

Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)

For the six months ended February 28, 2014

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)
As at

	February 28, 2014	August 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,686,265	\$ 503,467
Receivables	7,720	6,020
Prepaid expenses	5,489	11,067
	<u>1,699,474</u>	<u>520,554</u>
Exploration and evaluation asset	1	1
	<u>\$ 1,699,475</u>	<u>\$ 520,555</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 173,847	\$ 202,840
Shareholders' equity:		
Share capital (note 7)	13,988,400	12,258,433
Reserves (note 8)	353,246	137,921
Deficit	(12,816,018)	(12,078,639)
	<u>1,525,628</u>	<u>317,715</u>
	<u>\$ 1,699,475</u>	<u>\$ 520,555</u>

Corporate information (note 1)

See accompanying notes to the unaudited condensed interim financial statements.

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)

Condensed Interim Statements of Operations, Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months February 28, 2014	Three months February 28, 2013	Six months February 28, 2014	Six months February 28, 2013
Expenses:				
Consulting fees	\$ 53,716	\$ -	\$ 93,650	\$ -
Directors' fees	32,210	-	57,345	-
Foreign exchange	4,280	-	11,263	-
Management fees	36,313	7,500	78,319	15,000
Office	10,853	102	20,720	292
Professional fees	105,641	11,394	168,602	21,894
Property investigation costs (note 5)	75,190	152,235	126,893	152,235
Shareholder communications	32,256	-	54,519	-
Share-based payments (note 8)	38,731	-	77,893	-
Transfer agent and regulatory fees	19,829	9,472	23,697	10,106
Travel and related costs	19,397	-	26,424	-
	(428,416)	(180,703)	(739,325)	(199,527)
Other Item:				
Interest income	1,946	-	1,946	-
Loss and comprehensive loss for the period	\$ (426,470)	\$ (180,703)	\$ (737,379)	\$ (199,527)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	34,314,839	15,912,982	30,869,985	15,912,982

See accompanying notes to the unaudited condensed interim financial statements.

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)
Six Months Ended February 28,

	2014	2013
Cash provided by (used in):		
Operating activities:		
Loss for the period	\$ (737,379)	\$ (199,527)
Item not affecting cash:		
Share-based payments	77,893	-
	(659,486)	(199,527)
Changes in non-cash working capital items:		
Receivables	(1,700)	58,663
Prepaid expenses	5,578	-
Accounts payable and accrued liabilities	(28,993)	(11,929)
	(684,601)	(152,793)
Investing activity:		
Deferred acquisition costs	-	(85,745)
Financing activities:		
Shares issued for cash	2,000,000	-
Share issuance costs	(132,601)	-
	1,867,399	-
Change in cash and cash equivalents during the period	1,182,798	(238,538)
Cash and cash equivalents, beginning of period	503,467	604,537
Cash and cash equivalents, end of period	\$ 1,686,265	\$ 365,999

Supplemental disclosure with respect to cash flows:

- During the six months ended February 28, 2014, the Company incurred share issuance costs of \$137,432 (2013 - \$nil) relating to the valuation of warrants issued as finders' fees (Note 7).

See accompanying notes to the unaudited condensed interim financial statements.

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share capital	Reserves	Deficit	Total
Balance, August 31, 2012	15,912,987	\$ 11,709,901	\$ 126,302	\$ (11,007,604)	\$ 828,599
Loss for the period	-	-	-	(199,527)	(199,527)
Balance, February 28, 2013	15,912,987	\$ 11,709,901	\$ 126,302	\$ (11,207,131)	\$ 629,072
Balance, August 31, 2013	27,462,987	\$ 12,258,433	\$ 137,921	\$ (12,078,639)	\$ 317,715
Loss for the period	-	-	-	(737,379)	(737,379)
Private placement	16,666,667	2,000,000	-	-	2,000,000
Share issuance costs	-	(270,033)	137,432	-	(132,601)
Share-based payments	-	-	77,893	-	77,893
Balance, February 28, 2014	44,129,654	\$ 13,988,400	\$ 353,246	\$ (12,816,018)	\$ 1,525,628

See accompanying notes to the unaudited condensed interim financial statements.

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)
Notes to the Condensed Interim Financial Statements
(Expressed in Canadian dollars)
(Unaudited)
For the Six Months Ended February 28, 2014

1. Corporate information

Horizon Petroleum Plc. (formerly Acadia Resources Corp.) (“Horizon” or the “Company”) was incorporated in British Columbia. During the six months ended February 28, 2014, the Company’s domicile was officially changed to Jersey, Channel Islands. The principal business of the Company is the acquisition, exploration, and development of oil and gas properties. The Company also retains the rights to a mineral property in British Columbia.

The Company’s registered office is located at Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES. During the year ended August 31, 2013, the Company completed a 1-new for 3-old share consolidation (see note 7). All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

During January, 2014, the Company completed a non-brokered private placement that raised gross proceeds of \$2,000,000 (note 7).

The Company continues to evaluate several oil and gas exploration and development opportunities in Sub-Saharan Africa.

2. Statement of compliance and basis of presentation

(a) Statement of compliance:

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting and do not include all of the information required for full annual financial statements. These financial statements should be read in conjunction with the Company’s August 31, 2013 audited annual financial statements.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on April 28, 2014.

(b) Basis of presentation:

These unaudited condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

The preparation of the financial statements in compliance with International Financial Reporting Standards (“IFRS”) requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

3. Significant accounting policies

The preparation of the unaudited condensed interim financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts of assets and liabilities. Management’s estimates and judgments are continually evaluated and are based on historical experience and other factors that management believes to be reasonable under the circumstances. Actual results may differ from these estimates. The significant accounting estimates and judgments applied in the preparation of the Company’s unaudited condensed interim financial statements are consistent with those applied and disclosed in notes 3 and 4 to the Company’s financial statements for the year ended August 31, 2013.

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4. New accounting standards, amendments and interpretations

New accounting standards adopted:

The following standards, amendments and interpretations were adopted by the Company as of September 1, 2013. There were no material impacts on the financial statements as a result of the adoption of these standards, amendments and interpretations:

- (i) IFRS 10 *Consolidated Financial Statements*
- (ii) IFRS 11 *Joint Arrangements*
- (iii) IFRS 12 *Disclosures of Interests in Other Entities*
- (iv) IFRS 13 *Fair Value Measurement*

5. Property investigation costs

All property investigation costs are related to the investigation of oil and gas opportunities in Sub-Saharan countries in Africa.

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are as follows:

	February 28, 2014	August 31, 2013
Trade payables	\$ 55,379	\$ 28,142
Due to related parties ⁽¹⁾	72,412	131,097
Accrued liabilities	46,056	43,601
	\$ 173,847	\$ 202,840

(1) This relates to accrued and unpaid compensation for directors and officers of the Company.

7. Share capital

Authorized:

- Unlimited common shares without par value and an unlimited number of preferred shares without par value, all issued shares, consisting only of common shares that are fully paid.

During the six months ended February 28, 2014, the Company issued 16,666,667 common shares for gross proceeds totaling \$2,000,000 pursuant to the completion of a private placement. In conjunction with the issuance of the shares, the Company incurred total share issuance costs of \$270,033, which included cash costs comprised of legal and filing fees of \$51,693 and finders' fees payments of \$80,908, as well as a non-cash cost of \$137,432 relating to the valuation of the issuance of 674,230 finders' warrants. Each finders' warrant will enable the holder to acquire one additional common share for \$0.16 per share up to July 22, 2014. The fair value of the warrants was determined using the Black-Scholes option-pricing model with the following assumptions: expected life six months; volatility – 119%; dividend rate – nil; risk free interest rate – 1.01%.

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7. Share capital (continued)

During the year ended August 31, 2013, the Company:

- Completed a 1-new for 3-old common share consolidation. All common share, warrant and stock option information presented in these unaudited condensed interim financial statements is on a post-consolidation basis.
- Issued 11,550,000 common shares for gross proceeds totaling \$577,500 pursuant to the completion of a private placement. In conjunction with the issuance of the shares, the Company incurred \$28,968 in share issuance costs.

8. Reserves

(a) Stock options:

Option plan:

The Company has a stock option plan covering the grant of options to its directors, officers, employees and consultants. A limit of 10% of the issued and outstanding common shares base can be issued in stock options without shareholder approval. The stock option plan provides that the options are for a maximum term of ten years and that the option exercise price shall be for not less than the market price on the grant date.

As at February 28, 2014, the Company had the following outstanding stock options:

	Number of options	Weighted average exercise price
Balance, August 31, 2012	200,000	\$ 0.315
Granted	1,714,000	0.15
Expired	(200,000)	0.315
Balance, August 31, 2013 & February 28, 2014	1,714,000	\$ 0.15
Number of options currently exercisable	-	\$ -

The weighted average remaining contractual life for the share options outstanding as at February 28, 2014 is 9.43 years (August 31, 2013 – 9.93 years).

As at February 28, 2014, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of options	Exercise price	Expiry date
1,714,000	\$ 0.15	August 4, 2023

(b) Share-based payments:

No options were granted by the Company during the six months ended February 28, 2014. For the six months ended February 28, 2014, the share-based payment expense recognized was \$77,893 (2013 - \$Nil) as a result of the prior year options vesting over three years from the date of grant.

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8. Reserves (continued)

(c) Warrants:

Warrant transactions and the number of warrants are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance August 31, 2012	14,650,000	\$ 0.45
Expired	(1,316,696)	0.45
Balance, August 31, 2013	13,333,304	0.45
Issued	674,230	0.16
Cancelled	(2)	0.45
Balance, February 28, 2014	14,007,532	\$ 0.44

As at February 28, 2014, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Number of warrants	Exercise price	Expiry date
674,230	\$ 0.16	July 22, 2014
13,333,302	0.45	March 16, 2016
14,007,532		