EAST WEST PETROLEUM CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
SPETEMBER 30, 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

EAST WEST PETROLEUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2020 $	March 31, 2020 $
ASSETS			
Current assets			
Cash		4,911,056	4,908,264
GST receivable		6,280	3,742
Amounts receivable	4	166,802	605,187
Prepaid expenses		28,880	22,741
Total current assets		5,113,018	5,539,934
Non-current assets			
Investments	5	599,200	511,734
Exploration and evaluation assets	6	1,655,361	1,579,279
Property, plant and equipment	7	368,384	656,348
Total non-current assets		2,622,945	2,747,361
TOTAL ASSETS		7,735,963	8,287,295
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		284,094	491,898
Deposit	6(a)	-	70,935
Total current liabilities		284,094	562,833
Non-current liabilities			
Decommissioning liabilities	8	1,325,303	1,269,824
TOTAL LIABILITIES		1,609,397	1,832,657
SHAREHOLDERS' EQUITY			
Share capital	9	39,868,761	39,868,761
Share-based compensation reserve		5,337,703	5,337,703
Foreign currency translation reserve		(528,851)	(535,399)
Deficit		(38,551,047)	(38,216,427)
TOTAL SHAREHOLDERS' EQUITY		6,126,566	6,454,638
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,735,963	8,287,295

Nature of Operations - see Note 1

Commitments - see Note 12

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 30, 2020 and are signed on its behalf by:

/s/ Mark T. Brown	*/s/ Nick DeMare*
Mark Brown	Nick DeMare
Director	Director

EAST WEST PETROLEUM CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended September 30, 2020 $	Three Months Ended September 30, 2019 $	Six Months Ended September 30, 2020 $	Six Months Ended September 30, 2019 $
Revenue and costs					
Petroleum and natural gas sales		594,108	358,589	1,135,141	1,491,042
Production costs		(241,281)	(416,099)	(595,886)	(655,232)
Transportation and storage costs		(219,538)	(46,937)	(485,740)	(167,153)
Royalties		(15,812)	18,598	(35,131)	(66,685)
		117,477	(85,849)	18,384	601,972
Expenses					
General and administrative		127,001	176,896	174,893	243,522
General exploration		3,843	7,239	43,031	44,907
Share-based compensation	9(c)	-	-	-	48,000
Depletion and depreciation	7	165,913	171,576	340,040	534,719
Finance expense of decommissioning liabilities	8	481	5,508	962	11,273
		297,238	361,219	558,926	882,421
Loss before other items		(179,761)	(447,068)	(540,542)	(280,449)
Other items					
Interest income		3,178	19,218	5,719	38,438
Foreign exchange		85,326	(134,650)	99,392	(55,239)
Unrealized gain (loss) on investments	5	51,500	(197,685)	732,579	(385,198)
Realized loss on sale of investments	5	-	-	(631,768)	(19,012)
		140,004	(313,117)	205,922	(421,011)
Net loss for the period		(39,757)	(760,185)	(334,620)	(701,460)
Other comprehensive income (loss)					
Change in currency translation of foreign subsidiary		(148,613)	49,530	6,548	(106,859)
Comprehensive loss for the period		(188,370)	(710,655)	(328,072)	(808,319)
Basic and diluted loss per common share		$(0.00)	$(0.01)	$(0.00)	$(0.01)
Weighted average number of common shares outstanding		89,585,665	89,585,665	89,585,665	89,585,665

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

EAST WEST PETROLEUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended September 30, 2020					
	Share Capital		Reserves			
	Number of Shares	Amount $	Share-Based Compensation $	Foreign Currency Translation $	Deficit $	Total Equity $
Balance at March 31, 2020	89,585,665	39,868,761	5,337,703	(535,399)	(38,216,427)	6,454,638
Currency translation adjustment	-	-	-	6,548	-	6,548
Net loss for the period	-	-	-	-	(334,620)	(334,620)
Balance at September 30, 2020	89,585,665	39,868,761	5,337,703	(528,851)	(38,551,047)	6,126,566

	Six Months Ended Sepember 30, 2019					
	Share Capital		Reserves			
	Number of Shares	Amount $	Share-Based Compensation $	Foreign Currency Translation $	Deficit $	Total Equity $
Balance at March 31, 2019	89,585,665	39,868,761	5,251,003	(181,568)	(39,107,217)	5,830,979
Share-based compensation	-	-	48,000	-	-	48,000
Currency translation adjustment	-	-	-	(106,859)	-	(106,859)
Net loss for the period	-	-	-	-	(701,460)	(701,460)
Balance at September 30, 2019	89,585,665	39,868,761	5,299,003	(288,427)	(39,808,677)	5,070,660

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

EAST WEST PETROLEUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended September 30, 2020 $	Six Months Ended September 30, 2019 $
Operating activities		
Net loss for the period	(334,620)	(701,460)
Adjustments for:		
Depletion and depreciation	340,040	534,719
Share-based compensation	-	48,000
Finance expense of decommissioning liabilities	982	11,273
Realized loss on sale of investments	631,768	19,012
Unrealized (gain) loss on investments	(732,579)	385,198
Changes in non-cash working capital items:		
Amounts receivable	462,340	126,872
GST receivable	(4,050)	7,225
Prepaid expenses	(5,383)	9,007
Accounts payable and accrued liabilities	(225,034)	(385,907)
Net cash provided by operating activities	133,464	53,939
Investing activities		
Expenditures on exploration and evaluation assets	-	(5,063)
Expenditures on property, plant and equipment	(24,009)	(67,469)
Deposit received	-	65,505
Return of deposit	(70,935)	-
Proceeds from sale of investments	13,345	1,855
Net cash used in investing activities	(81,599)	(5,172)
Effect of exchange rate changes on cash	(49,073)	12,559
Net change in cash	2,792	61,326
Cash at beginning of period	4,908,264	3,657,694
Cash at end of period	4,911,056	3,719,020

Supplemental cash flow information - See Note 13

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

1. Nature of Operations

East West Petroleum Corp. (the "Company") was incorporated on October 23, 1987 under the provisions of the Company Act (British Columbia). The Company is listed and trades on the TSX Venture Exchange ("TSXV") under the symbol "EW". The Company's principal office is located at Suite 1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

The Company is a junior oil and gas company engaged in the exploration, development and production from certain of its oil and gas properties. On June 24, 2019 the Company entered into an agreement to dispose of the majority of its oil and gas interests in New Zealand, as described in Note 6(a). The agreement was terminated on August 1, 2020.

As at September 30, 2020 the Company had working capital of $4,828,924 and held investments in marketable securities with a fair value of $599,200. The Company believes that it has sufficient financial resources to conduct anticipated exploration and development costs for the upcoming twelve month period. The success of the Company's exploration and development of its oil and gas properties requires significant additional exploration and development activities to establish additional proved reserves and to commercialize its oil and gas exploration properties. The Company is also influenced by significant financial risks as well as commodity prices. In addition, the Company will use cash and operating cash flow to further explore and develop its properties as required. The Company monitors its cash and cash equivalents and adjusts its expenditure plans to conform to available funding. The Company plans to fund exploration and development activities through positive operating cash flows, existing cash resources and sales of investments.

On March 11, 2020 the World Health Organization ("WHO") declared the novel coronavirus outbreak identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company has implemented safety and physical distancing procedures, including working from home where possible and ceased all travel. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

These condensed consolidated interim financial statements do not reflect any adjustments related to conditions that occurred subsequent to September 30, 2020.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended March 31, 2020

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Adoption of New Accounting Standards

Definition of a Business (Amendments to IFRS 3)

Effective July 1, 2020 the Company adopted IASB - *Definition of a Business* (Amendments to IFRS 3) which clarifies the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

(i) clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
(ii) remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
(iii) narrow the definition of a business and the definition of outputs; and
(iv) add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no impact on the Company's condensed consolidated interim financial statements.

3. Details of the Group

In addition to the Company, these consolidated financial statements include all wholly-owned subsidiaries. The Company's significant subsidiary, East West Petroleum (NZ) Limited ("EWNZ"), is engaged in the exploring and producing oil and gas operations. On July 10, 2018 the Company incorporated East West Oil & Gas Limited ("EW Oil & Gas") under the provisions of the Company Act (British Columbia). Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

4. Amounts Receivable

	September 30, 2020 $	March 31, 2020 $
Production receivable	153,525	592,520
Other	13,277	12,667
	166,802	605,187

5. Investments

	As at September 30, 2020		
	Number	Cost $	Carrying Value $
FVTPL investments:			
Common shares:			
(a) Orocobre Limited ("Orocobre")	240,000	456,000	568,800
(b) Sweet Earth Holdings Inc ("Sweet Earth")	190,000	426,028	30,400
		882,028	599,200

(Unaudited - Expressed in Canadian Dollars)

5. Investments (continued)

	As at March 31, 2020		
	Number	**Cost $**	**Carrying Value $**
FVTPL investments:			
Common shares:			
(a) Advantage Lithium Corp. ("Advantage Lithium")	1,719,000	1,067,586	429,750
(b) Seaway Energy Services Inc. ("Seaway")	512,400	459,336	81,984
		1,526,922	511,734

(a) On April 17, 2020 Orocobre completed the acquisition of 100% of the issued and outstanding common shares of Advantage Lithium in exchange for 0.142 ordinary shares of Orocobre per Advantage Lithium share. Accordingly, the Company received 244,098 shares of Orocobre for the 1,719,000 Advantage Lithium shares held by the Company for a fair value of $463,786, resulting in a loss on the disposition of $603,800. The Company subsequently sold 4,098 common shares of Orocobre for proceeds of $10,010 resulting in a gain on sale of $2,223.

The carrying values of the Orocobre common shares have been directly referenced to published price quotations in an active market.

(b) In May 2020 Seaway completed a consolidation of its share capital on a basis of, one new for every 2.5 old common shares and, on May 22, 2020, completed a reverse takeover transaction to form Sweet Earth resulting in the Company holding 204,960 Sweet Earth shares. The Company subsequently sold 14,960 common shares of Sweet Earth for proceeds of $3,335 resulting in a loss of $30,191.

The carrying values of the Sweet Earth common shares have been directly referenced to published price quotations in an active market.

(c) During the six months ended September 30, 2020 the Company recorded an unrealized gain of $732,579 (2019 - loss of $385,198) on its investments.

(d) During the six months ended September 30, 2019 the Company sold all of its 28,000 common shares of American Helium for proceeds of $1,855 resulting in a loss on sale of investments of $19,012.

6. Exploration and Evaluation Assets

	PEP 54877 $
Balance at March 31, 2019	1,696,906
Capital expenditures	5,010
Foreign exchange movement	(122,637)
Balance at March 31, 2020	1,579,279
Foreign exchange movement	76,082
Balance at September 30, 2020	1,655,361

6. Exploration and Evaluation Assets (continued)

(a) On December 11, 2012 the Government of New Zealand awarded the Company and its partner, TAG Oil Ltd. ("TAG"), interests in three onshore exploration blocks located in the Taranaki Basin, New Zealand. Under the terms of the agreements, the Company participated in the drilling of exploration wells. On January 7, 2014 commercial discovery was declared on petroleum exploration permit ("PEP") 54877 and the capitalized expenditures were transferred to property, plant and equipment. The Company has a 30% participation in PEP 54877. On September 17, 2017 New Zealand Petroleum and Minerals ("NZP&M") approved the petroleum mining permit ("PMP") for the Company's 30% working interest of PMP 60291, which has been carved out of PEP 54877 and part of the remaining acreage has been included in an application to extend the duration of PEP 54877. During fiscal 2018 the Company drilled an exploration well (the "Cheal D-1 Well") under PEP 54877.

On June 24, 2019 the Company signed a heads of agreement with a private arm's length New Zealand company (the "Buyer") pursuant to which the Company agreed to sell its interest in PEP 54877 and PMP 60291 (collectively, the "Permits") which comprise the entirety of the Company's assets in New Zealand (the "Transaction"). On October 8, 2019, as amended, the Company and the Buyer signed the definitive agreement (the "Definitive Agreement") for the sale and purchase of the Permits under the Transaction.

Pursuant to the terms of the Definitive Agreement, and in consideration of the Transaction, the Buyer agreed to pay the Company US$1,900,000 (the "Purchase Price"), with April 1, 2019 as the effective date (the "Effective Date"). On July 16, 2019 the Company received a deposit of $70,935 (US$50,000) (the "Deposit") from the Buyer which was refundable to the Buyer in the event the Company did not receive all the requisite approvals. In addition to the Deposit, all revenue, less associated sales costs, production costs, royalties and capital costs, received by the Company subsequent to the Effective Date would be credited to the Purchase Price to be paid by the Buyer. On August 1, 2020 the Company terminated the Definitive Agreement and the Deposit was refunded to the Buyer.

(b) During fiscal 2010 the Company was awarded four exploration blocks located in the Pannonian Basin, in western Romania. The four concessions have specific mandatory Phase 1 work programs (the "Romania Work Programs"). Production from the concessions is also subject to royalties of between 3.5% to 13.5% based on quarterly gross production payable to the government.

On October 27, 2011 the Company and Naftna Industrija Srbije j.s.c. Novi Sad ("NIS"), an arm's length corporation, signed a farm-out agreement (the "Farm-out"). Under the terms of the Farm-out, NIS paid the Company a total of $525,000 for the assignment of an 85% participation interest and operatorship of the Romania Work Programs to NIS. NIS has the obligation to fund the Romania Work Programs. The Company retains a 15% carried interest in each block through the obligatory two year Phase I work program and the optional one year Phase II work program. If a commercial discovery is made, the Company will be responsible for its 15% interest in development of the commercial discovery.

(Unaudited - Expressed in Canadian Dollars)

7. Property, Plant and Equipment

	Petroleum and Natural Gas Properties (PMP 60291) $
Cost:	
Balance at March 31, 2019	14,121,516
Capital expenditures	79,985
Foreign exchange movement	(1,021,098)
Balance at March 31, 2020	13,180,403
Capital expenditures	24,009
Foreign exchange movement	635,239
Balance at September 30, 2020	13,839,651
Accumulated Depletion and Depreciation and Impairment:	
Balance at March 31, 2019	(13,053,084)
Depletion and depreciation	(419,509)
Foreign exchange movement	948,538
Balance at March 31, 2020	(12,524,055)
Depletion and depreciation	(340,040)
Foreign exchange movement	(607,172)
Balance at September 30, 2020	(13,471,267)
Carrying Value:	
Balance at March 31, 2020	656,348
Balance at September 30, 2020	368,384

An impairment test is performed on capitalized property, plant and equipment costs at a CGU level when indicators of impairment exist. Impairment is calculated as the difference in the CGU's carrying value and its recoverable amount.

See also Note 6(a).

8. Decommissioning Liabilities

	$
Balance, March 31, 2019	1,357,434
Finance cost	1,926
Foreign exchange movement	(89,536)
Balance, March 31, 2020	1,269,824
Finance cost	962
Foreign exchange movement	54,517
Balance, September 30, 2020	1,325,303

The total amount of estimated undiscounted cash flows required to settle the Company's estimated obligation is $1,332,500 (March 31, 2020 - $1,277,000) which has been discounted using a pre-tax risk-free rate of 0.25% (March 31, 2020 - 0.25%) and an inflation rate of 1.90% (March 31, 2020 - 1.90%). The present value of the decommissioning liabilities may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur.

(Unaudited - Expressed in Canadian Dollars)

8. Decommissioning Liabilities (continued)

The total future asset decommissioning obligations were estimated based on the Company's net ownership interest in all wells and facilities, the estimated costs to abandon and reclaim the wells and facilities and the estimated timing of the costs to be incurred in future years. These liabilities will be settled at various dates which are currently expected to extend up to 2021. Settlement of the liabilities is expected to be funded from general corporate funds at the time of retirement.

9. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Reconciliation of Changes in Share Capital*

No equity financings were conducted by the Company during the six months ended September 30, 2020 or fiscal 2020.

(c) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the share options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years from the date of grant.

No share options were granted or vested during the six months ended September 30, 2020. During the six months ended September 30, 2019 the Company granted granted share options to purchase 800,000 common shares and recorded compensation expense of $48,000. The fair value of share options granted during the six months ended September 30, 2019 was estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 1.52%; estimated volatility of 65%; expected life of 5 years; expected dividend yield of 0%; and estimated forfeiture rate of 0%

The weighted average grant date fair value of all share options granted during the six months ended September 30, 2019 was $0.06 per share option.

A summary of the Company's share options at September 30, 2020 and 2019 and the changes for the six months ended on those dates, is as follows:

	2020		2019	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	5,505,000	0.09	5,815,000	0.13
Granted	-	-	800,000	0.10
Expired/cancelled	-	-	(500,000)	0.135
Balance, end of period	5,505,000	0.09	6,115,000	0.12

(Unaudited - Expressed in Canadian Dollars)

9. Share Capital (continued)

The following table summarizes information about the share options outstanding and exercisable at September 30, 2020:

Number of Shares	Exercise Price $	Expiry Date
50,000	0.09	November 26, 2020*
1,265,000	0.10	November 21, 2021
800,000	0.125	January 19, 2022
500,000	0.135	October 3, 2022
800,000	0.10	April 24, 2024
2,090,000	0.06	January 16, 2025
5,505,000		

* Expired on November 26, 2020 without exercise.

10. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

(a) During the six months ended September 30, 2020 and 2019 the Company incurred the following compensation amounts to its current and former key management personnel:

	2020 $	2019 $
Professional fees	32,000	24,000
Share-based compensation	-	48,000
	32,000	72,000

As at September 30, 2020 $2,000 (March 31, 2020 - $4,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) During the six months ended September 30, 2020 the Company incurred a total of $25,100 (2019 - $23,200) to Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO. As at September 30, 2020, $10,900 (March 31, 2020 - $1,500) remained unpaid and has been included in accounts payable and accrued liabilities.

11. Financial Instruments and Risk Management

The nature of the Company's operations expose the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net income and comprehensive income.

This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

(Unaudited - Expressed in Canadian Dollars)

11. Financial Instruments and Risk Management (continued)

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations. The most significant exposure to this risk is relative to the sale of oil production. All of the Company's production is sold directly to an oil super major. The Company is paid for its oil sales within 30 days of shipment. The Company has assessed the risk of non-collection from the buyer as low due to the buyer's financial condition.

Cash is held with a Canadian chartered bank and is monitored to ensure a stable return.

The carrying amount of cash and amounts receivable represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts on its amounts receivable as at September 30, 2020 and 2019 and did not provide for any doubtful accounts.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand. All of the Company's oil production is sold at spot rates exposing the Company to the risk of price movements. As at September 30, 2020, assuming all other variables remain constant, a change of 10% in oil and gas prices would have an effect on net income of $113,514. Effective January 1, 2020 the Company has an agreement to sell its gas production from the Cheal E field at a base price of NZD $6.10 per gigajoule. The gas agreement is set to end December 31, 2020.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at September 30, 2020				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	4,911,056	-	-	-	4,911,056
Amounts receivable	166,802	-	-	-	166,802
Investments	-	-	599,200	-	599,200
Accounts payable and accrued liabilities	(284,094)	-	-	-	(284,094)

Market Risk

Market risk is the risk that changes in foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

11. Financial Instruments and Risk Management (continued)

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum sales are denominated in United States dollars and gas sales, operational and capital activities related to the Company's properties are transacted primarily in New Zealand dollars and/or United States dollars with some costs also being incurred in Canadian dollars.

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the work commitments in New Zealand are expected to be carried out in New Zealand and to a lesser extent, in United States dollars.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash which bears a floating rate of interest. The risk is not considered significant.

The Company did not have any interest rate swaps or financial contracts in place during the six months ended September 30, 2020 or fiscal 2020 and any variations in interest rates would not have materially affected net income.

Fair Value of Financial Instruments

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; fair value through other comprehensive income ("FVOCI"); and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	**Category**	**September 30, 2020 $**	**March 31, 2020 $**
Cash	FVTPL	4,911,056	4,908,264
Amounts receivable	Amortized cost	166,802	605,187
Investments - common shares	FVTPL	599,200	511,734
Accounts payable and accrued liabilities	Amortized cost	(284,094)	(491,898)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and investments approximate their fair value. The fair value of cash and investment in common shares under the fair value hierarchy is measured using Level 1 and Level 2 inputs.

(Unaudited - Expressed in Canadian Dollars)

11. Financial Instruments and Risk Management (continued)

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2020 and March 31, 2020:

	September 30, 2020		
	Level 1 $	Level 2 $	Level 3 $
Cash	4,911,056	-	-
Investments - common shares	599,200	-	-
	5,510,256	-	-

	March 31, 2020		
	Level 1 $	Level 2 $	Level 3 $
Cash	4,908,264	-	-
Investments - common shares	511,734	-	-
	5,419,998	-	-

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the period.

12. Commitments

The Company's share of expected exploration and development permit obligations and/or commitments as at September 30, 2020 are approximately $147,000 to be incurred during fiscal 2021 and $1,400,000 over the next five years. The Company may choose to alter the program, request extensions, reject development costs, relinquish certain permits or farm-out its interest in permits where practical. See also Note 6(a).

(Unaudited - Expressed in Canadian Dollars)

13. Supplemental Cash Flow Information

During the six months ended September 30, 2020 and 2019 non-cash activities were conducted by the Company as follows:

	2020 $	2019 $
Investing activities		
Property, plant and equipment	-	(368,344)
Acquisition of investments	463,786	-
Proceeds from disposition of investments	(463,786)	-
	-	-
Operating activity		
Accounts payable and accrued liabilities	-	368,344

14. Segmented Information

During the six months ended September 30, 2020 and fiscal 2020 the Company operated in one business segment, being the acquisition, exploration and production of oil and gas properties in New Zealand. The Company's total assets and operations are segmented geographically as follows:

	As at September 30, 2020		
	Canada $	New Zealand $	Total
Current assets	4,704,518	408,500	5,113,018
Investments	599,200	-	599,200
Exploration and evaluation assets	-	1,655,361	1,655,361
Property, plant and equipment	-	368,384	368,384
	5,303,718	2,432,245	7,735,963
Petroleum and natural gas sales	-	1,598,893	1,598,893

	As at March 31, 2020		
	Canada $	New Zealand $	Total
Current assets	4,626,401	913,533	5,539,934
Investments	511,734	-	511,734
Exploration and evaluation assets	-	1,579,279	1,579,279
Property, plant and equipment	-	656,348	656,348
	5,138,135	3,149,160	8,287,295
Petroleum and natural gas sales	-	3,676,561	3,676,561

The Company earned a majority of its petroleum and natural gas sales from one customer.