GENOVATION CAPITAL CORP

(FORMERLY ASEAN ENERGY CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN CANADIAN DOLLARS)

APRIL 30, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Genovation Capital Corp. (formerly Asean Energy Corp.)

We have audited the accompanying consolidated financial statements of Genovation Capital Corp. (formerly Asean Energy Corp.), which comprise the consolidated statements of financial position as at April 30, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Genovation Capital Corp. (formerly Asean Energy Corp.) as at April 30, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Genovation Capital Corp. (formerly Asean Energy Corp.) ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

August 27, 2015

NEXIA INTERNATIONAL

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GENOVATION CAPITAL CORP.
(Formerly Asean Energy Corp.)
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
As at April 30

	Notes	2015 $	2014 $
ASSETS			
Current			
Cash and cash equivalents		10,539	272,644
Receivable		8,249	75,627
Due from related parties	4, 11	-	25,783
Advances receivable	5	93,650	-
Prepaid expenses		-	47,000
		112,438	421,054
Investment in Servomarin Industries Corporation	6	250,000	-
Equipment	7	3,661	6,313
TOTAL ASSETS		366,099	427,367
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current			
Accounts payable and accrued liabilities		211,857	196,037
Due to related company	11	27,149	-
Promissory note payable	12	132,160	-
		371,166	196,037
Shareholders' equity (deficiency)			
Share capital	8	5,125,795	3,950,730
Contributed surplus	8	936,485	698,979
Subscriptions received in advance		-	562,010
Deficit		(6,067,347)	(4,980,389)
		(5,067)	231,330
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		366,099	427,367

Nature and continuance of operations (Note 1)
Contingent liability (Note 15)
Subsequent events (Note 16)

Approved on behalf of the Board on August 27, 2015:

Signed	Signed
"Robert van Santen" Director	*"Wayne M. Koshman"* Director

The accompanying notes are an integral part of these consolidated financial statements

GENOVATION CAPITAL CORP.
(Formerly Asean Energy Corp.)
Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the year ended April 30

	Notes	2015 $	2014 $
General and Administrative expenses			
Advertising and promotion		10,636	44,517
Consulting fees		70,150	99,710
Depreciation	7	2,178	2,161
Insurance		13,415	11,660
Interest and bank charges	11	35,101	4,137
Management fees	11	284,583	403,167
Office, rent and miscellaneous	11	54,495	65,985
Professional fees	11	107,619	70,746
Share-based compensation	8, 11	237,506	144,414
Telephone		12,664	26,897
Travel and business development		32,399	31,414
Transfer agent and filing fees		37,929	24,016
		898,675	928,824
Overseas project development			
Consulting fees		90,062	154,914
Management fees	11	34,500	124,700
Professional fees		8,685	26,064
Project investigation costs		-	87,972
Travel expenses		120,052	227,703
		253,299	621,353
Net loss before other items		(1,151,974)	(1,550,177)
Other income		10,165	-
Foreign exchange gain (loss)		(7,588)	34,117
Write down of accounts payable		-	71,006
		2,577	105,123
Loss and comprehensive loss for the year		(1,149,397)	(1,445,054)
Basic loss per share		(0.14)	(0.26)
Fully diluted loss per share		(0.14)	(0.26)
Weighted average number of shares outstanding		8,319,341	5,612,050

The accompanying notes are an integral part of these consolidated financial statements

GENOVATION CAPITAL CORP.
(Formerly Asean Energy Corp.)
Consolidated Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital		Contributed	Subscriptions received in		
	Number	Amount	Surplus	advance	Deficit	Total
		$	$	$	$	$
Balance, April 30, 2013	4,888,320	2,956,691	554,565	-	(3,535,335)	(24,079)
Shares issued for cash	1,817,500	965,000	-	-	-	965,000
Shares issued to settle debt	91,436	45,718	-	-	-	45,718
Subscriptions received in advance	-	-	-	562,010	-	562,010
Share issuance costs	-	(16,679)	-	-	-	(16,679)
Share based compensation	-	-	144,414	-	-	144,414
Loss for the year	-	-	-	-	(1,445,054)	(1,445,054)
Balance, April 30, 2014	6,797,256	3,950,730	698,979	562,010	(4,980,389)	231,330
Shares issued for cash	2,139,346	1,091,610	-	-	-	1,091,610
Shares issued to settle debt	102,499	87,125	-	-	-	87,125
Subscriptions received in advance	-	-	-	(562,010)	-	(562,010)
Share issuance costs	-	(3,670)	-	-	-	(3,670)
Divestiture of subsidiaries (Note 8)	-	-	-	-	92,000	92,000
Transaction costs relating to divestiture of subsidiaries (Note 9)	-	-	-	-	(29,561)	(29,561)
Share based compensation	-	-	237,506	-	-	237,506
Loss for the year	-	-	-	-	(1,149,397)	(1,149,397)
Balance, April 30, 2015	**9,039,101**	**5,125,795**	**936,485**	**-**	**(6,067,347)**	**(5,067)**

The accompanying notes are an integral part of these consolidated financial statements

GENOVATION CAPITAL CORP.
(Formerly Asean Energy Corp.)
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)
For the year ended April 30

	2015	2014
	$	$
OPERATING ACTIVITIES		
Loss for the year	(1,149,397)	(1,445,054)
Adjustment for non-cash items:		
Depreciation	2,178	2,161
Write-down of accounts payable	-	(71,006)
Share-based compensation	237,506	144,414
Interest expenses	20,160	-
Foreign exchange	7,602	-
Other income	(165)	-
	(882,116)	(1,369,485)
Working capital adjustments		
Accounts receivable	67,380	(47,372)
Due from related parties	-	7,455
Advances receivable	(293,650)	-
Refundable deposit	-	99,214
Prepaid expenses	47,000	(38,012)
Accounts payable and accrued liabilities	192,804	(65,472)
	(868,582)	(1,413,672)
INVESTING ACTIVITIES		
Equipment sale (purchase)	1,784	(7,427)
Deposit	-	52,500
Due to related company	27,149	-
	28,933	45,073
FINANCING ACTIVITIES		
Proceeds from share issuance	495,105	965,000
Share subscriptions received in advance	-	562,010
Share issuance costs	-	(13,492)
Transaction costs relating to divestiture of subsidiaries	(29,561)	-
Proceeds from promissory note payable	112,000	-
	577,544	1,513,518
NET CHANGE IN CASH AND CASH EQUIVALENTS	(262,105)	144,919
Cash and cash equivalents, beginning of year	**272,644**	**127,725**
Cash and cash equivalents, end of year	**10,539**	**272,644**
Supplemental disclosure with respect to cash flows:		
Equipment purchases accrued through accounts payable and accrued liabilities	1146	-
Share issuance costs accrued through accounts payable and accrued liabilities	3,670	16,679
Advances settled through the investment in subsidiary	250,000	-

(See next page for additional supplemental disclosure)

The accompanying notes are an integral part of these consolidated financial statements

Cash flow supplemental disclosure– additional items:

	2015	**2014**
	$	**$**
Due from related parties offsetting accounts payable	25,783	-
Divestiture of subsidiaries	92,000	-
Issuance of bonus shares on behalf of a spin-out subsidiary	50,000	-
Shares issued to settle debt	163,620	-
Share subscriptions received in advance	562,010	-

1. NATURE AND CONTINUANCE OF OPERATIONS

Genovation Capital Corp. (formerly Asean Energy Corp.) (collectively with its subsidiary, the "Company") was incorporated under the laws of British Columbia on January 14, 1981. On August 22, 2014 the common shares of the Company were voluntarily delisted from TSX-V. The Company changed its name to "Asean Energy Corp." and its common shares commenced trading on the Canadian Securities Exchange ("CSE") under trading symbol "ASA" on August 25, 2014. On April 15, 2015, the Company consolidated its share capital on a 10:1 basis. All share and per share amounts have been restated to reflect the consolidation. Effective on August 20, 2015 the Company changed its name to "Genovation Capital Corp." and its common shares commenced trading under the trading symbol "GEC" on the CSE.

The Company is engaged in the oil and gas sector, acquiring, exploring and developing resource properties.

The address of the Company's registered and records office and head office address is Suite 700, 1199 West Hastings Street, Vancouver, British Columbia, Canada V6E 3T5.

The consolidated financial statements were prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation.

The Company has incurred losses since its inception and had an accumulated deficit of $6,067,347 as at April 30, 2015. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Management of the Company does not expect that cash flows for the Company's operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

On September 17, 2013 the Company acquired 100% of the shares of Petrodyn Holdings S.A from a related party by reimbursing the related incorporation and set up costs. Petrodyn Holdings S.A is incorporated under the laws of the Territory of the British Virgin Islands ("BVI"). The Company's inactive wholly-owned BVI subsidiary underwent a name change to Asean Energy Holdings Corp. and later to Servomarin Holdings S.A. All the shares of this subsidiary were transferred to Servomarin Industries Corporation, formerly 1016183 B.C. Ltd ("SIC") on March 11, 2015, pursuant to a spinout transaction (See Note 9, Plan of Arrangement).

The consolidated financial statements of the Company for the year ended April 30, 2015 were authorized for issue by the Board of Directors on August 27, 2015.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. BASIS OF PREPARATION-*continued*

Basis of preparation

These consolidated financial statements have been prepared on the accrual basis of accounting except for cash flow information, and on historical cost basis except for certain financial assets measured at fair value. The financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

Critical accounting estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss.

ii) The valuation of shares issued in non-cash transactions, including the settlement of debt. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

iii) The treatment of accounts payable and accrued liabilities written off through the statements of comprehensive loss requires certain management judgments. Management believes that the related vendors will not pursue payment from the Company or its subsidiary. Further, these accounts payable relate to operations in a geographical segment the Company is no longer active in and therefore management has no current intention to pay these amounts.

iv) Going concern presentation of the consolidated financial statements which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its former wholly-owned subsidiary, Servomarin Holdings S.A. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The subsidiary is included in the consolidated financial statements from the date control commence until March 11, 2015 when control ceased.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Functional and presentation currency

The functional currency of the Company and its subsidiary is the Canadian dollar as this is the principal currency of the economic environment in which they operate. The Canadian dollar is also the Company's presentation currency. Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position are comprised of cash and short-term deposits held at major financial institutions, which are readily convertible into known amounts of cash. The Company's cash and cash equivalents are invested in business and savings accounts which are available on demand by the Company for its operations.

Cash and cash equivalents consist of:

	April 30, 2015	**April 30, 2014**
Cash	$ 4,789	$ 261,144
Term deposits	5,750	11,500
Total	$ 10,539	$ 272,644

Financial instruments

i. Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories and investment in entities that are not subsidiaries, joint ventures or investments in associates are designated as available-for-sale. They are carried at

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Financial instruments-*continued*

fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

ii. Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - This category consists of liabilities carried at amortized cost using the effective interest method.

The Company has classified its cash and cash equivalents as fair value through profit and loss, its investment in Servomarin Industries Corporation as available-for-sale, its receivables and due from related parties as loans and receivables and its accounts payable, and accrued liabilities, due to related company and promissory note payable as other financial liabilities.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated using a declining balance method to write off the cost of the assets. The depreciation rates applicable to each category of property and equipment are as follows:

Computer equipment	55% Declining balance
Office equipment	20% Declining balance

Exploration and evaluation assets

The Company's evaluation, pre-exploration and exploration costs incurred prior to obtaining title are expensed as incurred as project development expenses. Acquisition costs are capitalized upon obtaining title or right to a property interest.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Exploration and evaluation assets-*continued*

No amortization charge is recognized in respect of capitalized exploration and evaluation assets. These assets are transferred to development assets in property, plant and equipment upon the commencement of development.
Exploration and evaluation expenditure in the relevant area of interest comprises costs which are directly attributable to:

- Surveying, geological, geochemical and geophysical;
- Exploratory drilling;
- Land maintenance;
- Sampling; and
- Assessing technical feasibility and commercial viability.

Acquisition costs related to an area of interest where the Company has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Capitalized exploration and evaluation expenditures also include the costs incurred in acquiring exploitation rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

All capitalized exploration and evaluation expenditures are assessed for impairment if facts and circumstances indicate that impairment may exist. In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

Impairment of non-financial assets

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

i. Environmental rehabilitation provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Provisions-*continued*

reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no rehabilitation obligations as at April 30, 2015 or April 30, 2014.

ii. Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of the options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value is recognized as an expense with a corresponding increase in contributed surplus. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in contributed surplus. Consideration paid for the shares on the exercise of stock options is credited to share capital.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Income taxes-*continued*

Deferred tax is calculated by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the net earnings (loss) available to common shareholders of the Company 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 shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New accounting standards and interpretation

The following standards and amendments to existing standards have been adopted by the Company effective May 1, 2014:

These include IAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities, IAS 36 (Amendment) Recoverable Amount Disclosures for Non-Financial Assets, and IFRIC 21 Levies. The Company has adopted these policies and they did not have a significant effect on the financial statements. As required by IAS 34, the nature and the effect of these changes are disclosed below.

The nature and the impact of each new standard are described below:

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

New accounting standards and interpretation-*continued*

The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21, Levies

IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy.

Accounting standards not yet effective

IFRS 7, *Financial Instruments – Disclosure*

IFRS 7 has been amended to require additional disclosures on transition from IAS 39 to IFRS 9 and is effective for annual periods beginning on or after January 1, 2015.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after January 1, 2017.
In May 2015, IASB proposed to defer the effective date to January 1, 2018.

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

4. DUE FROM RELATED PARTIES

Amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. As at April 30, 2015 there is a balance outstanding of $Nil (April 30, 2014 - $25,783).

(Expressed in Canadian Dollars)

5. ADVANCES RECEIVABLE

The total balance of $93,650 for advances receivable (April 30, 2014 - $nil) relates to funds advanced to Servomarin Sdn. Bhd ("SSB") for implementation of its business plan, is unsecured, and repayable on demand.

6. INVESTMENT IN SERVOMARIN INDUSTRIES CORPORATION

Under the terms of its Letter Of Intent with SSB, The Company advanced $250,000 (the "Loan") to SSB towards the costs of implementing its business plan. SIC acquired SSB, as approved by the shareholders of both companies. The Company agreed to settle the Loan in full, with no deemed interest or bonus, through the issue of 5 million shares of SIC to the Company, at a cost of $0.05 per share, resulting in the ownership of 7% of SIC.

The SIC shares have been designated as available-for-sale and are subject to impairment assessment. As at April 30, 2015, no unrealized gain or losses have been recognized in other comprehensive income.

7. EQUIPMENT

	Computer Equipment
Cost:	
At April 30, 2013	$ 3.874
Additions	5,351
As at April 30, 2014	9,225
Additions	1,146
Disposition	(2,000)
At April 30, 2015	$ 8,371
Depreciation:	
At April 30, 2013	$ 751
Charges for the year	2,161
At April 30, 2014	2,912
Change for the year	2,178
Disposition	(380)
At April 30, 2015	$ 4,710
Net book value:	
At April 30, 2014	$ 6,313
At April 30, 2015	$ 3,661

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized share capital

The Company is authorized to issue an unlimited number of common and preferred shares with no par value.

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS-*continued*

Authorized share capital-*continued*

Issued shares*:*

1. On July 8, 2013 the Company completed a non-brokered private placement of 187,500 units at a price of $0.80 per unit for gross proceeds of $150,000. Each unit consisted of one common share and one half common share purchase warrant, with one full warrant entitling the holder to purchase one common share of the Company for $2.00 up to July 8, 2014, subject to acceleration conditions.

2. On October 18, 2013 the Company completed a non-brokered private placement of 630,000 units at a price of $0.50 per unit for gross proceeds of $315,000. Each unit consisted of one common share and one half common share purchase warrant, with one full warrant entitling the holder to purchase one common share of the Company for $2.00 up to October 18, 2014, subject to acceleration conditions.

3. On November 26, 2013 the Company entered into a shares-for-debt agreement with an arm's length creditor. The Company issued 91,436 shares at a price of $0.50 per unit settling $45,718 of the Company payables. The creditor also wrote-off a further $26,732 of debt owed by the Company to the creditor.

4. On February 18, 2014 the Company completed a non-brokered private placement of 1,000,000 units at a price of $0.50 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one half common share purchase warrant, with one full warrant entitling the holder to purchase one common share of the Company for $2.00 up to February 18, 2015, subject to acceleration conditions.

5. On May 7, 2014 the Company completed a non-brokered private placement of 1,010,016 units at a price of $0.60 per unit for gross proceeds of $606,010, of which $44,000 was exchanged for payables. Each unit consisted of one common share and one half common share purchase warrant, with one full warrant entitling the holder to purchase one common share of the Company for $2.00 up to May 7, 2015, subject to acceleration conditions.

6. On June 23, 2014 the Company entered into a shares-for-debt agreement with an arm's length creditor. The Company issued 102,499 shares at a price of $0.85 per share settling $87,124 of the Company payables.

7. On August 29, 2014 the Company completed a non-brokered private placement of 129,330 units at a price of $0.60 per unit for gross proceeds of $77,600. Each unit consisted of one common share and one-half of a common share purchase warrant, with one full warrant entitling the holder to purchase one common share at a price of $2.00 up to August 29, 2015, subject to acceleration conditions.

8. On December 2, 2014 the Company completed a non-brokered private placement of 540,000 units at a price of $0.50 per unit for gross proceeds of $270,000 of which $12,500 was exchanged for payables. Each unit consisted of one common share of the Issuer, one-half of a common share of SIC, and the right to acquire for no additional consideration a one-half share purchase warrant of SIC, with each full SIC warrant exercisable to acquire one additional common share of SIC at a price of $1.00 for a period of one year from closing of a Plan of Arrangement ("POA") (See Note 9).

9. On January 16, 2015 the Company completed a non-brokered private placement of 460,000 units at a price of $0.50 per unit for gross proceeds of $230,000, of which $20,000 was exchanged for payables and $50,000 was paid on behalf of SIC as a signing bonus to a consultant. Each unit consisted of one common share of the Issuer, and the right to acquire for no additional consideration one-half of a common share of SIC, and a one-half share purchase warrant of SIC, with each full SIC warrant exercisable to acquire one additional common share of SIC at a price of $1.00 for a period of one year from closing of the POA. A change to deficit of $92,000 resulted from the issuance of the SIC share rights and warrants pursuant to the January 16, 2015 share issuance.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS-*continued*

Authorized share capital-*continued*

10. On April 15, 2015 the Company completed consolidating its issued and outstanding common shares on the basis of one (new) post consolidation share for each ten (old) pre-consolidation shares. The Company had 90,391,049 common shares issued and outstanding. Following the consolidation, the Company has 9,039,101 common shares issued and outstanding, and continues to trade on the CSE under the existing stock symbol "ASA", which changed to "GEC" in the subsequent period.

    The exercise or conversion price and the number of common shares issuable under any of the Company's outstanding warrants and stock options have been proportionately adjusted to reflect the Consolidation in accordance with their respective terms thereof. No fractional common shares were issued pursuant to the Consolidation, and any fractional common shares that would otherwise be issued were rounded down or up to the nearest whole number.

Warrants

The Company's warrant transactions are summarized as follows:

	April 30, 2015		April 30, 2014	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of year	2,851,750	1.30	2,325,500	1.20
Issued	569,675	2.00	908,750	2.00
Expired	(2,851,750)	1.30	(382,500)	2.00
Balance, end of year	569,675	2.00	2,851,750	1.30

The following table summarizes the warrants outstanding as at April 30, 2015:

Warrants outstanding	Exercise price $	Expiry date
505,001	2.00	M, 2015
64,664	2.00	August 29, 2015

(1) The Company is entitled to accelerate the expiry date of all the outstanding $2.00 warrants to the date that is 30 days following the date the Company issues a news release announcing that the published closing price of the common shares on the CSE has been equal or greater than $3.00 for any 10 consecutive trading days after the statutory hold period.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS-*continued*

Stock options

The Company has an incentive stock option plan which permits the Board of Directors of the Company to grant options to directors, employees and non-employees to acquire common shares of the Company at fair market value on the date of approval by the Board of Directors. A portion of the stock options vests immediately on the grant date and the balance vests over a period of up to five years from grant date.

The following table summarizes the changes in the outstanding stock options:

	April 30, 2015		April 30, 2014	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Balance, beginning of the year	570,000	1.00	290,000	1.00
Granted	230,000	1.00	400,000	1.00
Expired/cancelled	(130,000)	1.00	(120,000)	1.00
Balance, end of year	670,000	1.00	570,000	1.00
Options exercisable, end of year	545,000	1.00	270,000	1.00

The following table summarizes the options outstanding as at April 30, 2015:

Options outstanding	Options exercisable	Exercise price $	Expiry date
170,000	170,000	1.00	September 26, 2017
400,000	300,000	1.00	November 28, 2018
100,000	75,000	1.00	May 16, 2019
670,000	545,000		

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS-*continued*

Stock options-*continued*

The fair value of options granted is estimated using the Black-Scholes option pricing model with the following assumptions:

	April 30, 2015	April 30, 2014
Average dividend per share	-	-
Average forecasted volatility	156%	144%
Average risk-free interest rate	1.03%	1.07%
Average expected life	5 years	5 years
Fair value – weighted average of options issued	$ 0.78	$0.40

For the year ended April 30, 2015, the Company recorded share-based compensation expense with an offsetting increase to contributed surplus of $237,506 (April 30, 2014 – $144,414).

9. PLAN OF ARRANGEMENT

On October 13, 2014 the Company incorporated SIC as a wholly owned subsidiary. On December 14, 2015 the Company incorporated 1021916 B.C. Ltd. (“916”) as a wholly owned subsidiary. On January 15, 2015 the Company incorporated 1024954 B.C. Ltd. (“954”) as a wholly owned subsidiary. There was a transfer of certain assets to the Company’s three wholly-owned subsidiaries SIC, 916 and 954 (collectively, the “Spincos”) in consideration for the issuance of common shares of the Spincos, and the distribution of these common shares to the Company's shareholders on a pro rata basis.

At its March 2, 2015 AGM shareholders of Asean Energy voted unanimously in favour of the POA.

On March 16, 2015 the Company announced completion of its POA. The Spincos were spun out in consideration for the issuance of common shares of the Spincos to Company shareholders, and the transfer of the Company’s interests in and to each of its three letters of intent to the three Spincos. In accordance with the March 5, 2015 final order from the Supreme Court of British Columbia for the implementation of the Arrangement, the distribution of the Spincos’ common shares (the “Distributed Shares”) to the Company's shareholders of record has been completed on a pro rata basis as follows:

For every 10 shares held of Asean Energy, 1 share of SIC was issued;
For every 25 shares held of Asean Energy, 1 share of 916 was issued;
For every 25 shares held of Asean Energy, 1 share of 954 was issued.

By virtue of the Arrangement and having issued shares to the public, the Spincos are “Reporting Issuers” as defined by the provincial securities commissions.

During the year ended April 30, 2015, the Company recorded nil gain or loss and incurred $29,561 in transaction costs in connection with the Arrangement.

(Expressed in Canadian Dollars)

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015 **$**	**2014** **$**
Loss for the year	(1,149,397)	(1,445,054)
Combined statuary tax rate	26%	26%
Expected income tax recovery at statutory tax rates	(299,000)	(376,000)
Impact of future income tax rates applied versus current statutory rate	1,000	2,000
Share issue costs	(1,000)	(4,000)
Adjustment to prior year provision versus statuary tax returns	18,000	-
Change in unrecognized deductible temporary difference	215,000	354,000
Permanent difference	66,000	24,000
Income tax recovery	-	-

The Company has the following deferred tax assets for which no benefit has been recognized as they may not be used to offset taxable profits elsewhere in the group and they have arisen in companies that have a history of losses.

The significant components of the Company's deferred tax assets are as follows:

	2015 **$**	**2014** **$**
Share issue costs	6,000	7,000
Equipment	1,000	1,000
Allowable capital losses	3,000	3,000
Non-capital losses	1,148,000	932,000
Unrecognized deferred tax assets	(1,158,000)	(943,000)
Net deferred tax assets	-	-

Tax attributes are subject to review and potential adjustments by tax authorities.

(Expressed in Canadian Dollars)

10. INCOME TAXES-*continued*

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statement of financial position are as follows:

	2015 $	**Expiry dates**	**2014** **$**
Share issue costs	22,000	2035-2039	26,000
Equipment	5,000	No expiry date	3,000
Allowable capital losses	13,000	No expiry date	13,000
Non-capital losses	4,415,000	2016-2035	3,583,000

11. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2015, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

i. As at April 30, 2015, $nil (2014 -$25,783) was due from related parties. The amounts due from related parties are unsecured, non-interest bearing and have no fixed terms for repayment.

ii. As at April 30, 2015, $27,149 (2014-$nil) was due to related parties. The amounts due to related parties are unsecured, non-interest bearing and have no fixed terms for repayment.

iii. During the year ended April 30, 2015, $nil (2014-$14,250) was advanced to a company controlled by a family member of a director of the Company.

iv. During the year ended April 30, 2015, $13,000 (2014- $23,500) rent was paid or accrued to companies controlled by a family member of a director and officer of the Company.

v. During the year ended April 30, 2015, a $nil (2014-$25,000) bonus was paid or accrued for services performed by a company controlled by a family member of a director of the Company.

vi. During the year ended April 30, 2015, $nil (2014-$10,000) marketing fees were paid or accrued to a company controlled by a family member of a director of the Company.

vii. As at April 30, 2014, $15,000 (2014-$30,000) for professional fees were paid or accrued for services performed by a company controlled by a family member of a director of the Company.

viii. During the year ended April 30, 2015 $20,160 (2014-$nil) of interest was paid or accrued on the promissory note issued from a family member of a director of the Company.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS-*continued*

Summary of key management personnel compensation is as follows:

	For the year ended April 30, 2015	2014
Share-based compensation*	$ 41,836	$ 84,972
Consulting, management and directors' fees	$ 284,583	$ 403,167
Overseas management, consulting and bonuses	$ 34,500	$ 124,700
Professional fees	$ 13,158	$ -

** The estimated fair value of the stock options granted during the year was determined using the Black-Scholes option pricing model.*

Included in accounts payable and accrued liabilities as at April 30, 2015 was $46,179(2014-$13,000) due to a director.

Included in accounts payable and accrued liabilities as at April 30, 2015 was $7,350 (2014-$nil) due to a company controlled by a family member of a director of the Company.

Included in the promissory note payable as at April 30, 2015 was $112,000 (2014-$nil) due to a company controlled by a family member of a director of the Company.

12. PROMISSORY NOTE PAYABLE

The Company received cumulative working capital loans advanced between January and April 2015 totaling $112,000 as at April 30 2015, from a company controlled by a family member of an officer of the Company. By subsequent agreement, an 18% loan facility fee was charged on the basis that the entire loan and fee would be settled in full through participation in the next private placement financing undertaken by the Company. Therefore an amount of $20,160 was accrued and expensed as interest as at April 30, 2015. In the subsequent period, an additional $15,000 in working capital loans was advanced to the Company and $2,500 was repaid. The entire $124,500 loan and facility and settlement fee was settled in full through participation in a 5-cent per share private placement completed in June 2015.

13. CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity (deficiency).

The Company has historically relied on the equity markets to fund its activities. Current financial markets are very difficult and there is no certainty with respect to the Company's ability to raise capital. The Company will continue to assess new properties and seek to acquire an interest in mineral properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

a. Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
b. Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
c. Level 3 – inputs that are not based on observable market data.

	Financial assets at fair value			
	Level 1	**Level 2**	**Level 3**	**April 30, 2015**
Fair value through profit and loss financial asset				
Cash and cash equivalents	$ 10,539	-	-	$ 10,539
Investment in Servomarin Industries Corp.	$250,000	-	$250,000	$250,000
Total financial assets at fair value	$260,539	-	$250,000	$ 260,539

	Financial assets at fair value			
	Level 1	**Level 2**	**Level 3**	**April 30, 2014**
Fair value through profit and loss financial asset				
Cash and cash equivalents	$ 272,644	-	-	$ 272,644
Total financial assets at fair value	$ 272,644	-	-	$ 272,644

The fair values of the Company's receivables, due from related parties, advances receivable, accounts payable and accrued liabilities and promissory note payable approximate their carrying values due to their short term nature and are classified as a Level 1 measurement.

As market prices are not available and the impact of the unobservable inputs is significant, the fair value measurement of investment in Servomarin Industries Corporation is classified as a Level 3 measurement.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in bank accounts which are available on demand.

Market risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT-*continued*

Foreign currency risk

The Company is nominally exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated US Dollars (USD).

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of raw materials, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. CONTINGENT LIABILITY

The Company is subject to a Civil Lawsuit filed with the Supreme Court of British Columbia. The claim resulted from the plaintiffs' desire to fund and participate in work-overs of PT Sinergi's initial onshore multi-reservoir oil fields, a project that was ultimately never completed. The Company filed a Response and Countersuit.

16. SUBSEQUENT EVENTS

On June 12, 2015 the Company closed a non-brokered private placement of 6,347,200 shares at a price of $0.05 per share for gross proceeds of $317,360, of which $197,000 was exchanged for payables. There are no finders' fees payable in connection with this Offering. All shares issued are subject to a statutory hold period ending on October 13, 2015 in accordance with applicable securities legislation.