

Abenteuer Resources Corp.

Interim Consolidated Financial Statements

September 30, 2013

(Expressed in Canadian Dollars)

NOTICE TO READER

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 financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these 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.

Abenteuer Resources Corp.

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

	Notes	September 30, 2013	December 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents		\$ 95,796	\$ 130,516
Short-term investments	3	926,368	1,004,542
Prepays		16,895	11,482
Accounts receivable and other receivables	4	30,332	60,197
		1,069,391	1,206,737
Non-current assets			
Reclamation and other deposits	5	77,424	77,424
Oil properties	6	809,075	865,080
		886,499	942,504
		\$ 1,955,890	\$ 2,149,241
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 77,740	\$ 65,123
Non-current liabilities			
Decommissioning provisions	8	144,967	143,036
		222,707	208,159
Shareholders' equity			
Share capital	10	2,819,649	2,819,649
Reserves		322,304	322,304
Deficit		(1,408,770)	(1,200,871)
		1,733,183	1,941,082
		\$ 1,955,890	\$ 2,149,241

Approved by the Board of Directors:

"David Parry"

David Parry - Director

"J. Lewis Dillman"

J. Lewis Dillman - Director

See accompanying notes to the interim consolidated financial statements

Abenteuer Resources Corp.

Interim Consolidated Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - Unaudited)

	Notes	Three Month Period Ended September 30, 2013	Three Month Period Ended September 30, 2012	Nine Month Period Ended September 30, 2013	Nine Month Period Ended September 30, 2012
REVENUE					
Petroleum and natural gas sales		\$ 95,261	\$ 126,833	\$ 328,397	\$ 371,976
Royalties and freehold mineral tax		(13,408)	(17,745)	(45,179)	(25,580)
		81,853	109,088	283,218	346,396
EXPENSES					
Operating expenses	6,13	61,498	74,422	191,297	185,148
General and administrative	13	96,423	82,669	308,728	265,826
		157,921	157,091	500,025	450,974
OTHER ITEMS					
Other income		(6,260)	-	(8,908)	(9,348)
		(6,260)	-	(8,908)	(9,348)
Net loss and comprehensive loss for the period		\$ (69,808)	\$ (48,003)	\$ (207,899)	\$ (95,230)
Basic and diluted loss per common share		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average common shares outstanding		18,278,266	18,278,266	18,278,266	18,278,266

See accompanying notes to the interim consolidated financial statements

Abenteur Resources Corp.

Interim Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - Unaudited)

	Share capital			Reserves				
	Number of Shares	Amount		Option	Warrant	Total		
Balance at January 1, 2012	18,278,266	2,819,649	\$	295,774	\$ 26,530	\$ 322,304	\$ (1,050,204)	\$ 2,091,749
Loss for the period	-	-	-	-	-	-	(95,230)	(95,230)
Balance at September 30, 2012	18,278,266	2,819,649	\$	295,774	26,530	322,304	(1,145,434)	1,996,519
Loss for the period	-	-	-	-	-	-	(55,437)	(55,437)
Balance at December 31, 2012	18,278,266	2,819,649	\$	295,774	26,530	322,304	(1,200,871)	1,941,082
Loss for the period	-	-	-	-	-	-	(207,899)	(207,899)
Balance at September 30, 2013	18,278,266	2,819,649	\$	295,774	\$ 26,530	\$ 322,304	\$ (1,408,770)	\$ 1,733,183

See accompanying notes to the interim consolidated financial statements

Abenteuer Resources Corp.

Interim Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars - Unaudited)

	Three Month Period Ended September 30, 2013	Three Month Period Ended September 30, 2012	Nine Month Period Ended September 30, 2013	Nine Month Period Ended September 30, 2012
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Loss for the period	\$ (69,808)	\$ (48,003)	\$ (207,899)	\$ (95,230)
Items not affecting cash:				
Depletion, accretion and amortization	14,636	30,188	71,133	83,695
Other income	1,032	5,517	(1,368)	(3,558)
Changes in non-cash working capital items:				
Increase (decrease) in prepayments	-	3,005	(5,413)	(5,648)
Increase (decrease) in receivables	18,572	672	29,865	3,612
Increase (decrease) in accounts payable	31,920	28,100	12,617	(6,780)
	(3,648)	19,479	(101,065)	(23,909)
INVESTING ACTIVITIES				
Redemption (purchase) of short-term investment	(927,400)	(1,009,075)	79,542	6,429
Oil and gas property expenditures	(13,197)	-	(13,197)	-
	(940,597)	(1,009,075)	66,345	6,429
Change in cash and cash equivalents	(944,245)	(989,596)	(34,720)	(17,480)
Cash and cash equivalents - beginning	1,040,041	1,137,022	130,516	164,906
Cash and cash equivalents - end	\$ 95,796	\$ 147,426	\$ 95,796	\$ 147,426

See accompanying notes to the interim consolidated financial statements

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

1. Nature and continuance of operations

Abenteuer Resource Corp. (the “Company”) was incorporated under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company’s registered office is Suite 1578 – 609 Granville Street, Vancouver, BC, Canada, V7Y 1G5. The Company is engaged primarily in the exploration for, and the production of, petroleum reserves in Western Canada. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “ABU”.

These interim consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

2. Basis of preparation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Condensed Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The accounting policies applied in these interim consolidated financial statements are based on IFRS effective for the period ended September 30, 2013, as issued and outstanding as of November 20, 2013, the date the Board of Directors approved the statements. The interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2012.

3. Short-term investments

The Company has \$925,000 (December 31, 2012 - \$1,000,000) invested in a variable rate term deposit, earning interest based on the Bank of Montreal’s prime rate less 1.75%, with a maturity date of August 15, 2014. As at September 30, 2013, the Company had accrued interest on the investment of \$1,368.

4. Accounts receivable and other receivables

	September 30, 2013	December 31, 2012
	(\$)	(\$)
Value-added tax receivable	3,353	8,864
Trade receivables	26,979	51,333
	30,332	60,197

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

5. Reclamation and other deposits

	June 30, 2013 (\$)	December 31, 2012 (\$)
Reclamation bond	32,506	32,506
Office rent deposit	44,918	44,918
	77,424	77,424

The Company has a reclamation bond having a value of \$32,506 (\$20,000 Well and \$12,506 Battery) that is held by the Saskatchewan Industry and Resources in the event that well King 03-27-004-07 W2 becomes orphaned. The Company earns interest at a rate of 0.85% per annum on the reclamation bond.

6. Oil properties

The Company has working interests ("WI") in five wells in south east Saskatchewan at Kingsford. Four of these are horizontal wells.

#	Well	WI %
1	King 141/08-13-004-07 W2M	45.90
2	King 91/06 HZ 1D08-13-1D06-18-04-06 W2M	13.00
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45.90
4	King 4D8-14/2A11-13-004-07 W2	10.50
5	King 03-27-004-07 W2	100.00

During the year ended December 31, 2011, the Company executed a farm-out agreement with Admiralty Oils Ltd. ("Admiralty"), an arm's length private Saskatchewan oil company, to drill at least one test well on Section 27 of the West Kingsford pool in southeastern Saskatchewan.

Under the terms of the agreement, Admiralty could earn a 70-per-cent working interest in the well and farm-out lands, not including Well #5 above, by incurring 100 per cent of the drilling and well-completion costs, up to equipping and tie-in. The Company retained the option to convert its 30-per-cent working interest into a 10 percent gross overriding royalty ("GORR"). Admiralty, as operator, was required to spud the first well prior to October 20, 2012. This deadline was not met and the Company granted Admiralty a six month extension in exchange for \$25,000 in cash. On December 27, 2012 Admiralty spudded a vertical well which was subsequently completed in October 2013. The Company has elected to receive the 10% GORR on this well and accordingly has no current or future liabilities in connection with this well.

Abenteuer Resources Corp.
Notes to the Interim Consolidated Financial Statements
(Expressed in Canadian dollars)
Nine Month Period Ended September 30, 2013

6. Oil properties (continued)

	Well #1 (\$)	Well #2 (\$)	Well #3 (\$)	Well #4 (\$)	Well #5 (\$)	Total (\$)
Cost:						
At December 31, 2012	401,122	83,134	741,680	350,469	526,956	2,103,361
Additions	-	-	13,198	-	-	13,198
Decommissioning change in estimate	-	-	-	-	-	-
At September 30, 2013	401,122	83,134	754,878	350,469	526,956	2,116,559
Depletion:						
At December 31, 2012	(242,615)	(49,104)	(448,758)	(208,112)	(289,692)	(1,238,281)
Charge for the period	(7,025)	(3,964)	(18,140)	(10,975)	(29,099)	(69,203)
At September 30, 2013	(249,640)	(53,068)	(466,898)	(219,087)	(318,791)	(1,307,484)
Net book value:						
At December 31, 2012	158,507	34,030	292,922	142,357	237,264	865,080
At September 30, 2013	151,482	30,066	287,980	131,382	208,165	809,075
	Well #1 (\$)	Well #2 (\$)	Well #3 (\$)	Well #4 (\$)	Well #5 (\$)	Total (\$)
Cost:						
At December 31, 2011	401,275	83,167	741,962	350,606	527,188	2,104,198
Decommissioning change in estimate	(153)	(33)	(282)	(137)	(232)	(837)
At December 31, 2012	401,122	83,134	741,680	350,469	526,956	2,103,361
Depletion:						
At December 31, 2011	(224,893)	(45,299)	(416,007)	(192,195)	(258,961)	(1,137,355)
Charge for the year	(17,722)	(3,805)	(32,751)	(15,917)	(30,731)	(100,926)
At December 31, 2012	(242,615)	(49,104)	(448,758)	(208,112)	(289,692)	(1,238,281)
Net book value:						
At December 31, 2011	176,382	37,868	325,955	158,411	268,227	966,843
At December 31, 2012	158,507	34,030	292,922	142,357	237,264	865,080

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

7. Accounts payables and accrued liabilities

	September 30, 2013 (\$)	December 31, 2012 (\$)
Trade payables	44,283	27,445
Accrued liabilities	33,457	37,678
	77,740	65,123

8. Decommissioning provisions

	September 30, 2013 (\$)	December 31, 2012 (\$)
Balance, beginning	143,036	141,052
Change in estimate	-	(837)
Accretion expense	1,931	2,821
Balance, end	144,967	143,036

The Company's provision for restoration and environmental obligations consists of costs accrued based on the current best estimate of reclamation activities that will be required at the completion of petroleum extraction activities. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by a third party specialist. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments.

The Company has calculated the fair value of the asset retirement obligation using a risk free discount rate of 1.8% (December 31, 2012 – 1.8%). The estimated total future undiscounted cash flows to settle the asset retirement obligations are \$195,620 (December 31, 2012 - \$195,620) and are expected to be incurred over a period of approximately 24 years.

Refer to note 5.

9. Related party transactions

The Company incurred the following transactions with directors and companies that are controlled by directors of the Company.

	2013 (\$)	2012 (\$)
Director fees	18,000	18,000
Mineral royalties paid to a director of the Company	2,351	1,957
	20,351	19,957

Key management compensation

	2013 (\$)	2012 (\$)
Management fees paid to the CEO	18,000	22,500
Professional fees paid to the CFO	36,000	63,500
	54,000	86,000

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

9. Related party transactions (continued)

As at September 30, 2013, a total of \$590 (December 31, 2012 - \$228) was owing to a director of the Company for mineral royalties on the #4 well. Additionally, \$2,000 was owing for outstanding director fees.

10. Share capital*Authorized share capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

Issued share capital

There are no preferred shares issued or outstanding. There were no common shares issued during the nine month period ended September 30, 2013 or the year ended December 31, 2012.

Stock options

The Company has adopted a fixed incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company.

The following table summarizes the options outstanding as at September 30, 2013 and December 31, 2012:

Number of Options	Exercise Price	Expiry Date
1,150,000	\$0.20	November 24, 2016

There were no changes in options during the nine month period ended September 30, 2013 or the year ended December 31, 2012.

Share purchase warrants

There were no warrants issued or outstanding during the nine month period ended September 30, 2013 or the year ended December 31, 2012.

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

11. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and 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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of petroleum sales to long standing customers with reputable credit history. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's main source of funding has been through revenue earned from its operating well interests and the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at September 30, 2013:

	Within one year	Between one	More than
	(\$)	and five years	five years
		(\$)	(\$)
Accounts payables and accrued liabilities	77,740	-	-

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its short-term investments as they are exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would have an impact on the Company's net loss of \$9,250.

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

11. Financial risk management (continued)***Foreign exchange risk***

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world economic events that dictate the levels of supply and demand. The Company's earnings and its ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of oil. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. The Corporation had no hedging contracts in place as at or during the period ended September 30, 2013. A \$10 change in the price of oil would give rise to a gain/loss of approximately \$39,300.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital requirements by maintaining a budgeting and forecasting process to determine whether equity funding is required.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2013 (\$)	December 31, 2012 (\$)
Loans and receivables:		
Cash and cash equivalents	95,796	130,516
Short-term investments	926,368	1,004,542
Reclamation bond	32,506	32,506
Accounts receivable and other receivables	30,332	60,197
	1,085,002	1,227,761

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

11. Financial risk management (continued)

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2013 (\$)	December 31, 2012 (\$)
Accounts payable and accrued liabilities	77,740	65,123

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

12. Segmented information

The Company operates in a single reportable operating segment – the acquisition, production, exploration and development of oil and gas properties. The Company operates in one geographic segment located in Canada, but considers its operating wells to be grouped into two cash generating units.

13. Expense by nature

General and administrative expense is comprised of the following:

	2013 (\$)	2012 (\$)
Office rent	66,864	38,285
Director fees	18,000	18,000
Management fees	18,000	22,500
Professional and consulting fees	117,414	119,393
Transfer and filing fees	12,493	13,777
Travel	28,794	11,162
Administrative and other	47,163	42,709
	<u>308,728</u>	<u>265,826</u>

Operating expense is comprised of the following:

	2013 (\$)	2012 (\$)
Contract labour	47,339	30,946
Depletion (Note 6)	69,202	81,579
Accretion of decommissioning provision (Note 8)	1,931	2,116
Power	17,404	13,648
Trucking	23,775	24,041
Supplies and other	31,646	32,818
	<u>191,297</u>	<u>185,148</u>

Abenteuer Resources Corp.

Notes to the Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

Nine Month Period Ended September 30, 2013

14. Subsequent Event

Subsequent to the end of the period:

- a) the Company elected to receive a 10% GORR from Admiralty with regards to the recently completed vertical well on its section 27 property. Admiralty has advised the Company that the well is currently flowing approximately 30 bopd with a 5% water cut.
- b) the Company executed an authorization for expenditure with Canera in order to maintain its 13% working interest in a new dual leg horizontal well to be drilled on Section 18 in mid-December 2013. The estimated drilling costs as reported by CanEra will total \$1,077,074. Accordingly, the Abenteuer portion of those drilling costs will amount to \$140,020. The completion, equipping and tie-in costs are currently estimated to be approximately \$600,000 which would result in additional cost to Abenteuer of \$78,000.