\$ 1,131,791	\$ -
Mineral exploration properties (ii)	-	-
	\$ 1,131,791	\$ -

The acquired leases and the property to which they relate are identified below:

North 40 acres: J.B. TUBB “18-1”, being the W1/2 of the NW1/4 of Section 18, Block B-20, Public School Lands, Ward County, Texas, containing Forty (North 40) acres only.

Well-bore located on South 40 acres: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

The following wells are located on the leases identified, above:

Well No.	API No.
Tubb Well #18-1	API 42-475-34136-0000
Crawar Well No.#1	API 42-475-33523
*Crawar Well No.#2	API 42-475-33611

Highland Production Company (Crawar) #2 well-bore only, with depth of ownership 4700’ to 4900’ft. in well bore, and 3800’ to 4,000’ in well bore, described as: The Highland Production Company (Crawar) #2 well-bore, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas. The transaction was a related party transaction and as a result no step up in basis was provided

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and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired. The property and equipment are collateral for debt balances on notes (see Section 4 on “Commitments”).

9. EXPLORATION AND EVALUATION ASSETS (Continued)

The Company additionally holds an Amended Participation Agreement (“APA”) for prospect well drilling programs including turn-key, re entry and multiple wells. The initial drilling and development program includes option for certain terms for drilling the Ellenburger formation to 8,400’ foot depth, followed by drilling and development in the Waddel formation to 7,700-7,900’ foot depth, and thereafter the Wolfcamp formation at approximately 6,200’ foot depth, and under the terms of this Agreement on the Leases, an adequate depths to evaluate/test the Objective Depth for each formation. These prospects with proved undeveloped reserves are also located on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

The Company attempts to maintain all of its operating wells in good working condition. Success Oil Co., Inc. (Success) a Texas corporation, and licensed operator, is familiar with the oil and gas business in the area.

Success will operate the Company’s interests in the properties overseeing production and maintenance activities for its oil wells, equipment and other development activities for the leases.

The Material terms of the Operating Agreement include:

Success is an independent contractor and operates the subject properties on a contract basis pursuant to the AAPL form operating agreement according to our share of Working Interests with a \$225 for our share per producing well per month overhead fee and \$250.00 pumper fee per our share per well (presently for 3 wells) respectively plus electricity, chemical treatment, and other intangible repair items. All other charges whether by Success, an affiliate of Success or third parties will be the responsibility of the working interest owners of the properties. Success will furnish the monthly Lease Operation Expense and various activity reports to the Company’s wholly owned subsidiary Energy Producers, Inc. Upon production being sold, run checks (payments) expected from future sales of oil and gas are to be sent to the operator from the purchasers for oil and gas produced. Sunoco is initially designated as the gatherer for the oil and Targa Midstream for the natural gas. Success is to administrate monthly activities, and after payment of management, consulting, and lease-operating expenses (LOE’s), it collects and compiles the Joint Interest Billing (JIB) Statements and prepares certain reports and financial statements related to production income and expenses for monthly delivery to Company’s accounting for compilation along with its share of the payment to be received according to its interests.

10. ASSET RETIREMENT OBLIGATION (ARO)

The ARO is recorded at fair value and accretion expense is recognized as the discounted liability is accreted to its expected settlement value. The fair value of the ARO liability is measured by using expected future cash outflows discounted at the Company’s credit adjusted risk free interest rate.

Amounts incurred to settle plugging and abandonment obligations that are either less than or greater than amounts accrued are recorded as a gain or loss in current operations. Revisions to previous estimates, such as the estimated cost to plug a well or the estimated future economic life of a well, may require adjustments to the ARO and are capitalized as part of the costs of proved oil and natural gas property.

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10. ASSET RETIREMENT OBLIGATION (ARO) (Continued)

The following table is a reconciliation of the ARO liability for continuing operations for the quarter ended December 31, 2014 and December 31, 2013.

	<u>December 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Asset retirement obligation at the beginning of period	\$ 9,174	\$ -
Dispositions	-	-
Accretion expense	(48)	-
Asset retirement obligation at the end of period	<u>\$ 9,126</u>	<u>\$ -</u>

11. DETAIL OF GENERAL AND ADMINISTRATIVE EXPENSES:

	For the three months ended December 31,	
	<u>2014</u>	<u>2013</u>
Administration	61,349	497
Professional Fees	50,513	-
Total	<u>\$ 111,862</u>	<u>\$ 497</u>

12. RELATED PARTY TRANSACTIONS

In the quarter ended December 30, 2014, the CEO of the Company Dennis R. Alexander, has provided office space for the Company's Paradise Valley Arizona office free of charge.

During the quarter ended December 31, 2014, the Company incurred obligations payable to a director, Brendan Purdy, for services rendered in the amount of \$2,260 and advances paid for Company invoices of \$1,539, a total of \$3,799 which is included in Accounts Payable.

As at December 31, 2014 included in the accounts payable and accrued liabilities are amounts owing to directors and officers of the company; \$110,175 to Global Media Network, USA, Inc. a Corporation wholly owned by Dennis R. Alexander and \$ 38,547 to Joanne M. Sylvanus. These amounts are for services rendered in the operation and management of the Company and are unsecured, non-interest bearing with no specified terms of repayment.

13... CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the

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items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisition and secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

14. CONCENTRATIONS AND RISKS

During the three months ended December 31,2014, revenue generated under the top two customers accounted for 100 % of the Company's total revenue. Concentration with a single or a few customers may expose the Company to the risk of substantial losses if a single dominant customer stops conducting business with the Company. Moreover, the Company may be subject to the risks faced by these major customers' ability to stay in business and make timely payment.

15. CONTINGENCIES

The Company has certain notes that become convertible in the future and potentially result in dilution to our common shareholders.

16. SEGMENT INFORMATION

During the period ended December 31, 2014, the Company had one reportable operating segment, being the acquisition, exploration, and disposition in mineral property located in one geographical segment, Texas.

17. SUBSEQUENT EVENTS

In October, November, December 2014 and January 2015 the Registrant entered into an amended a Modification and Extension(s) to "Amended Participation Agreement" dated January 21, 2014. The Modification and Extensions again updates and extends Exhibit "B" of an Asset Purchase Agreement made and entered into as of January 21, 2014, the Effective Date ("Effective Date"), by and among Shale Corp., a corporation organized under the laws of the Province of Ontario in Canada with its principal place of business located at 365 Bay St, Suite 400, Toronto On, M5H 2V1(the "Company"), and the Investor acting as the Company, along with approvals from Success Oil Co., Inc., its Operator and Partner, EGPI Firecreek, Inc. via its wholly owned subsidiary Energy Producers, Inc., Partner, and TWL Investments, LLC, investing participants, to amend, modify and extend Section II. Paragraph one thereto, giving extra time to the Participation Agreement originally allowing for six (6) months (through June 30, 2014 unless mutually extended by all parties thereto) now extended by the January 31, 2014 extension to February 28, 2014 (unless mutually extended by all parties thereto) for participants to deliver to Operator Participant's share of the Turnkey Cost to Casing Point for drilling of the first Prospect Well.

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Notes to the Unaudited Condensed Interim Financial Statements, December 31 2014
(Expressed in Canadian Dollars)

In October, November, December 2014 and of recent in January 2015 the Company entered into its now most recent at January 31, 2015 Tenth Amendment to a Modification, Amendment, and Further Extension of the Agreement to Extend Option dated effective on December 31, 2013 between EGPI Firecreek, Inc. on behalf of itself and all of its wholly owned subsidiaries including, but not limited to, Energy Producers, Inc. (“EPI”), and the Company, which is amended to be by and through 2301840 Ontario Inc., a wholly owned subsidiary of Boomerang Oil, Inc. (formerly 0922337 BC LTD) (“Boomerang”), now a Majority owned subsidiary of the Company. The parties thereto, as amended, having earlier entered into an Agreement to Extend Option with Success Oil Co., Inc., (“Success”) along with all the parties to wit, agreed summarily to i) further extend the Option Agreement through February 29, 2015 unless further modified or extended by the parties in writing, and ii) in summary, to allow certain past due capital expenditure costs in the total aggregate amount of \$200,000 historically held by Success to begin to be paid out of available cash flow on a monthly basis from the Joint Interest Billings, and from only the current producing economic wells and interests, pro rata, not to include future wells, and to begin after April 6, 2014 for the January 2014 forward billings, until paid, unless otherwise negotiated to the satisfaction of Success.

In January and February 2015 the Company recorded good faith advances made during November and December of 2014 and January and February of 2015 in the amount of CAD 72,135.23. The funds are in behalf of a 2 million dollar planned Equity Facility with accredited investors. The Equity facility when completed will provide a draw down funding with funded amounts to be settled quarterly via issuance of private placement shares at a 20% discount to market.

In December 2014 the Parent Company which owns majority ownership of the Company issued 10,000 of its common stock holdings representing .02% of 1% thereof to an affiliate for accrued services payable.

In December 2014 the Parent Company which owns majority ownership of the Company issued 75,000 shares of common stock holdings representing .16% of 1 % thereof in behalf of general corporate, legal and advisory services.

In December 2014 the Parent Company which owns majority ownership of the Company issued 100,000 shares of common stock holdings representing .21% of 1% thereof on behalf of loans, borrowings, and business services rendered.

In January 2015 the Parent Company which owns majority ownership of the Company issued 30,000 of its common stock holdings representing .06% of 1% thereof to an affiliate for accrued services payable.

In January 2015 the Parent Company which owns majority ownership of the Company issued 300,000 shares of common stock holdings representing .64% of 1% thereof in behalf of general corporate, legal and advisory services.

In January 2015 the Parent Company which owns majority ownership of the Company issued 50,000 shares of common stock holdings representing .11% of 1% thereof on behalf of loans, borrowings, and business services rendered.