Unaudited Interim Condensed Consolidated Financial Statements of

ENHANCED OIL RESOURCES INC.

Three months ended March 31, 2015 and 2014

ENHANCED OIL RESOURCES INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated condensed financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

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

May 27, 2015

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Balance Sheets (Unaudited)
(all amounts expressed in thousands of US dollars)

	As of March 31, 2015	As of December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 2,817	$ 4,079
Receivables	549	503
Prepaid expenses	318	419
	3,684	5,001
Non-current assets		
Exploration and evaluation assets, net	10,889	10,889
Property and equipment, net	37,702	37,090
Restricted cash	5,502	5,502
Other	110	106
Total Assets	$ 57,887	$ 58,588
Liabilities And Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 777	$ 951
Derivative financial instrument	89	39
Asset retirement obligations	638	638
	1,504	1,628
Asset retirement obligations	25,715	24,972
Shareholders' equity		
Equity instruments	124,166	124,166
Contributed surplus	9,364	9,364
Treasury stock, at cost	(108)	(108)
Deficit	(102,754)	(101,434)
	30,668	31,988
Total Liabilities and Shareholders' Equity	$ 57,887	$ 58,588

Commitments
Subsequent events

See accompanying notes to unaudited interim condensed consolidated financial statements.

Approved by the Board of Directors:

/s/ Al Denson	/s/ Andrew Hromyk
Al Denson	Andrew Hromyk
Director	Director

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(all amounts expressed in thousands of US dollars)

	Three Months Ended March 31,	
	2015	2014
Revenues		
Oil and gas gross sales	$ 267	$ 2,366
Less: Royalties	(54)	(488)
	213	1,878
Expenses		
Production costs and taxes	226	641
Workover expenses	101	2,744
Field expenses	204	365
General and administrative	676	1,068
(Gain) loss on disposition of assets	(16)	1,028
Depreciation, depletion, and amortization	154	419
Financing costs and other, net	127	163
Loss on derivative financial instruments, net	65	-
Foreign currency translation (gain) loss	(4)	4
	1,533	6,432
Loss before income taxes	(1,320)	(4,554)
Income tax provision	-	-
Net comprehensive loss for the year	$ (1,320)	$ (4,554)
Loss per share - basic and diluted	$ (0.08)	$ (0.28)

See accompanying notes to unaudited interim condensed consolidated financial statements.

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Statements of Shareholders' Equity (Unaudited)
(all amounts, except common shares, expressed in thousands of US dollars)

	Number of Common Shares March 31,		March 31,	
	2015	2014 *(Restated)*	2015	2014
Total Shareholders' Equity, beginning balances			$ 31,988	$ 38,427
Equity Instruments (Common Shares)				
Balance, January 1	16,018,632	16,018,632	124,166	124,166
Balance, December 31	16,018,632	16,018,632	124,166	124,166
Contributed Surplus				
Balance, January 1			9,364	9,364
Fair value of stock option grants			-	-
Balance, December 31			9,364	9,364
Deficit				
Balance, January 1			(101,434)	(94,995)
Net loss			(1,320)	(4,554)
Balance, December 31			(102,754)	(99,549)
Treasury Stock, at Cost				
Balance, January 1			(108)	(108)
Balance, December 31			(108)	(108)
Total Shareholders' Equity			$ 30,668	$ 33,873

See accompanying notes to unaudited interim condensed consolidated financial statements.

ENHANCED OIL RESOURCES INC.

Condensed Consolidated Statements of Cash Flows (Unaudited)
(all amounts expressed in thousands of US dollars)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Cash provided by (used in):		
Operating activities		
Net loss for the year	$ (1,320)	$ (4,554)
Add (deduct) noncash and other items:		
Depreciation, depletion, and amortization	154	419
Accretion of asset retirement costs	128	160
(Gain) loss on disposition of assets	(16)	1,028
Unrealized loss on derivative financial instruments	50	-
Foreign currency translation (gain) loss	(4)	4
Write-off of other assets	-	111
Other income	-	(3)
	(1,008)	(2,835)
Asset retirement expenditures	-	(158)
Changes in non-cash working capital	(226)	2,579
Cash used in operations	(1,234)	(414)
Investing activities		
Exploration and evaluation expenditures	-	(116)
Property and equipment expenditures	(73)	(751)
Decreases in restricted cash, net	-	25
Proceeds from sale of assets	-	443
Non-cash changes from investing activities	45	-
Cash provided (used) in investing activities	(28)	(399)
Financing activities	-	-
Cash used in financing activities	-	-
Change in cash and cash equivalents	(1,262)	(813)
Cash and cash equivalents, beginning of the year	4,079	1,249
Cash and cash equivalents, end of year	$ 2,817	$ 436

See accompanying notes to unaudited interim condensed consolidated financial statements.

1. Reporting Entity and Description of Business

Enhanced Oil Resources Inc. is a Company incorporated in British Columbia, Canada and is engaged, through its wholly owned U.S. subsidiaries (collectively referred to as the "Company"), in the acquisition, development, operation and exploitation of crude oil and gas properties, including enhanced oil recovery projects, in the Permian Basin in eastern New Mexico. Common shares of the Company are listed on the TSX Venture Exchange under the symbol "EOR" and quoted on the OTCQX ("Over the Counter" qualified stock exchange) under the symbol "EORIF". The registered address of the office is 1710-1177 West Hastings St. Vancouver, BC V6E 2LE.

2. Basis of Presentation and Significant Accounting Policies

Functional Currency – These unaudited interim condensed consolidated financial statements are presented in United States dollars, unless otherwise indicated. All references to $ are to United States dollars and references to C$ are to Canadian dollars.

Reclassifications – Certain reclassifications have been made to the March 31, 2014 unaudited interim condensed consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or accumulated deficit.

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim condensed financial statements, including IAS 34, Interim Financial Reporting. The Company has consistently applied the same accounting policies as those set out in the audited consolidated financial statements for the year ended December 31, 2014, which is available on the Company's website at www.enhancedoilres.com. Certain disclosures included in the notes to the annual consolidated financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied in these unaudited interim consolidated financial statements are based on IFRS issued and outstanding as of May 27, 2015, the date the Company's Board of Directors approved the statements.

The accompanying unaudited interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year, and, accordingly, actual results may differ from these estimates.

(all amounts in thousands of US dollars unless otherwise indicated)

3. Restricted Cash

Restricted cash is comprised of escrowed amounts or certificates of deposit at banks which are pledged either to secure contractual obligations of the Company or to secure plugging and abandonment obligations for properties operated by the Company's subsidiaries.

The following table summarizes the restricted cash balances of the Company:

	March 31, 2015	December 31, 2014
Escrow deposit for St. Johns Dome contingent obligations	$ 2,500	$ 2,500
Bank deposits pledged to secure statuatory plugging & abandonment bonds	3,002	3,002
Balance, end of period	$ 5,502	$ 5,502
Short -term	$ -	$ -
Long-term	$ 5,502	$ 5,502

4. Receivables

The Company's receivables at March 31, 2015 and December 31, 2014 were comprised of amounts due from crude oil purchasers of $0.1 million and $0.1 million, respectively, and other receivables of $0.5 million and $0.1 million for the same periods, respectively, which had been outstanding for less than 30 days and more than 90 days. Management does not consider any of the receivable balances to be impaired. The carrying amount of receivables approximates the fair value due to the short term nature of the financial instrument.

5. Exploration and Evaluation Assets

Exploration and evaluation asset activity for the period ended March 31, 2015 was as follows:

	Oil and Gas Properties
Net book value:	
December 31, 2014	$ 10,889
March 31, 2015	$ 10,889

(all amounts in thousands of US dollars unless otherwise indicated)

6. Property and Equipment

Property and equipment activity for the period ended March 31, 2015 was as follows:

	Oil and Gas Properties	Other	Total
Balance, December 31, 2014	$ 38,973	$ 1,409	$ 40,382
Additions	-	73	73
Dispositions	-	(625)	(625)
Transfer from inventory, net	107	-	107
Changes in estimate of asset retirement obligations	615	-	615
Balance, March 31, 2015	$ 39,695	$ 857	$ 40,552
Accumulated depreciation and depletion:			
Balance, December 31, 2014	$ (2,148)	$ (1,144)	$ (3,292)
Depreciation and depletion	(115)	(39)	(154)
Dispositions	-	596	596
Balance, March 31, 2015	$ (2,264)	$ (587)	$ (2,851)
Net book value:			
December 31, 2014	$ 36,825	$ 265	$ 37,090
March 31, 2015	$ 37,432	$ 270	$ 37,702

Future development costs of $133.5 million and $78.0 million for the periods ended March 31, 2015 and 2014, respectively, have been included in the computation of depletion expense. No general and administrative costs have been capitalized with regard to property and equipment.

7. Asset Retirement Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the estimated future obligations associated with the retirement of resource properties and oil and gas properties:

Balance, December 31, 2014	$ 25,610
Increase in provision due to change in discount rates	615
Increase in provision due to passage of time (accretion)	128
Balance, March 31, 2015	$ 26,353

The total undiscounted amount of estimated future cash flows required to settle the obligations is $34.7 million as of March 31, 2015 which has been discounted using risk free rates from 0.26% to 2.45% and assumes inflation rates from 1.25% to 2.0%. Most of these obligations are expected to be settled over the next twenty-six years and will be funded from general Company resources at the time of retirement.

8. Equity Instruments

Authorized Shares - There are an unlimited number of authorized common shares of no par value and up to 25 million preference shares of no par value (1,000 shares issued to a wholly owned subsidiary of the Company).

Issued and Outstanding – The Company had 16,018,632 shares of common stock outstanding at March 31, 2015 and 16,018,632 (restated for the Share Consolidation discussed below) at December 31, 2014.

Share Consolidation - Effective January 15, 2015, the Directors of the Company authorized the implementation of a share consolidation of one new common share for 10 old shares of the Company's common shares. The Company's shares began trading on the post-consolidation basis on January 21, 2015, and accordingly all references to the outstanding common shares or common share options of the Company in these notes to unaudited condensed consolidated financial statements have been restated to give effect to the consolidation as if the number of shares or options were effective for periods prior to the date the shares began trading on a post-consolidation basis.

Stock option plan - The Company has a stock option plan under which a rolling amount is reserved for issuance of up to 10% of the outstanding common shares as of any particular grant date. These options have been granted with a five-year expiry. The option prices for all outstanding options are denominated in Canadian dollars (C$), the trading currency of the Company's common shares.

The following tables summarize information about stock options as at March 31, 2015 (number of options in thousands):

	Number of Options	Weighted-Average Exercise Price (C$)
Outstanding, December 31, 2014	405	$2.06
Granted	-	-
Expired	-	-
Forfeited	(195)	$2.08
Outstanding, March 31, 2015	210	$2.04

Range of Prices C$		Options Outstanding			Options Exercisable	
Low	High	Number Outstanding	Weighted-Average Remaining Contractual Life (Yrs.)	Weighted-Average Exercise Price (C$)	Number Exercisable	Weighted-Average Exercise Price (C$)
$ 3.00	$ 3.00	95	2.51	$ 1.22	95	$ 1.22
1.95	2.50	65	1.06	2.50	65	2.50
1.00	1.60	50	0.19	3.00	50	3.00
$ 1.00	$ 3.00	210	1.51	$ 2.04	210	$ 2.04

Earnings per share - Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year excluding ordinary shares purchased by the Company and held as treasury shares. The weighted average number of shares outstanding, which were used for purposes of the computation of basic per share data, was 16,018,632 for the periods ended March 31, 2015 and 2014. Since the Company incurred a net loss for both periods, no common stock equivalents were included in the computation of diluted earnings per share as their inclusion would have been anti-dilutive.

(all amounts in thousands of US dollars unless otherwise indicated)

9. Related Party Transactions

There were no related party transactions during either the three months ended March 31, 2015 or March 31, 2014.

10. Commitments

The Company is committed to the following future payments (principally related to office leases), as of March 31, 2015:

2015	$ 206
2016	278
2017	164
Total	$ 648

During February 2015, the Company negotiated the sublease of the remaining term of its office lease in Houston, Texas, effective April 1, 2015, which will reduce the remaining future commitments to approximately $158,000.

In February 2014, the Company amended its CO_2 Purchase Agreement with Kinder Morgan CO_2 Company, L.P. (Kinder Morgan), which would provide the source of CO_2 for use in tertiary oil recovery projects in the Permian Basin. The contract, as amended, requires the Company to take or pay for the purchase of 27.4 billion cubic feet of CO_2 over a five-year period commencing no later than January 1, 2018. The maximum daily rate to be purchased under the contract is 20 million cubic feet per day during year three and the cost of CO_2 will fluctuate based on the price of oil and transportation tariffs. The Company would be required to construct a pipeline, currently estimated to be a distance of approximately 32 miles, to the pipeline operated by Kinder Morgan. The purchase commitment and obligation to pay, as amended, is cancellable before January 1, 2017, with no termination penalty.

11. Financial Instruments - Commodity Contracts

The following table sets forth the specifics related to the financial instrument in place for future crude oil settlements (NYMEX WTI) at March 31, 2015.

Barrels	Commodity	Type	Price	Term
27,500	WTI Midland-Cushing Differential	Swap	($3.50)	Apr 2015- Dec 2015

The Company realized derivative losses $0.01 million for the three month period ended March 31, 2015 which has an unrealized fair value loss of $0.1 at March 31, 2015. The Company had no outstanding derivative agreement related to its crude oil sales during the three months ended March 31, 2014.

12. Fair Value Measurements

Fair value estimates are made at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 - Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

The Company has determined that the carrying value of its short-term financial assets and liabilities (cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities, borrowings) approximates fair value at the consolidated balance sheet dates due to the short-term maturity of these instruments.

The fair values of the derivatives are determined by a Level 2 valuation model, where pricing inputs other than quoted prices in an active market are used. These pricing inputs include quoted forward prices for commodities, foreign exchange rates, volatility and risk-free rate discounting, all of which can be observed or corroborated in the marketplace. The actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices and foreign exchange rates as compared to the valuation assumptions.

13. Risk Management

Disclosures relating to exposure to risks, in particular credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk are provided below.

Risks Associated with Financial Assets and Liabilities: The Company is exposed to financial risks arising from its financial assets and liabilities. Financial risks include market risks (such as commodity prices, foreign exchange and interest rates), credit risk and liquidity risk. The future cash flows of financial assets or liabilities may fluctuate due to movements in market prices and the exposure to credit and liquidity risks.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents, including restricted cash, accounts receivable and counterparty risk on derivative contracts. The Company limits its exposure to credit risk with respect to cash equivalents by investing available cash in short-term deposits with Canadian and US banks, principally in overnight money market funds investing in government treasury instruments. The Company's receivables mainly consist of amounts due from sales of its crude oil and natural gas production. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

With respect to its crude oil and natural gas production receivables, the Company is the operator of all its property interests and owns substantially all of the working interest in producing and non-producing properties.

Receivables related to the sale of crude oil production are with two major reputable marketers and proceeds are collected within approximately 25 days following the month of delivery.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At March 31, 2015, the Company had cash of $2.8 million, excluding restricted cash of $5.5 million. The Company’s working capital and current cash flows are not sufficient to fund the Company’s operating expenditures and cash requirements without additional sources of funds. The Company’s continued liquidity is dependent upon its ability to generate profitable production and to obtain additional funding from loans, equity financings, the sale of assets or through other arrangements. Although the Company has been successful in obtaining financing in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

Foreign exchange risk

Substantially all of the Company’s assets and expenditures are either denominated in or made with US dollars. As a result, the Company has very limited exposure to foreign exchange risk in relation to existing commitments or assets denominated in a foreign currency. The Company has chosen not to enter into any foreign exchange contracts as its Canadian dollar working capital balances are not deemed significant to the consolidated entity.

Interest rate risk

The Company is exposed to interest rate risk to the extent that changes in the market interest rates impact the Company’s short-term deposits that have floating interest rates and to the extent borrowings are made under the debt facility. The Company's exposure to interest rate fluctuations at March 31, 2015, is primarily related to cash deposits denominated in Canadian or US dollars invested in short-term (less than 90 days) money market funds through its bank accounts and interest earned on its cash and cash equivalents.

Commodity price risk

The Company is exposed to fluctuations in the world commodity prices for its products with a corresponding impact to cash flow. Reduced cash flow may result in lower levels of capital being available for field activity, thus compromising the Company’s capacity to grow production while at the same time replacing continuous production declines from existing properties. When debt levels are forecasted to increase due to capital expenditures exceeding cash flow, the Company may enter into oil and natural gas hedging contracts in order to provide stability of future cash flow. The Company enters derivative financial instruments to manage commodity price risk exposure relative to actual commodity production and does not utilize derivative instruments for speculative purposes.

(all amounts in thousands of US dollars unless otherwise indicated)

14. Capital Disclosures

To manage the capital structure, the Company may adjust capital spending, issue new shares, issue new debt or sell assets. The Company's objectives in managing its capital structure are to maintain a flexible financial structure, to preserve the Company's access to capital markets, and to finance the Company's growth and continue to meet its financial obligations.

The Company manages its capital structure and makes adjustments to it in light of market and economic conditions as well as risk characteristics of the Company's underlying assets. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, the use of credit facilities, adjusting capital spending or by undertaking other strategies as deemed appropriate under the specific circumstances.

The Company monitors capital and its financing requirements through an annual budget process and updates to the budget forecast and working capital projections.

15. Supplemental Cash Flow Information

The (increase)/decrease in non-cash working capital from continuing operations is comprised of:

	March 31, 2015	March 31, 2014
Receivables	$ (46)	$ 357
Other current assets	(6)	3
Accounts payable	(174)	2,219
Non-cash working capital changes	$ (226)	$ 2,579
Relating to:		
Operating activities	$ (226)	$ 2,579