ACL INTERNATIONAL LTD.

(formerly Anthony Clark International

Insurance Brokers Ltd.)

Consolidated Financial Statements

For the years ended March 31, 2015 and 2014

Independent Auditor's Report

To the Shareholders of ACL International Ltd.

We have audited the accompanying consolidated financial statements of ACL International Ltd., which comprise the consolidated balance sheets as at March 31, 2015 and March 31, 2014, and the consolidated statements of operations and comprehensive income (loss), consolidated statements of cash flows and consolidated statements of changes in equity for the years ended March 31, 2015 and March 31, 2014, 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.

Auditor's 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 auditor's 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, the consolidated financial statements present fairly, in all material respects, the financial position of ACL International Ltd. as at March 31, 2015 and March 31, 2014, and its financial performance and its cash flows for the years ended March 31, 2015 and March 31, 2014 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Chartered Professional Accountants

Vancouver, B.C.
July 8, 2015

ACL INTERNATIONAL LTD. (formerly Anthony Clark International Insurance Brokers Ltd.)

Consolidated Balance Sheets

(Expressed in Canadian dollars)

As at	Note	March 31, 2015	March 31, 2014
Assets			
Current assets			
Cash		$ 1,438,962	$ 1,005,850
Trade receivables		-	1,162,656
Deposit	1	100,000	-
Loan receivable	10	319,374	-
Prepaid expenses		4,476	182,998
		1,862,812	2,351,504
Property and equipment	7	4,017	389,481
Customer accounts	8	-	1,097,379
Goodwill	9	-	7,317,360
		$ 1,866,829	$ 11,155,724
Liabilities			
Current liabilities			
Trade payables and accrued liabilities		$ 136,184	$ 1,859,837
Income taxes payable		-	700,521
Current portion of leasehold inducement		-	72,850
Current portion of long-term debt	11	-	1,310,953
		136,184	3,944,161
Long-term debt	11	818,054	12,556,018
Leasehold inducement		-	139,629
Deferred income tax	16	-	56,336
		954,238	16,696,144
Equity			
Share capital	12	6,783,995	9,473,447
Contributed surplus		2,780,994	2,780,994
Deficit		(8,652,398)	(18,582,336)
Equity attributable to owners of the Company		912,591	(6,327,895)
Non-controlling interest in consolidated subsidiary	13	-	787,475
		912,591	(5,540,420)
		$ 1,866,829	$ 11,155,724
Contingencies	20		
Events After the Reporting Period	21		

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

"Harvey Lalach"
Chief Financial Officer

"Rob Sadleir"
Director

ACL INTERNATIONAL LTD. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Statements of Operations and Comprehensive Income (Loss)
Years ended March 31, 2015 and 2014 (Expressed in Canadian dollars)

	Note	2015	2014
Revenue		$ -	$ -
Expenses			
Salaries and wages		1,476,812	666,626
General and administrative		487,250	468,623
Rent		3,319	-
		1,967,381	1,135,249
Loss before interest, income taxes, depreciation and amortization		(1,967,381)	(1,135,249)
Interest and financing costs	17	(134,472)	(432,288)
Depreciation and amortization	7, 8	(574)	-
Loss before income taxes		(2,102,427)	(1,567,537)
Income taxes	16		
Deferred recovery		12,570	2,987
		12,570	2,987
Net loss from continuing operations		(2,089,857)	(1,564,550)
Gain from Canadian discontinued operations	6	12,095,558	2,627,303
Gain (loss) from US discontinued operations	6	29,486	(2,804,844)
Net earnings (loss) for the year		10,035,187	(1,742,091)
Other comprehensive income (loss)			
Reclassification adjustment relating to discontinued operations		105,249	(10,450)
Exchange differences on translating foreign operations		(105,249)	72,363
Comprehensive income (loss) for the year		$ 10,035,187	$ (1,680,178)
Earnings (loss) attributable to:			
Common shareholders		$ 10,035,187	$ (2,832,392)
Non-controlling interest in consolidated subsidiary		-	1,090,301
		$ 10,035,187	$ (1,742,091)
Comprehensive income (loss) attributable to:			
Common shareholders		$ 10,035,187	$ (2,770,479)
Non-controlling interest in consolidated subsidiary		-	1,090,301
		$ 10,035,187	$ (1,680,178)
Earnings (loss) per share			
From continuing and discontinued operations			
Basic and diluted		$ 1.04	$ (0.29)
From continuing operations			
Basic and diluted		$ (0.22)	$ -

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

ACL INTERNATIONAL LTD. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Statements of Cash Flows
Years ended March 31, 2015 and 2014 (Expressed in

	Note	2015	2014
Cash flow from (used in) operating activities			
Net earnings (loss) for the year		10,035,187	(1,742,091)
(Gain) loss from discontinued operations	6	(12,125,044)	177,541
Net loss from continuing operations		(2,089,857)	(1,564,550)
Adjustments to reconcile net cash provided by operating activities			
Depreciation and amortization		574	-
Deferred income taxes (recovery)	16	(12,570)	(2,987)
Amortization of deferred financing costs	17	50,281	12,865
		(2,051,572)	(1,554,672)
Changes in non-cash working capital accounts			
Trade receivables		56,824	494,080
Prepaid expenses		7,355	(28,794)
Loans and Deposits		(419,374)	-
Trade payables and accrued liabilities		(756,673)	223,570
Income taxes payable		(700,521)	258,240
Leasehold inducement		(212,479)	(72,850)
Changes in non-cash working capital accounts from discontinued operations		259,951	3,107,853
		(3,816,489)	2,427,427
Cash flow from (used in) financing activities			
Repayments on long-term debt		(6,067,347)	(4,453,988)
Repurchase of shares under issuer bid		-	(10,302)
Distribution to non-controlling interest		-	(1,352,992)
Capital distribution to shareholders		(2,689,452)	-
		(8,756,799)	(5,817,282)
Cash flow from (used in) investing activities			
Additions to property and equipment		(4,591)	(7,229)
Additions to customer accounts		-	(162,398)
Proceeds on sale of discontinued operations	6	13,116,240	3,383,060
		13,111,649	3,213,433
Effect of foreign exchange		(105,249)	33,598
Increase (decrease) in cash during the year		433,112	(142,824)
Cash, beginning of the year		1,005,850	1,148,674
Cash, end of the year		$ 1,438,962	$ 1,005,850

Supplemental cash flow information - See Note 19.

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

ACL INTERNATIONAL LTD. (formerly Anthony Clark International Insurance Brokers Ltd.)
Consolidated Statements of Changes in Equity
Years ended March 31, 2015 and 2014 (Expressed in Canadian dollars)

	Attributable to equity holders of the Company							
	Share capital							
	Number of shares	Amount	Accumulated other comprehensive income (loss)	Contributed surplus	Deficit	Equity attributable to owners of the Company	Non-controlling interest in consolidated subsidiary	Total equity
Balance as at April 1, 2014	9,605,184	$ 9,473,447	$ -	$ 2,780,994	$ (18,582,336)	$ (6,327,895)	$ 787,475	$ (5,540,420)
Capital distribution to Shareholders	-	(2,689,452)	-	-	-	(2,689,452)	-	(2,689,452)
Reclassification adjustment relating to discontinued operations	-	-	105,249	-	(105,249)	-	-	-
Exchange difference on translating foreign operations	-	-	(105,249)	-	-	(105,249)	-	(105,249)
Net earnings (loss) for the period	-	-	-	-	10,035,187	10,035,187	-	10,035,187
Elimination on sale of Canadian subsidiary	-	-	-	-	-	-	(787,475)	(787,475)
Balance, March 31, 2015	9,605,184	$ 6,783,995	$ -	$ 2,780,994	$ (8,652,398)	$ 912,591	-	$ 912,591
Balance as at April 1, 2013	9,694,684	$ 9,561,719	$ (61,913)	$ 2,703,024	$ (15,760,394)	$ (3,557,564)	$ 1,050,166	$ (2,507,398)
Distributions to non-controlling interest	-	-	-	-	-	-	(1,352,992)	(1,352,992)
Charge to capital on repurchase of shares through issuer bid	(89,500)	(88,272)	-	-	-	(88,272)	-	(88,272)
Excess of share stated amount over share redemption amount	-	-	-	77,970	-	77,970	-	77,970
Reclassification adjustment relating to discontinued operations	-	-	(10,450)	-	10,450	-	-	-
Exchange difference on translating foreign operations	-	-	72,363	-	-	72,363	-	72,363
Net earnings for the period	-	-	-	-	(2,832,392)	(2,832,392)	1,090,301	(1,742,091)
Balance, March 31, 2014	9,605,184	$ 9,473,447	$ -	$ 2,780,994	$ (18,582,336)	$ (6,327,895)	$ 787,475	$ (5,540,420)

1. NATURE OF OPERATIONS

ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.) (the "Company") is an Alberta, Canada Corporation with common shares listed on the NEX under the trading symbol; "ACL.H". The Company's principal office is located at Suite 500, 5940 Macleod Trail SW, Calgary, AB T2H 2G4.

The Company's principal business activities were formerly the operation of a general insurance brokerage. On May 1, 2014 the company sold its subsidiary Anthony Clark Insurance Brokers Ltd. See Note 6.

On January 26, 2015, the Company entered into a letter of intent ("LOI") with Blue Sky International Holdings, Inc. with regard to an acquisition of interests in the Langsa TAC.

Under the terms of the LOI, the Company will acquire 100% of the issued and outstanding shares of Blue Sky Langsa Ltd. ("BSL"), effective January 1, 2015, from Blue Sky International Holdings. The BSL shares will be acquired through the issuance of shares of the Company at a price based upon the valuation of the additional Langsa TAC interests as determined in the Company independent reserves evaluation report being prepared by McDaniel & Associates Consultants Ltd., as previously announced.

BSL was incorporated in Mauritius in March 2003 and is the operator approved by Pertamina, the Indonesian state-owned oil and natural gas corporation, under the Langsa TAC. BSL's assets include ownership of a 47% interest in oil and gas properties, equipment located in Balawan, Sumatra and historic sunk costs on the Langsa TAC of approximately US $29.61 million. The Blue Sky International Holdings, Inc. LOI recognizes that the Company had entered into a LOI with Fulucai Productions Ltd. ("Fulucai") and that it might be in the best interests of all parties for the Fulucai Interest to be acquired by BSL (rather than by the Company) prior to completion of the transaction. If BSL does acquire the Fulucai Interest, the Company and Blue Sky International Holdings, Inc. will sign and deliver such further documents as may be required. The Company has paid a refundable deposit of $100,000 to be credited towards the final purchase price. If the Transaction does not close for any reason, the deposit will be fully refunded to the Company.

On March 10, 2015 the Company loaned BSL US$250,000 which is repayable on or before July 31, 2015. The loan bears interest at an annual rate of 12%, calculated and payable monthly. The loan is evidenced by a promissory note and secured by a general security agreement with a general and continuing charge security against equipment located at BSL's warehouse in Indonesia. The loan was approved by the NEX Exchange. See Note 10.

The Company entered into an Amended and Restated Asset Purchase Agreement dated April 30, 2015 with Blue Sky Langsa Ltd. pursuant to which the Company has agreed to acquire from BSL a 50% interest in a Technical Assistance Contract for a block referred to as "**Langsa TAC**" located offshore, North Sumatra, Indonesia as of an effective date of January 1, 2015 for a purchase price of CA$9,924,600 payable through the payment to BSL of CA$100,000 in cash and the issuance of an aggregate of 81,871,667 Common Shares in the capital of ACL at a deemed price of CA$0.12 per Common Share to certain nominees of BSL (the "**Transaction**").
See Note 21.

On June 30, 2015 TSX Venture Exchange accepted the Company's application for a change of business from a general insurance brokerage issuer to an oil and gas issuer. In addition, the Company met the requirements to be listed as a TSX Venture Tier 1 issuer. Therefore, effective Thursday, July 2, 2015, the Company's listing will transfer from NEX to TSX Venture – Tier 1.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements and the accompanying notes were authorized for issuance in accordance with a resolution of the Board of Directors on July 8, 2015.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS which contemplates the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Financial assets and liabilities are offset and the net amount is reported on the audited consolidated balance sheets only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Basis of Consolidation
The consolidated financial statements of the Company include the accounts of all of its subsidiaries. Subsidiaries are entities controlled by the Company. 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. In assessing control, potential voting rights that currently are exercisable are taken into account. Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Inter-company transactions and balances are eliminated upon consolidation. Transactions with non-controlling interests are treated as transactions with equity owners of the Company. Gains or losses on disposals to non-controlling interests are computed and recorded in equity.

As at March 31, 2015 and 2014 the subsidiaries of the Company were:

Company	Location of incorporation or organization	Functional Currency	Ownership interest 2015	Ownership interest 2014
Anthony Clark Insurance Brokers Ltd. ("ACI")	Canada	Cdn	0%	51%
1275925 Alberta Inc.	Canada	Cdn	100%	100%
Addison America Partnership	United States	U.S.	100%	100%
Addison York Insurance Brokers Ltd.	United States	U.S.	100%	100%
Addison Bay Insurance Brokers Ltd.	United States	U.S.	100%	100%
Addison Low Cost Insurance Brokers Ltd.	United States	U.S.	0%	100%
American Edge Insurance Services Ltd.	United States	U.S.	100%	100%

On May 1, 2014, the Company completed the sale of all of its shares (51%) in the Canadian subsidiary Anthony Clark Insurance Brokers Ltd. held by the Company, to an arm's length third party.

On March 1, 2015, the Company sold 100% of its shares in a US subsidiary Addison Low Cost Insurance Brokers Ltd. to an arm's length third party. The US subsidiary had nominal net assets and was sold for nominal consideration.

Use of Estimates and Judgments
The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are as follows:

Use of Judgments

Cash Generating Units
The determination of cash generating units ("CGUs") requires judgment in defining the smallest identifiable

group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by geographical area, similar exposure to market risk and materiality.

Impairment of Customer Accounts
The assessment of customer accounts for any indications of impairment involves judgment. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that carrying amount exceeds recoverable amount. The assessment requires judgment as to the economic and industry conditions, the estimated future revenues to be generated by the customer accounts, operating costs and the discount rate to be applied to such revenues and costs.

Income tax
Management exercises judgment in estimating the provision for income taxes. The Company is subject to income tax laws in various jurisdictions where it operates. Various tax laws are potentially subject to different interpretations by the taxpayer and the relevant tax authority. To the extent that the Company's interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

Use of Estimates

Impairment of Goodwill
Goodwill is assessed for impairment at the CGU level on an annual basis and more frequently if there are potential indicators of impairment. An impairment loss is recognized if the carrying value of a CGU exceeds its recoverable amount. The recoverable amount of a CGU is determined from the greater of fair value less costs to sell or "value in use" calculations based on the net present value of discounted cash flows. Key assumptions used in the calculation of recoverable amounts are normalized EBITDA (Earnings Before Interest, Taxes, and Depreciation and Amortization) based on past performance and management expectations for the Company and industry and WACC (Weighted Average Cost of Capital).

Amortization and Depreciation
Management is required to make certain estimates and assumptions when determining the amortization and depreciation methods and rates and residual values of property and equipment and customer accounts. Useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. Management reviews amortization and depreciation methods, rates, and residual values annually and adjusts amortization and depreciation accordingly on a prospective basis.

Revenue recognition
Commission revenue, which is earned by the placement of insurance policies with underwriters, is recognized as of the effective date of each policy provided that collection is believed to be probable. Funds received in respect of revenue not yet earned are accounted for as deferred revenue. Contingent commissions are based on the underwriters' profitability on insurance policies placed by the Company and are recognized when received.

Trust cash
Certain premiums collected, net of related commissions, but not yet remitted to insurance carriers are restricted by contract and by law in certain jurisdictions.

Property and equipment
Property and equipment is stated at historical cost less accumulated depreciation and, where necessary, write-downs for impairment. Depreciation is calculated over the estimated useful lives of the property and equipment, using the following rates and methods:

Computer equipment	- 30% declining balance
Furniture and equipment	- 20% declining balance
Leasehold improvements	- straight-line over the term of the related lease

The useful lives are reviewed annually and are adjusted if current estimated useful lives are different from previous estimates.

Leasehold inducement liability
Leasehold inducement liability resulted from leasehold improvements at the inception of a premise lease on the main Canadian location and is being amortized over the term of the lease.

Business combinations

The acquisition method of accounting is used to account for business combinations that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Contingent consideration is included in the cost of acquisition at fair value. Directly attributable transaction costs are expensed in the current period and reported within general and administrative expenses. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. The results of operations and cash flows of an acquired business are included in the Company's financial statements from the date of acquisition.

Goodwill

Goodwill results from business combinations and represents the excess of the consideration given over the fair value of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized.

Customer accounts

Customer accounts acquired separately are measured initially at cost. Customer accounts acquired in a business combination are recorded at fair value as at the date of acquisition. Following initial recognition, customer accounts are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is provided on a straight-line basis over the estimated useful lives of the acquired customer accounts currently ranging between five and ten years. The useful lives are reviewed annually and are adjusted if current estimated useful lives are different from previous estimates.

Impairment of non-current assets

The carrying values of the Company's non-financial assets are assessed for impairment when events and circumstances indicate that their carrying amounts may not be recoverable. Additionally, the carrying amount of goodwill is tested at least annually for impairment. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from the combination. Gains and losses calculated on the disposal of a business include the carrying value of goodwill relating to the business sold.

The Company performs its annual test for goodwill impairment at March 31. The Company currently has one CGU. The recoverable amount of the CGU is determined based on greater of fair market value less costs to sell and the present value of expected future cash flows.

Customer accounts are amortized over their useful lives and assessed for impairment whenever there is an indication that the carrying value may be impaired.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. Classification is re-assessed if the terms of the lease are changed.

Finance lease

Leases in which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases. Assets meeting finance lease criteria are capitalized at the lower of the present value of the related lease payments or the fair value of the leased asset at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease

Leases other than finance leases are classified as operating leases. Payments made under operating leases are recognized in the statements of operations and comprehensive income on a straight-line basis over the period of the lease.

Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

The financial statements of each of the Company's subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary's

functional currency. Functional currency is the currency of the primary economic environment in which the subsidiary operates.

Exchange rates published by the Bank of Canada were used to translate each subsidiary's financial statements into the consolidated financial statements. Assets and liabilities of subsidiaries with functional currencies other than Canadian dollars are translated at the period-end rates of exchange, and the results of their operations are translated at rates approximating the exchange rate at the transaction date. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity.

Earnings (loss) per share

Earnings (loss) per share is determined by dividing net earnings (loss) attributable to shareholders by the weighted average number of common shares outstanding during the reporting period, which amounted to 9,605,184 (2014 – 9,627,807) common shares. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all potentially dilutive shares, which include share options granted.

Share-based compensation

Share-based compensation is accounted for at fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's shares, the expected lives of awards of share-based compensation, the fair value of the Company's shares and the risk-free interest rate. The estimated fair value of awards of share-based compensation are charged to expense as services are provided and the awards vest, with offsetting amounts recognized as contributed surplus.

Income taxes

Current income tax expense is based on the results of operations for the period as adjusted for items that are not taxable or not deductible. Current income tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method, providing for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

The effect of a change in enacted or substantively enacted income tax rates on deferred income tax assets and liabilities is recognized in profit or loss in the period that the change occurs unless the original entry was recorded to equity.

Treasury stock

The Company records the repurchase of its shares at the average cost, being total share capital cost divided by total shares outstanding at the time of purchase. The difference between the average cost and actual purchase price is adjusted to contributed surplus.

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit and loss.

Financial assets classified as fair value through profit and loss are measured at fair value with unrealized gains and losses recognized through comprehensive income. Cash is classified as fair value through profit and loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost with gains or losses recognized through comprehensive income when realized or impaired. Trade receivables and loan receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income except when realized or impaired. At March 31, 2015 the Company has not classified any financial assets as available for sale.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit and loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost with gains and losses recognized in comprehensive income when the liability is extinguished. Trade payables and accrued liabilities, and long-term debt are classified as other financial liabilities.

Financial liabilities classified as fair value through profit and loss are measured at fair value with unrealized gains and losses recognized through comprehensive income. At March 31, 2015, the Company has not classified any financial liabilities as fair value through profit and loss.

Transaction costs

Transaction costs associated with financial instruments at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount.

Related parties
Related parties are parties that have the ability to control or to exercise significant influence over the Company.

3. NEW ACCOUNTING STANDARDS NOT YET ADOPTED

Accounting standards and interpretations issued but not yet adopted
As at the date of these consolidated financial statements, the following standard has not been applied in these consolidated financial statements:

(i) IFRS 9 *Financial Instruments*; effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes. The new standard removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortized cost or fair value.

Management is currently assessing the impact of this new standard on the Company's accounting policies and financial statement presentation.

4. FINANCIAL INSTRUMENTS

a) **Overview**
The Company's activities expose it to a variety of financial risks that arise as a result of its operating and financing activities such as credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes this exposure.

b) **Fair value of financial instruments**
The Company's financial instruments as at March 31, 2015 included cash, trade receivables, loan receivable, trade payables and accrued liabilities, and long-term debt. The carrying amounts for short term financial assets and liabilities, which includes trade receivables and trade payables and accrued liabilities approximate fair values due to the immediate or short-term maturities of these financial instruments. Cash is classified as fair value through profit and loss and therefore is recorded at fair value.

Management estimated the fair value of its long-term debt taking into account market rates of interest, the condition of any related collateral and the current conditions in credit markets applicable to the Company based on recent transactions. The estimated fair value of long-term debt approximates its carrying value.

For financial instruments measured at fair value, disclosure about the inputs to fair value measurements are required, including their classification within a fair value hierarchy that prioritizes the significance of inputs used in making fair value measurements.

Level 1 Fair Value Measurements – quoted prices in active markets for identical assets or liabilities;

Level 2 Fair Value Measurements – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 Fair Value Measurements– inputs for the asset or liability that are not based upon observable market data.

Cash is based on Level 1 inputs of the fair value hierarchy.

c) **Financial risk management**

The Company's financial instruments are exposed to certain financial risks, including credit risk, foreign currency risk, interest rate risk and liquidity risk.

Credit risk

The Company is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations, or if there is a concentration of transactions carried out with the same counterparty or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Company's financial instruments that are exposed to credit risk relate primarily to cash, loan receivable and trade receivables from clients and insurance carriers. Cash is in place with major financial institutions. In fiscal 2014, concentrations of credit risk with respect to client and insurance carrier trade receivables were limited due to the large number of customers and insurance carriers. The Company had evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible.

As at March 31, 2015, the Company's maximum exposure to credit risk is through the following assets:

Receivables	$	Nil
Net credit risk	$	Nil

Foreign currency risk

The Company is exposed to the financial risk related to fluctuations of foreign exchange rates. The Company conducts business operations in the United States and has U.S. dollar denominated indebtedness and is therefore exposed to cash flow risks associated with fluctuations in the relative value of the Canadian and U.S. dollar. A significant change in the currency exchange rate of the Canadian dollar relative to the U.S. dollar could have a material effect on the Company's results of operations, financial position and cash flows. The Company does not engage in hedging activities or use financial instruments to reduce its risk exposure.

At March 31, 2015, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars:

Cash	$	18,668
Prepaid		4,295
Trade payables and accrued liabilities		(14,826)
Long-term debt		(818,054)
Net exposure	$	(809,917)

Based on the above net exposure at March 31, 2015, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in a decrease or increase of $ 80,991 in the Company's other comprehensive income (loss).

Interest rate risk

All of the Company's indebtedness bears interest at fixed rates and as a result the Company is not exposed to significant interest rate risk arising from long-term debt.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its short and long-term obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenues, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. The Company's ability to obtain funding from external sources may be restricted if the Company's financial performance and condition deteriorate. In addition, credit and capital markets are subject to inherent global risks that may negatively affect the Company's access and ability to fund its short-term and long-term debt requirements. The Company mitigates these risks by actively monitoring market conditions and diversifying its sources of funding and debt maturity.

The Company's trade payables are generally due within 60 days.

5. CAPITAL RISK MANAGEMENT

The Company considers the capital it manages to be the amounts it has in cash, debt (long-term and short-term borrowings) and equity attributable to owners of the Company.

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern
- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans
- optimize the cost of its capital at an acceptable level in light of current and future industry, market and economic risks and conditions
- utilize the long-term funding sources to manage its working capital and restructure debt to minimize the cost of its capital
- acquire assets and dispose of non-performing assets

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, repurchase shares, issue debt, acquire or dispose of assets. The Company requires capital to repay existing obligations. There can be no certainty of the Company's ability to refinance its existing obligations. In order to facilitate the management of the Company's capital, the Company prepares annual cash flow forecasts that are updated as necessary depending on various factors and general industry conditions. There were no changes in the Company's approach to capital management.

The declaration and payment of dividends and the amount thereof are at the discretion of the Board. In order to maintain and maximize growth, maintain sufficient liquidity to support its financial obligations and optimize the cost of capital, the Company currently does not pay out dividends.

6. DISCONTINUED OPERATIONS

On March 3, 2014 the Company sold the property and equipment and customer accounts of its U.S. operations for net sales proceeds of $ 3,204,664 including transaction costs of $ 178,396. The Company realized a loss from discontinued operations of $ 2,804,844.

On May 1, 2014, the Company completed the sale of all of its shares (51%) in the Canadian subsidiary Anthony Clark Insurance Brokers Ltd. held by the Company, to an arm's length third party for cash consideration of approximately $13,000,000, before repayment of certain senior debt and adjustments. As the transaction contemplated the sale of all or substantially all of the Company's assets shareholder approval was obtained on April 14, 2014 and TSX Venture Exchange approval on April 22, 2014. The Company paid certain liabilities in the amount of $7,942,971 from the sale proceeds including debt settlement $6,101,475, legal expenses $277,221 and severance and outstanding compensation of $1,564,275. The transaction resulted in a gain on sale of discontinued operations of $12,095,558

The gain (loss) from discontinued operations for the year ended March 31, 2015 and 2014 is summarized below:

	Year ended March 31, 2015			Year ended March 31, 2014		
	Canada	**US**	**Total**	**Canada**	**US**	**Total**
Revenue from discontinued operations	$ 455,290	$ 157,499	$ 612,789	$ 10,294,650	$ 2,675,270	$ 12,969,920
Expenses of discontinued operations	(425,162)	(128,013)	(553,175)	(7,667,347)	(5,038,184)	(12,705,531)
Earnings (loss) from discontinued operations	30,128	29,486	59,614	2,627,303	(2,362,914)	264,389
Gain (loss) on sale of discontinued operations	12,065,430	-	12,065,430	-	(441,930)	(441,930)
Gain (loss) from discontinued operations	$ 12,095,558	$ 29,486	$ 12,125,044	$ 2,627,303	$ (2,804,844)	$ (177,541)

7. PROPERTY AND EQUIPMENT

Description	Computer equipment	Computer equipment under finance lease	Furniture and equipment	Furniture and equipment under finance lease	Leasehold improvements	Total
Cost						
Balance at April 1, 2013	$ 300,150	$ 41,003	$ 230,452	$ 21,500	$ 392,733	$ 985,838
Additions	4,372	20,407	2,857	-	-	27,636
Dispositions	(32,938)	-	-	-	-	(32,938)
Derecognized on disposal of a subsidiary	(94,499)	(10,430)	(69,193)	(23,482)	(30,875)	(228,479)
Effects of foreign currency exchange differences	7,975	879	5,802	1,982	2,392	19,030
Balance at March 31, 2014	185,060	51,859	169,918	-	364,250	771,087
Additions	4,591	-	-	-	-	4,591
Derecognized on disposal of a subsidiary	(185,060)	(51,859)	(169,918)	-	(364,250)	(771,087)
Balance at March 31, 2015	$ 4,591	$ -	$ -	-	$ -	$ 4,591
Depreciation and impairment losses:						
Balance at April 1, 2013	$ 230,858	$ 10,291	$ 133,489	$ 6,863	$ 93,528	$ 475,029
Depreciation	21,542	12,216	19,732	2,817	52,036	108,343
Dispositions	(32,938)	-	-	-	-	(32,938)
Eliminated on disposal of a subsidiary	(81,042)	(7,281)	(53,567)	(10,273)	(30,875)	(183,038)
Effects of foreign currency exchange differences	6,315	574	4,337	593	2,391	14,210
Balance at March 31, 2014	144,735	15,800	103,991	-	117,080	381,606
Depreciation	574	-	-	-	-	574
Elimination on disposal of a subsidiary	(144,735)	(15,800)	(103,991)	-	(117,080)	(381,606)
Balance at March 31, 2015	$ 574	$ -	$ -	$ -	$ -	$ 574
Net book value:						
At March 31, 2014	$ 40,325	$ 36,059	$ 65,927	$ -	$ 247,170	$ 389,481
At March 31, 2015	$ 4,017	$ -	$ -	$ -	$ -	$ 4,017

8. CUSTOMER ACCOUNTS

Cost		
Balance at April 1, 2013	$	8,616,919
Additions		339,105
Balance at March 31, 2014		8,956,024
Additions		-
Derecognized on disposal of a subsidiary		(8,956,024)
Balance at March 31, 2015	$	-
Amortization and impairment losses:		
Balance at April 1, 2013	$	7,243,511
Amortization		615,134
Balance at March 31, 2014		7,858,645
Eliminated on disposal of a subsidiary		(7,858,645)
Balance at March 31, 2015	$	-
Net book value:		
At March 31, 2014	$	1,097,379
At March 31, 2015	$	-

9. GOODWILL

Cost		
Balance at April 1, 2013	$	12,391,291
Dispositions		(5,450,539)
Effects of foreign currency exchange differences		376,608
Balance at March 31, 2014		7,317,360
Derecognized on disposal of a subsidiary		(7,317,360)
Balance at March 31, 2015	$	-
Impairment losses		
Balance at April 1, 2013	$	-
Impairment losses		2,122,939
Derecognized on disposal of a subsidiary		(2,122,939)
Effects of foreign currency exchange differences		-
Balance at March 31, 2014		-
Impairment losses		-
Derecognized on disposal of a subsidiary		-
Effects of foreign currency exchange differences		-
Balance at March 31, 2015	$	-
Net book value:		
At March 31, 2014	$	7,317,360
At March 31, 2015	$	-

10. LOAN RECEIVABLE

On March 10, 2015, the Company loaned BSL the amount of US$250,000 repayable on or before July 31, 2015.

The loan bears interest at the annual rate of 12%, calculated and payable monthly. The loan is evidenced by a promissory note and secured by a general security agreement with a general and continuing charge security against equipment located at BSL's warehouse in Indonesia. The loan is approved by the Exchange.

See note 1 and 21

11. LONG-TERM DEBT

	March 31, 2015	March 31, 2014
Senior notes – 4.5% – 6.75%, were due between June 2018 and January 2019 and were fully repaid, (a)	$ -	$ 13,175,867
U.S. Note payable – 6.75% interest only, due February 2017 (b)	818,054	712,919
Obligation under capital lease	-	32,513
	818,054	13,921,299
Deferred financing costs	-	(128,649)
Accumulated amortization	-	74,321
	-	(54,328)
	818,054	13,866,971
Less: Current portion	-	(1,310,953)
	$ 818,054	$ 12,556,018

a) The Senior notes were secured by the Canadian assets only with a guarantee provided by the Company. The Company was also subject to certain covenants on an ongoing basis, with failure to maintain compliance resulting in the loans becoming due on demand. The Company was in compliance with the covenants.

b) The U.S. denominated debt is guaranteed by the Company.

c) The Company is obligated to make the following principal payments in each of the next five fiscal years:

2016	$ -
2017	818,054
2018	-
2019	-
2020	-
	$ 818,054

12. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value
Unlimited class B voting preferred shares without par value
Unlimited class C non-voting preferred shares without par value

Issued

All common shares issued are fully paid, carry one vote per share and carry a right to dividends.

b) Normal Course Issuer Bid

The Company receives regulatory approval from the TSX Venture Exchange (the "Exchange") to make a normal course issuer bid. Pursuant to the bid, the Company could purchase up to 10% of its common shares issued and outstanding at the time of the bid.

2014 - The bid commenced May 20, 2013 and terminated on May 19, 2014 and pursuant to the bid, the Company had approval to purchase up to 969,168 of its common shares. The Company had repurchased 85,000 common shares under the bid.

13. NON-CONTROLLING INTEREST IN CONSOLIDATED SUBSIDIARY

The balance of the non-controlling interest was eliminated upon the sale of the Canadian subsidiary.

In prior years, the following were applicable:

- On June 10, 2008, April 23, 2009 and July 14, 2010, the Company closed equity financings under which a non-controlling interest, totaling 49% of a consolidated subsidiary of the Company which operates the Canadian operations, was sold. Under IFRS, transactions with non-controlling interests were treated as transactions with equity owners of the Company. Gains or losses on disposals to non-controlling interests were computed and recorded in equity.
- Within the unanimous shareholder agreement, there was a contingent put option with the non-controlling shareholder.
- Distributions from the Canadian operations to the parent and non-controlling shareholder were paid as and when approved by the Board of Directors of the Canadian subsidiary. The distributions were based on a formula in the unanimous shareholder agreement.
- The non-controlling shareholder was the lender on the Senior notes.

14. SHARE-BASED COMPENSATION

The Company has an incentive share option plan, which provides for the award of share options to directors, officers, employees and consultants. A maximum of 1,601,395 common shares remain reserved under the plan. The terms and exercise prices of all share option awards are determined by the directors at the time of issue.

Changes in share options during the year ended March 31, 2015 and March 31, 2014 are as follows:

	March 31, 2015		March 31, 2014	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Beginning of year	-	$ -	450,000	$ 0.36
Expired	-	-	(450,000)	(0.36)
End of year	-	$ -	-	$ -

15. RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties from time to time in the normal course of business, as well as key management personnel.

Compensation of key management personnel

Key management personnel are comprised of all members of the Board of Directors and the Named Officers (as defined in Form 51-102F6 Statement of Executive compensation and disclosed in the Company's Management Proxy Circular in connection with its annual meeting of shareholders). The summary of compensation of key management personnel is as follows:

For the years ended March 31,	2015	2014
Salary and bonuses	$ 966,498	$ 426,153
Short-term employee benefits	28,560	15,769
Total compensation of key management personnel	$ 995,058	$ 441,922

16. INCOME TAXES

a) Tax provision

The provision for income tax differs from the result which would have been obtained by applying the statutory income tax rate of to the Company's net income (loss) before income taxes. The difference results from the following items:

	2015	2014
Loss before income taxes	(2,102,427)	(1,567,537)
Expected income tax recovery	(525,607)	(391,884)
Permanent items	(36,410)	437
Unrecognized deferred tax asset	536,733	471,839
Other	12,714	(83,379)
Income Taxes	(12,570)	(2,987)

b) Recognized deferred tax liability

The recognized income tax effects of temporary differences that give rise to significant deferred tax assets and liabilities are as follows:

	2015	2014	2013
Customer accounts without tax basis	-	(58,735)	(76,807)
Intangible Assets	-	-	(1,114,599)
	-	(58,735)	(1,191,406)
Other assets	(0)	2,398	1,118,285
	(0)	(56,336)	(73,121)

c) Movements in the tax effect of the temporary differences during the year are as follows:

	March 31, 2013	Recognized in earnings	March 31, 2014	Recognized in earnings (continuing operations)	Recognized in earnings (discontinued operations)	March 31, 2015
Customer accounts without tax basis	(76,807)	18,072	(58,735)	-	58,735	-
Goodwill	(1,114,599)	1,114,599	-	-	-	-
Other assets	1,118,285	(1,115,888)	2,398	12,570	(14,969)	-
	(73,121)	16,782	(56,336)	12,570	43,766	-

d) Unrecognized deferred tax assets

The tax effect of the Company's deferred tax assets have not been recognized in respect of the following:

	2015	2014
Other assets	3,352,101	3,362,013
Non capital losses	6,668,282	6,907,382
	10,020,383	10,269,395

As at March 31, 2015, the Company had accumulated Canadian non-capital losses of approximately $3,845,147 which commence expiring in 2032 and US net operating losses of approximately U.S.$13,214,586 which commence expiring in 2023 and can be carried forward and charged against future taxable income, with some restrictions. The benefit of these losses and the other assets have not been reflected in the financial statements.

17. INTEREST AND FINANCING COSTS

Year ended March 31,	2015	2014
Interest on long-term debt	$ 84,191	$ 414,978
Amortization of deferred financing costs and loan discount	50,281	11,948
Interest on obligations under capital lease	-	5,362
	$ 134,472	$ 432,288

18. ECONOMIC DEPENDENCE

In fiscal 2014, the majority of the Company’s revenue were earned by selling general insurance to more than 40,000 customers. The Company also earned certain revenue from the insurance carriers in the form of contingency income and other incentives. Contingent income were based on the insurance carrier’s profitability on insurance policies placed by the Company. The Company placed its customer insurance policies with a variety of insurance carriers.

Included in revenue for the year ended March 31, 2014 are approximately 93% of revenue which arose from placing insurance policies and earning contingent income with the Company’s three largest insurance carriers (each of the three largest insurance carriers percentage of revenue is as follows: 63%, 16% and 14%).

19. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ending March 31, 2015 and 2014, the Company had non-cash transactions as follows:

	March 31, 2015	March 31, 2014
Additional Information:		
Interest paid	$ -	$ 1,155,205
Income taxes paid	$ -	$ 603,504

20. CONTINGENCIES

The Company may, from time to time, be involved in various claims, lawsuits, disputes with third parties, actions involving allegations of discrimination, or breach of contract incidental to the operations of its business. The Company is not currently involved in any such incidental litigation which it believes could have a materially adverse effect on its financial condition or results of operations.

21. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year-end the Company loaned an additional US$250,000 to BSL repayable on or before August 31, 2015 and an additional US$300,000 repayable on or before September 21, 2015 for aggregate loans of US$800,000. All of the loans have been approved by the Exchange. On May 20, 2015 the Company signed an agreement with BSL to postpone all interest payments to July 31, 2015.

On June 8, 2015 the Exchange granted conditional approval in respect of the Company previously announced proposed acquisition of a 50% working interest in a Technical Assistance Contract for a block referred to as "**Langsa TAC**" located offshore, North Sumatra, Indonesia from Blue Sky Langsa Ltd at an acquisition cost of $9,924,600 (**Transaction Amount**).

A Filing Statement with respect to the Transaction, prepared in accordance with the requirements of the TSX Venture Exchange (the **Exchange**), has been filed with the Exchange and the applicable Canadian securities regulators and is available under the Company corporate profile at www.sedar.com. Subject to satisfaction of certain conditions and the final acceptance by the Exchange, the Transaction will be deemed a change of business (**COB**) and constitute a reactivation of the Company pursuant to Policy 5.2 of the Exchange and enable the Company to list for trading on the Exchange.

On May 25, 2015 the Company formalized in writing its finder's fee agreement relating to the Transaction. Under the terms of the Finder's Fee Agreement upon successful completion of the Transaction, the Company will pay an amount up to 5.5% of the Transaction Amount or such other amount as may be permitted under the polices of the TSX Venture Exchange (the **Success Fee**). Among other conditions, payment of the Success Fee is subject to the approval of the Exchange. If approved, the Success Fee will be paid by ACL upon closing of the Transaction in shares of ACL at a deemed price of $0.12 per share.

On July 6, 2015 the Company acquired a 38.25% working interest in a Production Sharing Contract for a block referred to as "South Block A" (the "**Assets**") located onshore, North Sumatra, Indonesia, from Peak Oil & Gas (Australia) Pty Ltd. ("**Peak**") for an aggregate purchase price of $800,000 Australian dollars (approx. CDN$752,000). The purchase involved the acquisition of all of the issued and outstanding shares of Peak Oil & Gas SBE Pte Ltd., the registered owner of the Assets, along with an intercorporate loan as between Peak and its subsidiary in the aggregate amount of USD$4,164,673.