Asean Energy Corp

(FORMERLY RIFT BASIN RESOURCES CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED - PREPARED BY MANAGEMENT)

(EXPRESSED IN CANADIAN DOLLARS)

THREE MONTH PERIOD ENDED JULY 31, 2014

ASEAN ENERGY CORP.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Asean Energy Corp. ("the Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Condensed Interim Consolidated Statement of Financial Position
(Unaudited-Expressed in Canadian Dollars)

	Notes	July 31, 2014 $	April 30, 2014 $
ASSETS			
Current			
Cash and cash equivalents		36,057	272,644
Accounts receivable		19,506	75,627
Due from related parties	4, 7	16,461	25,783
Prepaid Expenses		21,068	47,000
		93,092	421,054
Equipment	5	5,766	6,313
		98,858	427,367
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		96,879	196,037
Shareholders' equity			
Share capital	6	4,640,194	3,950,730
Contributed surplus	6	801,857	698,979
Subscriptions received in advance		-	562,010
Deficit		(5,440,072)	(4,980,389)
		1,979	231,330
		98,858	427,367

Nature and Continuance of operations (Note 1)
Contingent liability (Note 10)
Commitments (Note 11)
Subsequent events (Note 12)

Approved on behalf of the Board on September 23, 2014:

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

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

ASEAN ENERGY CORP.
(Formerly Rift Basin Resources Corp.)
Condensed Interim Consolidated Statement of Comprehensive Loss
(Unaudited-Expressed in Canadian Dollars)
For the three months ended July 31

	Notes	Three Months Ended July 31, 2014 $	Three Months Ended July 31, 2013 $
General and Administrative expenses			
Advertising and promotion		9,222	1,667
Consulting fees		15,000	2,000
Depreciation	5	547	391
Insurance		3,040	2,740
Interest and bank charges		831	1,249
Management fees	7	97,500	97,667
Office, rent and miscellaneous		20,767	14,688
Professional fees		20,518	3,544
Share based compensation	6, 7	102,878	26,736
Telephone		9,439	7,455
Travel and business development		9,814	8,336
Transfer agent and filing fees		4,803	4,344
		294,359	170,817
Overseas project development			
Consulting fees		59,347	-
Management fees	7	22,800	-
Professional fees		6,483	27,654
Travel & project investigation expenses		76,622	39,437
		165,252	67,091
Net loss before other items		(459,611)	(237,908)
Other items			
Foreign exchange loss		(72)	(2,428)
Interest income		-	358
		(72)	2,070
Loss and comprehensive loss for the period		(459,683)	(239,978)
Basic net loss per share		(0.01)	(0.00)
Fully diluted loss per share		(0.01)	(0.00)
Weighted average number of shares outstanding		77,848,524	49,820,700

The accompanying notes are an integral part of these condensed interim consolidated financial statement

(Unaudited-Expressed in Canadian Dollars)

	Share Capital					
	Number	**Amount**	**Contributed Surplus**	**Subscriptions received in advance**	**Deficit**	**Total**
		$	$	$	$	$
Balance, April 30, 2013	48,883,200	2,956,691	554,565	-	(3,535,335)	(24,079)
Shares issued for cash	1,875,000	150,000	-	-	-	150,000
Share issuance costs	-	(2,856)	-	-	-	(2,856)
Share based compensation	-	-	26,736	-	-	26,736
Net loss for the period	-	-	-	-	(239,978)	(239,978)
Balance, July 31, 2013	**50,758,200**	**3,103,835**	**581,301**	-	**(3,775,313)**	**(90,177)**
Shares issued for cash	16,300,000	815,000	-	-	-	815,000
Shares issued to settle debt	914,359	45,718	-	-	-	45,718
Subscriptions received	-	-	-	562,010	-	562,010
Share issuance costs	-	(13,823)	-	-	-	(13,823)
Share based compensation	-	-	117,678	-	-	117,678
Net loss for the period	-	-	-	-	(1,205,076)	(1,205,076)
Balance, April 30, 2014	**67,972,559**	**3,950,730**	**698,979**	**562,010**	**(4,980,389)**	**231,330**
Shares issued for cash	10,100,162	606,010	-	(562,010)	-	44,000
Shares issued to settle debt	1,024,995	87,124				87,124
Share issuance costs	-	(3,670)	-	-	-	(3,670)
Share based compensation	-	-	102,878	-	-	102,878
Net loss for the period	-	-	-	-	(459,683)	(459,683)
Balance, July 31, 2014	**79,097,716**	**4,640,194**	**801,857**	-	**(5,440,072)**	**1,979**

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

ASEAN ENERGY CORP.
(Formerly Rift Basin Resources Corp.)
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited-Expressed in Canadian Dollars)
For the three months ended July 31

	Three Months Ended July 31, 2014	**Three Months Ended July 31, 2013**
	$	**$**
OPERATING ACTIVITIES		
Loss for the period	(459,683)	(239,978)
Adjustment for non-cash items:		
Depreciation	547	391
Share based compensation	102,878	26,736
	(356,258)	(212,851)
Working capital adjustments		
Trade and other receivables	56,121	(5,457)
Due from related parties	9,322	38,358
Prepaid expenses	25,932	(34,194)
Trade payable and accrued liabilities	(15,704)	(45,766)
	(280,587)	(259,910)
INVESTING ACTIVITIES		
Equipment purchase	-	(1,499)
	-	(1,499)
FINANCING ACTIVITIES		
Proceeds from share issuance	606,010	150,000
Subscriptions received in advance	(562,010)	-
Share issuance costs	-	(2,856)
	44,000	147,144
NET CHANGE IN CASH AND CASH EQUIVALENTS	(236,587)	(114,265)
Cash and cash equivalents, beginning of period	272,644	127,725
Cash and cash equivalents, end of period	**36,057**	**13,460**

Supplemental disclosure with respect to cash flows:

Equipment purchases accrued through accounts payable and accrued liabilities	-	1,499
Share issuance costs accrued through accounts payable and accrued liabilities	3,670	2,856
Accounts payable and accrued liabilities settled through the issuance of common shares	87,124	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Asean Energy Corp. (collectively with its subsidiary, the "Company") was incorporated as Mayen Minerals Ltd. under the laws of British Columbia on January 14, 1981. On Sept. 25, 2012 the Company changed its name to "Rift Basin Resources Corp." and its common shares commenced trading on the TSX Venture Exchange ("TSX-V") under the trading symbol "RIF" as a Tier 2 mining issuer. On August 12, 2013 the common shares of the Company were delisted from Tier 2 of the TSX-V and commenced trading on the NEX board, in transition to qualifying as an oil and gas issuer. The trading symbol for the Company was changed from RIF to RIF.H.

On August 25, 2014 the Company changed its name to Asean Energy Corp., delisted from the TSX-V and commenced trading on the Canadian Securities Exchange ("CSE") under new CUSIP number 04366T106 and new ISIN CA04366T1066. The Company is an exploration stage enterprise engaged in acquiring, exploring and developing oil and gas properties primarily focused on Southeast Asia.

The address of the Company's registered and record office is Fifteenth Floor, 1055 West Georgia Street Vancouver, British Columbia, Canada V6E 4N7, and the head office address is Suite 400, 409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2

The condensed interim consolidated financial statements were prepared on a going concern basis in accordance with International Financial Accounting 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 $5,440,072 as at July 31, 2014. 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.

The condensed interim consolidated financial statements of the Company for the three months ended July 31, 2014 were authorized for issue by the Board of Directors on September 23, 2014.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS) 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended April 30, 2014.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended April 30, 2014.

2. BASIS OF PREPARATION-*continued*

Statement of compliance-*continued*

Basis of preparation

These condensed interim consolidated financial statements have been prepared on the accrual basis of accounting except for cash flow information, and on an 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 condensed interim 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 previously written off through the statements of comprehensive loss requires certain management judgments. The 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Asean Energy Holdings Corp. 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 commences until the date control ceases.

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

(Unaudited-Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Basis of consolidation-*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:

	July 31, 2014	April 30, 2014
Cash	$ 24,557	$ 261,144
Term deposits	11,500	11,500
Total	$ 36,057	$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.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Financial instruments-*continued*

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at 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 accounts receivable and due from related parties as loans and receivables and its accounts payable and accrued liabilities and loans 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 the statement of income and comprehensive income 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

One-half the normal rate of depreciation is recorded in the year of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

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.

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:

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

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

Exploration and evaluation expenditure also includes 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.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

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 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 the profit and loss statement. The Company had no rehabilitation obligations as at July 31, 2014 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.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

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.

Deferred tax is provided using the liability method, 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 Group intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic and diluted earnings/loss per share data for its common shares, calculated by dividing the earnings/loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings/loss per share does not adjust the earnings/loss attributable to common shareholders or the weight average number of common shares outstanding when the effect is anti-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.

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

Accounting pronouncements adopted

The Company has adopted the following new and revised standards, along with any consequential amendments, effective May 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10 – Consolidated Financial Statements amendment provides clarification on investment entities. The amendments are effective for annual periods beginning on or after January 1, 2013. The Company does not expect any effect on the Company's financial statements.

IFRS 11 – Joint Arrangements supersedes IAS 31, Interests in Joint Ventures and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, Investments in Associates and Joint Ventures. The adoption of IFRS 11 did not affect the Company.

IFRS 12 – Disclosure of Interest in Other Entities establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11. The adoption of IFRS 12 did not affect the Company.

IFRS 13 - Fair Value Measurement, provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on May1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at May 1, 2013.

IAS 27 – Separate Financial Statements amendment provides clarification on investment entities. The amendments are effective for annual periods beginning on or after January 1, 2013. The adoption did not have any effect on the Company's financial statements.

IAS 32 – Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. The amendments are effective for annual periods beginning on or after January 1, 2013. The adoption did not have any effect on the Company's financial statements.

Accounting pronouncements not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended April 30, 2014 and have not been applied in preparing these financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's financial statements for the year ending April 30, 2015 or later:

IFRS 9 – Financial Instruments, as issued in November 2009 and revised in October 2010 has an indefinite adoption date, subject to confirmation by the International Accounting Standards Board. The standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 and divides all financial assets that are currently in the scope of IAS 39 into two classifications; amortized cost and those measured at fair value.

(Unaudited-Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES-*continued*

IAS 16 – Property, Plant and Equipment: The amendment outlines the accounting treatment for most types of property, plant and equipment is initially measured at its cost, subsequently measured either using a cost of revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The amendment is effective for annual periods beginning on or after January 1, 2016. The Company does not expect any effect on the Company's financial statements.

4. DUE FROM RELATED PARTIES

Amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. As at July 31, 2014 there is a net balance outstanding of $16,461 (April 30, 2014 - $25,783).

5. EQUIPMENT

	Computer Equipment
Cost:	
As at April 30, 2013	$ 3,874
Additions	1,499
At July 31, 2013	5,373
Additions	3,852
At April 30, 2014	$ 9,225
Additions	-
At July 31, 2014	$ 9,225
Depreciation:	
At April 30, 2013	751
Charge for the period	391
At July 31, 2013	1,142
Charge for the period	1,770
At April 30, 2014	$ 2,912
Charge for the period	547
At July 31, 2014	$ 3,459
Net book value:	
At April 30, 2014	$ 6,313
At July 31, 2014	$ 5,766

6. 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.

Issued shares*:*

1. On January 30, 2013, the Company completed a non-brokered private placement of 3,850,000 units at the price of $0.10 per unit, for net proceeds of $385,000. 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 $0.20 up to January 30, 2014, subject to acceleration conditions.

2. On March 12, 2013, the Company completed a non-brokered private placement of 3,800,000 units at the price of $0.10 per unit, for net proceeds of $380,000. 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 $0.20 up to March 12, 2014, subject to acceleration conditions.

3. On July 8, 2013 the Company completed a non-brokered private placement of 1,875,000 units at a price of $0.08 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 $0.20 up to July 8, 2014, subject to acceleration conditions.

4. On October 18, 2013 the Company completed a non-brokered private placement of 6,300,000 units at a price of $0.05 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 $0.20 up to October 18, 2014, subject to acceleration conditions.

5. On November 26, 2013 the Company entered into a shares-for-debt agreement with an arm's length creditor. The Company issued 914,359 shares at a price of $0.05 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.

6. On February 18, 2014 the Company completed a non-brokered private placement of 10,000,000 units at a price of $0.05 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 $0.20 up to February 18, 2015, subject to acceleration conditions.

7. On May 7, 2014 the Company completed a non-brokered private placement of 10,100,162 units at a price of $0.06 per unit for gross proceeds of $606,010. 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 $0.20 up to May 7, 2015, subject to acceleration conditions.

8. On May 23, 2014 the Company announced that it entered into a shares-for-debt agreement with an arm's length creditor to settle approximately $107,735 of debt by issuing the Creditor 1,024,994 common shares. The shares were issued on June 25, 2014 and are subject to a statutory hold period in accordance with applicable securities legislation which expires on October 24, 2014.

9. On June 23, 2014 the Company entered into a shares-for-debt agreement with an arm's length creditor. The Company issued 1,024,944 shares at a price of $0.085 per share settling $87,124 of the Company payables.

(Unaudited-Expressed in Canadian Dollars)

SHARE CAPITAL AND CONTRIBUTED SURPLUS-*continued*

Authorized share capital-*continued*

10. On August 29, 2014 the Company completed a non-brokered private placement of 1,293,333 units at a price of $0.06 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 $0.20 up to August 29, 2015, subject to acceleration conditions.

Warrants

The Company's warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance, April 30, 2014	28,517,500	0.12
Issued during the period	5,050,081	0.20
Expired	(937,500)	0.20
Balance, end of period	32,630,081	0.14

The following table summarizes the warrants outstanding as at July 31, 2014:

Warrants outstanding	Exercise price $	Expiry date
19,430,000	0.10	August 27, 2014 (1)
3,150,000	0.20	October 18, 2014 (2)
5,000,000	0.20	February 18, 2015 (2)
5,050,081	0.20	May 7, 2015 (2)

(1) Subsequent to July 31, 2014 these warrants expired unexercised.

(2) The Company is entitled to accelerate the expiry date of all the outstanding $0.20 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 30 cents for any 10 consecutive trading days after the statutory hold period

(Unaudited-Expressed in Canadian Dollars)

6. 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:

	Number of Options	Weighted Average Exercise Price $
Balance, April 30, 2014	5,700,000	0.10
Granted	2,000,000	0.10
Balance, July 31, 2014	7,700,000	0.10
Options exercisable, end of period	4,200,000	0.10

The following table summarizes the options outstanding as at July 31, 2014:

Options outstanding	Options exercisable	Exercise price $	Expiry date
1,700,000	1,700,000	0.10	September 26, 2017
4,000,000	2,000,000	0.10	November 28, 2018
2,000,000	500,000	0.10	May 16, 2019
7,700,000	4,200,000		

(Unaudited-Expressed in Canadian Dollars)

6. 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:

	July 31, 2014	April 30, 2014
Average dividend per share	-	-
Average forecasted volatility	155%	144%
Average risk-free interest rate	1.02%	1.07%
Average expected life	5 years	5 years
Fair value – weighted average of options issued	$ 0.04	$ 0.04

For the period ended July 31, 2014, the Company recorded share-based compensation expense with an offsetting increase to contributed surplus of $102,878 (year ended April 30, 2014 - $144,414).

7. RELATED PARTY TRANSACTIONS

During the period ended July 31, 2014, the Company entered into the following transactions with related parties, not disclosed elsewhere in these financial statements:

i. As at July 31, 2014, $16,461 (April 30, 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 July 31, 2014, $nil (April 30, 2014-$14,250) was advanced to a company controlled by a family member of a director of the Company.

iii. As at July 31, 2014, $3,000 (April 30, 2014- $22,100) for rent was paid or accrued to a company controlled by family members of a director and officer of the Company.

iv. As at July 31, 2014, a $nil (April 30, 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.

v. As at July 31, 2014, $nil (April 30, 2014-$10,000) for marketing fees were paid or accrued to a company controlled by a family member of a director of the Company.

vi. As at July 31, 2014, $15,000 (April 30, 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.

(Unaudited-Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS-*continued*

Summary of key management personnel compensation is as follows:

	For the three months ended July 31, 2014	2013
Share-based compensation*	$ 11,683	$ 26,736
Consulting, management and directors' fees	$ 97,500	$ 97,667
Overseas management, consulting and bonuses	$ 22,800	$ nil

** 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 July 31, 2014 was $3,650 (April 30, 2014-$13,000) due to a director and a company controlled by a family member of a director of the Company.

8. 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.

9. 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
c. Level 3 – inputs that are not based on observable market data

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT-*continued*

	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

	Financial assets at fair value			
	Level 1	**Level 2**	**Level 3**	**July 31, 2014**
Fair value through profit and loss financial asset				
Cash and cash equivalents	$ 36,057	-	-	$ 36,057
Total financial assets at fair value	$ 36,057	-	-	$ 36,057

The fair values of the Company's accounts receivable, due from related parties, accounts payable and accrued liabilities and loans payable approximate their carrying values due to their short term nature.

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.

Foreign currency risk
The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Canadian Dollars (CDN), and 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.

(Unaudited-Expressed in Canadian Dollars)

10. CONTINGENT LIABILITY

On July 16, 2014 a claim was filed with the Supreme Court of British Columbia by arms-length parties, naming the Company as a defendant. The Claim is alleged to be for breach of contract, loss of opportunity, unjust enrichment and negligent misrepresentation. The Claimants are also seeking court costs and interest. The Company has accrued US$50,000 in accounts payable and accrued liabilities related to the claim, but has not accrued for interest or damages. The Company believes that claims are without merit and has filed a response and counterclaim on August 18, 2014.

11. COMMITMENTS

The Company is subject to a 36-month operating lease commitment commencing October 1, 2013 in connection with rented office premises:

	$
Payable no later than one year	41,507
Payable later than one year and no later than five years	48,426
Payable more than five years	-
Total	89,933

12. SUBSEQUENT EVENTS

Name change and listing on the Canadian Securities Exchange
On August 19, 2014 the Company announced that the Canadian Securities Exchange (the "CSE") approved the listing of the Company's common shares on the CSE. The Company requested and obtained approval to delist its common shares from the TSX Venture Exchange at the close of trading on Friday, August 22, 2014 and arranged to commence trading on the CSE at market open on Monday, August 25, 2014. The Company also announced that, immediately prior to market open on the CSE listing date, it will effect a name change to “Asean Energy Corp.” and the trading symbol would change to "ASA".

Proposed financing and development arrangement
On August 29, 2014 the Company announced the signing of a Letter of Intent (the “LOI”) with Global Oil 57 Pte Ltd. (Singapore) for the proposed financing and development of upstream and downstream oil and gas projects in Southeast Asia. The LOI proposed a mechanism whereby the Company would be the beneficiary of a 5-year stream of revenue and gross profit from a significant crude oil supply contract, to be provided by and managed by Global Oil 57. The LOI also outlined that the parties jointly manage selected oil and gas assets to be developed in Indonesia, Global Oil 57 assists the Company in raising capital to jointly develop selected projects, and that the Company enters into a share swap agreement with Global Oil 57. Additional upstream and downstream oil and gas business opportunities will be explored and managed jointly by Global Oil 57 and the Company. The actual mechanism and valuation required to complete the transaction is expected to be finalized through a definitive agreement between Asean Energy and Global Oil 57 in Canada on or before September 30, 2014, unless earlier superseded and replaced by a modification to the terms, and/or the Definitive Agreements.