

ABENTEUER RESOURCES CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2009 AND 2008

Auditors' Report

To the Shareholders of Abenteuer Resources Corp.

We have audited the balance sheets of **Abenteuer Resources Corp.** (the "Company") as at December 31, 2009 and 2008 and the statements of shareholder's equity, operations, comprehensive income (loss) and retained earnings (deficit) and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, British Columbia, Canada
April 29, 2010

ABENTEUER RESOURCES CORP.

BALANCE SHEETS AS AT DECEMBER 31

	2009	2008
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 462,514	\$ 614,355
Accounts receivable – Note 14	127,235	23,547
Prepaid expenses	2,504	-
Short-term deposits – Note 15	800,000	500,000
	<u>1,392,253</u>	<u>1,137,902</u>
LONG TERM		
Property and equipment – Note 5	1,057,164	1,202,380
TOTAL ASSETS	\$ 2,449,417	\$ 2,340,282
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities – Note 14	\$ 66,471	\$ 86,613
LONG TERM		
Asset retirement obligations – Note 6	82,729	78,795
Future income tax liability – Note 9	29,987	65,512
	<u>112,716</u>	<u>144,307</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL – Note 7	2,105,559	1,829,228
WARRANTS – Note 7	97,133	-
CONTRIBUTED SURPLUS – Note 7	244,213	217,963
RETAINED EARNINGS (DEFICIT)	(176,675)	62,171
	<u>2,270,230</u>	<u>2,109,362</u>
TOTAL LIABILITIES AND EQUITY	\$ 2,449,417	\$ 2,340,282

Nature of operations (Note 1)

Commitments and contingencies (Notes 11 and 12)

The accompanying notes are an integral part of these financial statements

Approved by:

 (signed) "Lewis Dillman" Director

 (signed) "Sean McGrath" Director

ABENTEUER RESOURCES CORP.

STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS DECEMBER 31

	2009	2008
Number of common shares		
Balance – beginning of year	10,733,266	10,733,266
Issue of common shares in financing	3,850,000	-
Balance – end of year	14,583,266	10,733,266
Paid in share capital		
Balance – beginning of year	\$ 1,829,228	\$ 1,829,228
Issue of common shares in financing	285,000	-
Share issuance costs	(8,669)	-
Balance – end of year	\$ 2,105,559	\$ 1,829,228
Warrants		
Balance – beginning of year	\$ -	\$ -
Issue of warrants in financing	100,000	-
Share issuance costs	(2,867)	-
Balance – end of year	\$ 97,133	\$ -
Contributed Surplus		
Balance – beginning of year	\$ 217,963	\$ 210,709
Stock based compensation	26,250	7,254
Balance – end of year	\$ 244,213	\$ 217,963
Retained earnings		
Balance as of – beginning of year	\$ 62,171	\$ (106,949)
Net income and comprehensive income (loss)	(238,846)	169,120
Balance – end of year	(176,765)	62,171
Total shareholder's equity	\$ 2,270,230	\$ 2,109,362

ABENTEUER RESOURCES CORP.

STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME (LOSS)
AND RETAINED EARNINGS (DEFICIT)

FOR THE YEARS DECEMBER 31

	2009	2008
REVENUE		
Petroleum and natural gas sales	\$ 495,900	\$ 869,254
Less: Royalties and free hold mineral tax	(80,345)	(142,527)
	415,555	726,727
EXPENSES		
Operating	208,711	138,272
Depletion, accretion and amortization	161,450	151,613
General and administrative	287,433	215,118
Stock-based compensation – Note 8	26,250	7,254
	683,844	512,257
Investigation of international opportunities	49,406	-
Other income	(13,323)	(22,557)
NET EARNINGS (LOSS) FOR THE YEAR BEFORE INCOME TAXES	(304,372)	237,027
Current income tax recovery (expense) – Note 9	30,000	(30,070)
Future income tax recovery (expense) – Note 9	35,526	(37,837)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	(238,846)	169,120
RETAINED EARNINGS (DEFICIT) – beginning of year	62,171	(106,949)
RETAINED EARNINGS (DEFICIT) – end of year	\$ (176,675)	\$ 62,171
Earnings (Loss) per share (basic)	\$ (0.02)	\$ 0.02
Earnings (Loss) per share (diluted)	\$ N/A	\$ 0.01
Weighted Average Number of Common Shares Outstanding	11,619,293	10,733,266
Fully Diluted Shares Outstanding	N/A	11,733,266

ABENTEUER RESOURCES CORP.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31

	2009	2008
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income (loss) and comprehensive income (loss) for the year	\$ (238,846)	\$ 169,120
Add items not requiring cash payment:		
Depletion, accretion and amortization	161,450	151,613
Stock-based compensation	26,250	7,254
Shares issued for services	15,000	-
Current income tax recovery	(30,000)	-
Future income tax expense (recovery)	(35,526)	37,837
	(101,672)	365,824
Net Changes in non-cash working capital relating to operations	(96,334)	98,050
	(198,006)	463,874
FINANCING ACTIVITIES		
Issuance of share capital and warrants, net	358,464	-
	358,464	-
INVESTING ACTIVITIES		
Purchase of short term deposits	(300,000)	(50,000)
Property and Equipment acquisition	(12,299)	(6,766)
	(312,299)	(56,766)
CHANGE IN CASH AND CASH EQUIVALENTS	(151,841)	407,108
CASH AND EQUIVALENTS – beginning of year	614,355	207,247
CASH AND EQUIVALENTS – end of year	\$ 462,514	\$ 614,355

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 **NATURE OF OPERATIONS**

The Company is engaged primarily in the exploration for, and the production of, petroleum reserves in a single cost centre being the Western Canadian Sedimentary basin; however, it does consider opportunities, which have an international aspect..

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed by the Company are set out below and have been consistently followed in the preparation of these financial statements as compared to prior years, except that the Company has adopted certain new Canadian Institute of Chartered Accountants (“CICA”) standards as described in Note 3.

a) Property and Equipment

Office equipment is recorded at cost. Amortization is recorded on a declining balance basis at the following annual rate:

Computer equipment	20%
--------------------	-----

b) Petroleum Properties and Production Equipment

Capitalized costs

The Company follows the full-cost method of accounting for oil and gas activities whereby all costs associated with the acquisition of, the exploration for and the development of oil reserves, whether productive or unproductive, are capitalized. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling of productive and non-productive wells, production and gathering equipment and facilities, carrying costs directly related to unproved properties, and corporate costs directly related to acquisition. The carrying value, based on a ceiling test calculation, is limited to a recoverable amount as determined by estimating the present value of future net revenue from proven properties based on forecast prices, costs and the value of unproven properties at the lower of cost and net realizable value.

The costs (including exploratory dry holes) related to cost centres from which there has been no commercial production are not subject to depletion until commercial production commences.

Proceeds from disposal of properties are normally applied as a reduction of the costs of the remaining assets unless the disposal would alter the rate of depletion by more than 20%, in which case a gain or loss on disposal is recorded.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Depletion and depreciation

Capitalized costs are depleted and depreciated using the unit-of-production method based on gross proved reserves of petroleum and natural gas as determined by independent engineers. For purposes of this calculation, oil and natural gas reserves are converted to a common unit of measurement on the basis that six thousand cubic feet of gas equates to one barrel of oil. In determining its depletion base, the Company includes estimated future costs to be incurred in developing proved reserves and excludes estimated salvage values and the cost of unproved properties. Costs of acquiring and evaluating unproved properties are excluded from the depletion base until it is determined whether proved reserves are attributable to the properties or impairment occurs. Unproved properties are assessed for impairment at least annually.

Ceiling Test

Impairment is determined when the carrying amount of petroleum properties and production equipment exceeds the sum of the undiscounted cash flows expected to result from the Company's proved reserves (determined pursuant to evaluation by independent engineers as dictated by National Instrument 51-101), based on future pricing. If the carrying value is impaired, the amount of impairment is measured by comparing the carrying amounts of property and equipment to an amount equal to the estimated net present value of future cash flows from proved plus probable reserves. This calculation incorporates risks and uncertainties in the expected future cash flows that are discounted using a risk-free rate. Any excess carrying value above the net present value of the future cash flows would be recorded as a permanent impairment and the cost centre is written down to its fair value.

The Company applies this test at least annually or more frequently as events or circumstances dictate.

Joint Interests

Substantially all of the exploration, development and production activities of the Company are conducted jointly with others and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

c) Asset Retirement Obligation

The Company recognizes the estimated liability associated with an asset retirement obligation (“ARO”) in the financial statements at the time the asset is acquired and the liability is incurred. The estimated fair value of the ARO liability is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production method over the life of the proved reserves. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. Differences between the actual costs incurred and the fair value of the liability recorded are recognized in earnings in the period incurred.

d) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The amounts recorded for depletion and amortization of property and equipment and the liability for retirement obligations are based on estimates. The impairment test is based on estimates of proved reserves, production rates, oil prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

The calculation of stock-based compensation involves using certain estimates and assumptions which are subject to management uncertainty.

The financial statements include accruals based on the terms of existing joint venture agreements. Due to varying interpretations of the definition of terms in these agreements, the accruals made by management in this regard may be significantly different from those determined by the Company’s joint venture partners. The effect on the financial statements resulting from such adjustments, if any, will be reflected prospectively.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

e) Income Taxes

The Company has adopted the liability method of accounting for future income taxes. Under the liability method, future income tax assets and liabilities are determined based on “temporary difference” (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the substantively enacted tax rates and laws expected to apply when these differences are expected to reverse.

f) Stock-Based Compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options is measured at the date of the grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For employees and non-employees, the fair value of the options is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

g) Revenue Recognition

Revenues associated with sales of petroleum and natural gas and all other items are recorded when reserves are produced and delivered to the purchaser.

h) Earnings (Loss) Per Share

Basic earnings (loss) per share are computed by dividing income (loss) by the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts reflect the potential dilution (if any) that could occur if stock options or warrants to purchase common shares were exercised and converted to common shares. The treasury stock method of calculating diluted loss per share amounts is used whereby any proceeds from the exercise of stock options or warrants are assumed to be used to purchase common shares of the Company at the average market price during the year.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, term deposits and short-term highly liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value.

j) Short-term deposits

Short term deposits include term deposits and short term highly liquid investments with the original term to maturity of greater than three months but less than one year, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value.

NOTE 3 **RECENT CANADIAN ACCOUNTING POLICIES**

i) Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants (“CICA”) issued CICA Handbook Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The new Section was adopted by the Company for its fiscal year beginning January 1, 2009. The adoption of this section did not have a material impact on the financial statements.

ii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2003, the CICA issued EIC – 173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. The guidance requires that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. This guidance was applicable to fiscal periods ending on or after January 12, 2009. The adoption of this section did not have a material impact on the financial statements.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3 **RECENT CANADIAN ACCOUNTING POLICIES - CONTINUED**

iii) Financial Instruments - Disclosures

During 2009, CICA Handbook Section 3862, *Financial Instruments – Disclosures* was amended to require disclosures about the inputs to fair value measurement, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical asset or liability.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

The Company adopted this amended standard for the year ended December 31, 2009 and required disclosures are included in Note 14.

NOTE 4 **FUTURE ACCOUNTING PRONOUNCEMENTS**

(i) Business Combinations

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1852 establishes principles and requirements of the acquisition method for business combinations and related disclosures. In addition, the CICA issued Sections 1601, Financial Statements, and 1602, Non-Controlling Interests, which replaces the existing guidance. Section 1601 establishes standards for the preparation of financial statements, which section 1601 provides guidance on accounting for a non-controlling interest in a subsidiary in financial statements subsequent to a business combination.

These statements apply prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011 with earlier application permitted. The Company has early adopted these new rules effective January 1, 2010 for the fiscal year ending December 31, 2010. There was no material impact on the financial statements as a result of this adoption.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 5 **PROPERTY AND EQUIPMENT**

	Cost	Accumulated Depletion and Amortization	2009 Net Book Value
Computer equipment	\$ 10,504	\$ 9,412	\$ 1,092
Petroleum properties and production equipment	<u>1,952,972</u>	<u>896,900</u>	<u>1,056,072</u>
	<u>\$ 1,963,476</u>	<u>\$ 906,312</u>	<u>\$ 1,057,164</u>

	Cost	Accumulated Depletion and Amortization	2008 Net Book Value
Computer equipment	\$ 10,504	\$ 7,313	\$ 3,191
Petroleum properties and production equipment	<u>1,940,673</u>	<u>741,484</u>	<u>1,199,189</u>
	<u>\$ 1,951,177</u>	<u>\$ 748,797</u>	<u>\$ 1,202,380</u>

Deferred Petroleum costs fully depleted in prior years for a total of \$428,103 have been removed from 2008 Petroleum and natural gas properties cost and accumulated depletion with a \$nil effect on the Company's previously reported net assets and operating results.

The Company applied the ceiling test to its capitalized assets relating to producing areas at December 31, 2009 and determined that no write down of capitalized costs was required (2008 - \$nil write down). The following table outlines the benchmark prices used in the impairment test at December 31, 2009:

<u>Year</u>	<u>Oil Price</u>
2010	\$ 76.60
2011	78.64
2012	80.62
2013	82.54
2014	85.35

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 6 **ASSET RETIREMENT OBLIGATIONS**

The asset retirement obligations for the years ended December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Asset retirement obligations - beginning of the year	\$ 78,795	\$ 75,043
Accretion expense	<u>3,934</u>	<u>3,752</u>
Asset retirement obligations - end of the year	<u>\$ 82,729</u>	<u>\$ 78,795</u>

The Company believes this is sufficient given that the Province of Saskatchewan only requires a \$20,000 bond for the clean up of an orphaned well and the above set aside is for partial working interests in four wells.

In addition to the liability, which is indicated in the above table, the Company also has a reclamation bond having a value of \$32,506 (\$20,000 Well & \$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. This is included in the value of the property and equipment. Interest is paid at 0.85% on the reclamation bond.

The Company has calculated the fair value of the asset retirement obligation using a discount rate of 5% and an inflation rate of 1.5%. The estimated total future undiscounted cash flows to settle the asset retirement obligations are \$203,476 (2008 – \$203,476) and are expected to be incurred over a period of approximately 7 to 13 years.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7 **SHARE CAPITAL**

Authorized share capital:

Unlimited number of voting common shares without nominal or par value

Unlimited number of preferred shares without nominal or par value

Issued share capital - common shares:

	Number of Shares	Value
Balance December 31, 2007, 2008	10,733,266	1,829,228
Private Placement October 2009	3,850,000	285,000
Issuance cost	-	(8,669)
Balance at December 31, 2009	<u>14,583,266</u>	<u>\$ 2,105,559</u>

On October 14, 2009, the Company completed a private placement of 3,850,000 units at \$0.10 per unit, with a unit being one common share and a warrant exercisable at \$0.15 for a period of 2 years.

Warrants:

Balance December 31, 2008	-	\$ -
Private Placement October 2009	3,850,000	100,000
Issuance cost	-	(2,867)
Balance at December 31, 2009	<u>3,850,000</u>	<u>\$ 97,133</u>

Warrants value at October 14, 2009 was calculated using the Black-Scholes option pricing model with risk free interest rate of (1.36%), expected life of (2 yrs) and expected volatility of (68.294%).

Contributed surplus

Balance December 31, 2008	\$ 217,963
Stock-based compensation (Note 8)	<u>26,250</u>
Balance December 31, 2009	<u>\$ 244,213</u>

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7 **SHARE CAPITAL – CONTINUED**

The following table summarizes information about stock options outstanding at December 31, 2009:

	Number of Stock Options	Exercise Price	Expiry Date
	700,000	\$0.20	Nov. 2010
	300,000	\$0.10	Dec. 2011
	250,000	\$0.23	Oct. 2012

	Options Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Grant Date Fair Value	Weighted Average Time to Expiry
Balance Dec. 31, 2007	1,000,000	\$0.20	\$0.08	2.90 yrs
Expired	(300,000)	\$0.20		
Granted	300,000	\$0.10	\$0.02	3.00 yrs
Balance Dec. 31, 2008	1,000,000	\$0.17	\$0.07	2.23 yrs
Granted	250,000	\$0.23	\$0.11	3.00 yrs
Balance Dec. 31, 2009	1,250,000	\$0.18	\$0.08	1.58 yrs

NOTE 8 **STOCK BASED COMPENSATION**

The Company has used the Black-Scholes option pricing model to determine a fair value for stock options in order to determine the stock option compensation expense. During the current year, the Company recorded \$26,250 (2008 – \$7,254) of compensation expense in the statement of operations, comprehensive income (loss) and retained earnings (deficit) in relation to the 250,000 options granted (2008 – 300,000), with a corresponding increase to contributed surplus on the balance sheet.

The fair value of each option granted was estimated using the following assumptions:

	<u>2009</u>	<u>2008</u>
Risk-free interest rate	1.46%	1.91%
Expected life	3 years	3 years
Expected volatility	68.294%	65.5%
Expected dividend yield	0%	0%

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 9 **INCOME TAXES**

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before taxes. These differences result from the following items:

	<u>2009</u>	<u>2008</u>
Earnings (Loss) before income taxes	\$ (304,372)	\$ 237,026
Canadian federal and provincial income tax rates	<u>31.00%</u>	<u>32.00%</u>
Income tax recovery based on the above rates	(94,355)	75,848
Increase (decrease) due to:		
Non-deductible items and other	8,825	2,966
Change in long term tax rates	(7,306)	(10,908)
Change in valuation allowance	<u>12,699</u>	<u>-</u>
Income tax expense (recovery)	<u>\$ (65,526)</u>	<u>\$ 67,906</u>

The components of future income taxes are as follows:

	<u>2009</u>	<u>2008</u>
<i>Future income tax assets</i>		
Share issue costs	\$ 6,954	\$ 12,180
Asset retirement obligation	22,337	21,275
Non capital losses	<u>12,699</u>	<u>-</u>
Total future tax assets	41,989	33,455
Valuation allowance	<u>(12,699)</u>	<u>-</u>
Net future income tax asset	<u>29,290</u>	<u>33,455</u>
<i>Future income tax liabilities (long term)</i>		
Property and equipment	<u>59,277</u>	<u>98,967</u>
Future income tax liabilities	<u>59,277</u>	<u>98,967</u>
Future income tax liability	<u>\$ 29,987</u>	<u>\$ 65,512</u>

In assigning the realization of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will be realized. The ultimate realization of future assets is depend upon the generation of future taxable income during the periods in which those temporary differences become deductible.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 10 **RELATED PARTY TRANSACTIONS**

During the year, the Company:

- a) paid management fees of \$30,000 (2008 – \$30,000) to a company controlled by an officer and director of the Company;
- b) paid legal fees of \$12,987 (2008 – \$11,661) to an advisor who is an officer of the Company;
- c) paid accounting services of \$22,535 (2008 – \$16,988) to a proprietorship of an officer and director of the Company;
- d) paid \$60,000 (2008 – \$5,000) in Directors' fees.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

NOTE 11 **COMMITMENTS**

The Company has minimum annual lease commitments for its office premise expiring in 2010:

2010	\$ 24,900
	\$ 24,900

NOTE 12 **CONTINGENCIES**

The Company is subject to various regulatory and statutory requirements relating to the protection of the environment. These requirements, in addition to contractual agreements and management decisions, result in the accrual of estimated asset retirement obligations. Any changes in these estimates will affect future earnings.

Costs attributable to these commitments and contingencies are expected to be incurred over an extended period of time and are to be funded mainly from the Company's cash provided by operating activities. Although the ultimate impact of these matters on net earnings or loss cannot be determined at this time, it could be material for any one quarter or year.

The Company has third-party insurance coverage for the oil and gas wells in which it has an interest the operating partners are insured for the joint interest wells.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 13 **CAPITAL DISCLOSURE**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of petroleum and natural gas property. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The property in which the Company currently has interest is in the production stage and further development of new properties may require external financing.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and maintenance and development of future oil producing sites, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the year ended December 31, 2009 compared to the year ended December 31, 2008. The Company is not subject to externally imposed capital requirements.

When the security reached maturity during the year, the principal was increased and reinvested.

NOTE 14 **FINANCIAL INSTRUMENTS**

Fair Value

Upon adoption of this new standard, the Company designated its financial instruments as follows:

- Cash and cash equivalents are classified as held-for-trading;
- Receivables are classified as loans and receivables; and
- Accounts payable and accrued liabilities as other financial liabilities.

ABENTEUER RESOURCES CORP.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 14 **FINANCIAL INSTRUMENTS – CONTINUED**

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

Cash equivalents are recorded at fair value and are measured using level 2 (in accordance with Section 3862 of the CICA Handbook). Receivables and accounts payable approximate their fair value due to their short term to maturity.

Accounts Receivable		Accounts Payable	
Operating Partners	\$ 64,606	Trade	\$ 22,152
Net GST	2,700	Royalties	3,830
Tax recoverable	59,929	2009 Audit	30,000
		2009 Tax Prep	5,490
Total	\$ 127,235	Total	\$ 61,472

Financial risk management

The Company's activities expose it to a variety of financial risks including credit risk, interest rate risk, price risk and liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The carrying value of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk as at December 31, 2009.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash, and cash equivalent that might be raised from equity financings. As at December 31, 2009, the Company had a cash balance of \$462,514 (2008 – \$614,355), and short term investments of \$800,000 (2008 – \$500,000), and current liabilities of \$66,471 (2008 – \$86,613). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 14 **FINANCIAL INSTRUMENTS – CONTINUED**

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) 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. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents. As such, a 0.5% increase/decrease in interest rate will result in a change of \$2,300 in net income based upon the balance of cash and cash equivalents at December 31, 2009.

b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity price of Oil, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. An increase (decrease) of 10% in the price of oil would cause an increase (decrease) in gross petroleum sales of \$41,552 based upon the average selling price of oil in 2009.

NOTE 15 **SHORT TERM INVESTMENTS**

As of December 31, 2009 the Company had \$800,000 invested in a variable rate GIC, based on the prime lending rate with a maturity date of July 11, 2010.