

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

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)

For the three months ended November 30, 2013

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

	November 30, 2013	August 31, 2013
Assets		
Current assets:		
Cash	\$ 155,499	\$ 503,467
GST recoverable	4,016	6,020
Prepaid expenses	11,206	11,067
	<u>170,721</u>	<u>520,554</u>
Exploration and evaluation asset	1	1
	<u>\$ 170,722</u>	<u>\$ 520,555</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 124,754	\$ 202,840
Shareholders' equity:		
Share capital (note 7)	12,258,433	12,258,433
Reserves (note 8)	177,083	137,921
Deficit	(12,389,548)	(12,078,639)
	<u>45,968</u>	<u>317,715</u>
	<u>\$ 170,722</u>	<u>\$ 520,555</u>

Corporate information (note 1)
Subsequent event (note 9)

See accompanying notes to the 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 Ended November 30,

	2013	2012
Expenses:		
Consulting fees	\$ 39,934	\$ -
Directors' fees	25,135	-
Foreign exchange	6,983	-
Management fees	42,006	7,500
Office	9,867	190
Professional fees	62,961	10,500
Property investigation costs (note 5)	51,703	-
Shareholder communications	22,263	-
Share-based payments (note 8)	39,162	-
Transfer agent and regulatory fees	3,868	634
Travel and related costs	7,027	-
Loss and comprehensive loss for the period	\$ (310,909)	\$ (18,824)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding	27,462,987	15,912,982

See accompanying notes to the condensed interim financial statements.

HORIZON PETROLEUM PLC
(formerly Acadia Resources Corp.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)
Three Months Ended November 30,

	2013	2012
Cash provided by (used in):		
Operating activities:		
Loss for the period	\$ (310,909)	\$ (18,824)
Items not affecting cash:		
Share-based payments	39,162	-
	(266,747)	(18,824)
Changes in non-cash working capital items:		
Receivables	2,004	44,545
Prepaid expenses	(139)	-
Accounts payable and accrued liabilities	(78,086)	21
Change in cash during the period	(347,968)	25,742
Cash, beginning of period	503,467	604,537
Cash, end of period	\$ 155,499	\$ 630,279

See accompanying notes to the 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	-	-	-	(18,824)	(18,824)
Balance, November 30, 2012	15,912,987	11,709,901	126,302	(11,026,428)	809,775
Balance, August 31, 2013	27,462,987	12,258,433	137,921	(12,078,639)	317,715
Loss for the period	-	-	-	(310,909)	(310,909)
Share-based payments	-	-	39,162	-	39,162
Balance, November 30, 2013	27,462,987	\$ 12,258,433	\$ 177,083	\$ (12,389,548)	\$ 45,968

See accompanying notes to the 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 Three Months Ended November 30, 2013

1. Corporate information

Horizon Petroleum Plc. (formerly Acadia Resources Corp.) (“Horizon” or the “Company”) was incorporated in British Columbia. During the three months ended November 30, 2013, the Company’s domicile was officially changed to Jersey, Channel Islands. The principal business of the Company is the acquisition, exploration, and development of mineral and oil and gas properties. The Company also retains the rights to a mineral 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 8). All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

During January, 2014, the Company finalized a non-brokered private placement that raised gross proceeds of \$2,000,000.

The Company continues to evaluate several oil and gas exploration and development opportunities in Sub-Saharan Africa. The objective is to team up with quality indigenous partners to secure proven reserves with exploration upside that can be brought into production within a short period of time. This may be augmented by entering into exploration plays primarily in the East Africa Rift margin.

2. Basis of presentation and statement of compliance

(a) Statement of compliance:

These 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 January 28, 2014.

(b) Basis of presentation:

These 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 IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

3. Significant accounting policies

The preparation of the 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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For the Three Months Ended November 30, 2013

4. New accounting standards, amendments and interpretations

(a) 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:

	November 30, 2013	August 31, 2013
Trade payables	\$ 24,290	\$ 28,142
Due to related parties ⁽¹⁾	71,599	131,097
Accrued liabilities	28,865	43,601
	\$ 124,754	\$ 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 three months ended November 30, 2013, there were no share transactions by the Company.

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 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.

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8. Reserves

(a) Stock options:

Option plan:

The Company has a stock option plan covering the grant of options to its directors, officers and employees. 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 November 30, 2013, 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 & November 30, 2013	1,714,000	\$ 0.15
Number of options currently exercisable	-	\$ -

The weighted average remaining contractual life for the share options outstanding as at November 30, 2013 is 9.68 years (August 31, 2013 – 9.93 years).

As at November 30, 2013, 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 three months ended November 30, 2013. For the three months ended November 30, 2013, the share-based payment expense recognized was \$39,161 (2012 - \$Nil) as a result of the prior year options vesting over three years from the date of grant.

(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 and November 30, 2013	13,333,304	\$ 0.45

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Notes to the Condensed Interim Financial Statements
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(Unaudited)
For the Three Months Ended November 30, 2013

8. Reserves (continued)

As at November 30, 2013, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Number of warrants	Exercise price	Expiry date
13,333,304	\$ 0.45	March 16, 2016

9. Subsequent event

Subsequent to November 30, 2013, the Company issued 16,666,667 common shares for gross proceeds of \$2,000,000 pursuant to the completion of a private placement. In conjunction with the issuance of the shares, the Company incurred finders' fees comprised of payments of \$80,908 in cash and the issuance of 674,230 finder's warrants. Each finder's warrant will enable the holder to acquire one additional common share for \$0.16 per share up to July 22, 2014.