Q1 2015 Interim Report

For the three months ended March 31, 2015

Corporate Profile

Forent Energy Ltd. ("Forent" or the "Company") is an oil and gas exploration, development and production company with mineral rights holdings, reserves and production in Alberta, Canada. The Company's principal focus is the exploitation of oil reserves through development drilling on three core properties in south central Alberta; Twining, Provost and Wayne. The majority of Forent's production and revenue is generated from these properties.

CORPORATE SUMMARY

HIGHLIGHTS

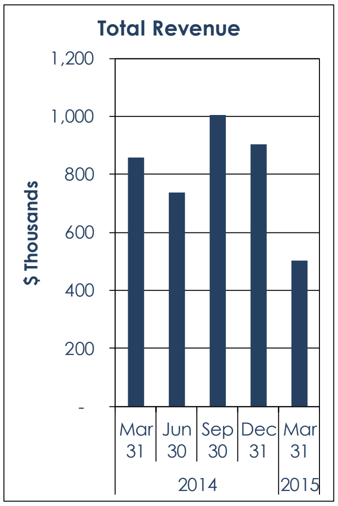
	Three months ended March 31		
	2015	2014	% Change
Financial *($'s, except as indicated, unaudited)*			
Petroleum and natural gas sales, net of royalties	**503,071**	858,509	-41%
Funds (out) flow[(1)]	**(449,442)**	149,746	-400%
per share, basic and diluted	**-**	-	
Net loss	**(701,949)**	(361,989)	-94%
per share, basic and diluted	**-**	-	
Capital expenditures	**248,625**	280,653	-11%
Net debt[(2)]	**6,326,987**	1,589,273	298%
Shares outstanding (millions)	**188.64**	188.64	0%
Operations			
Production			
Oil & Liquids (Bopd)	**129**	107	21%
Gas (Mcfd)	**542**	520	4%
BOEd (6 Mcf = 1 Bbl)	**219**	194	13%
Product Prices			
Oil ($/Bbl)	**40.29**	83.35	-52%
Gas ($/Mcf)	**3.06**	5.35	-43%
$ BOE	**31.47**	60.97	-48%

(1) Funds flow from operations is a non-GAAP measure that represents the total of cash provided by operating activities, before adjusting for changes in non-cash working capital items and expenditures on decommissioning liabilities.

(2) Net debt is a non-GAAP measure which is the aggregate of bank indebtedness, accounts payable and accrued liabilities, less accounts receivables, deposits and prepaids.

REPORT TO SHAREHOLDERS

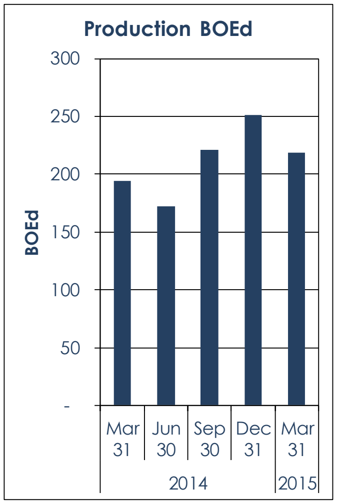
Financial results during the first quarter of 2015 were directly impacted by the almost 50% reduction of commodity prices, even though oil and gas volumes were increased relative to the same time period of last year. In order to help mitigate losses, the Company focused on operating cost reductions, operational efficiency, and G&A cuts through staff reductions and substantial employee pay cuts. The Company's long life oil and natural gas production remains steady and continues to underpin the Company's production base. Recently there has been an abundance of available quality assets and potential corporate merger opportunities to amalgamate into Forent's portfolio to improve financial results.



FINANCIAL

Forent's revenues, net of royalties, for the three months ended March 31, 2015 decreased to $503,000 compared with $859,000 in the prior year quarter. As a result, Q1 2015 funds outflow from operations was a negative $449,000 compared with a positive $150,000 in Q1 2014.

Forent's net debt (calculated as current liabilities less current assets) at March 31, 2015, was $6.3 million compared with net debt of $5.8 million at the beginning of the year. The Company has access to a credit facility of $7.0 million (currently under annual review) of which $6.7 million was drawn at the end of the quarter.



PRODUCTION

Forent's oil and natural gas sales during the first quarter averaged 219 BOEd compared with 194 BOEd in Q1 2014. The overall quarterly rate was reduced by approximately 10 BOEd as a third party gas gathering system underwent repairs in late February, temporarily shutting in production at the Twining field (6 BOEd for the quarter) and oil inventories vs. sales increased (4 bopd for the quarter), at the Wayne field.

OPERATIONS

During Q1 2015 the Twining field experienced a 10 day production curtailment while a third party gas transportation line was temporarily removed from service. Following the 10 day outage, all operations were returned to normal production levels. Operational optimization efforts took place in Q1 to redirect our sales oil to terminals that provided superior netbacks, resulting in a 20 % decrease in commodity price offsetting costs.

OUTLOOK

In 2014, the initial development phase of our Twining property was the first step in our plan to materially increase oil and associated gas production for the Company. Within our portfolio, we have several low risk exploitation opportunities available when prices recover. Meanwhile Forent has taken appropriate steps to reduce overhead, while actively pursuing its mandate of growth through asset acquisitions and corporate mergers.

On behalf of the Board,

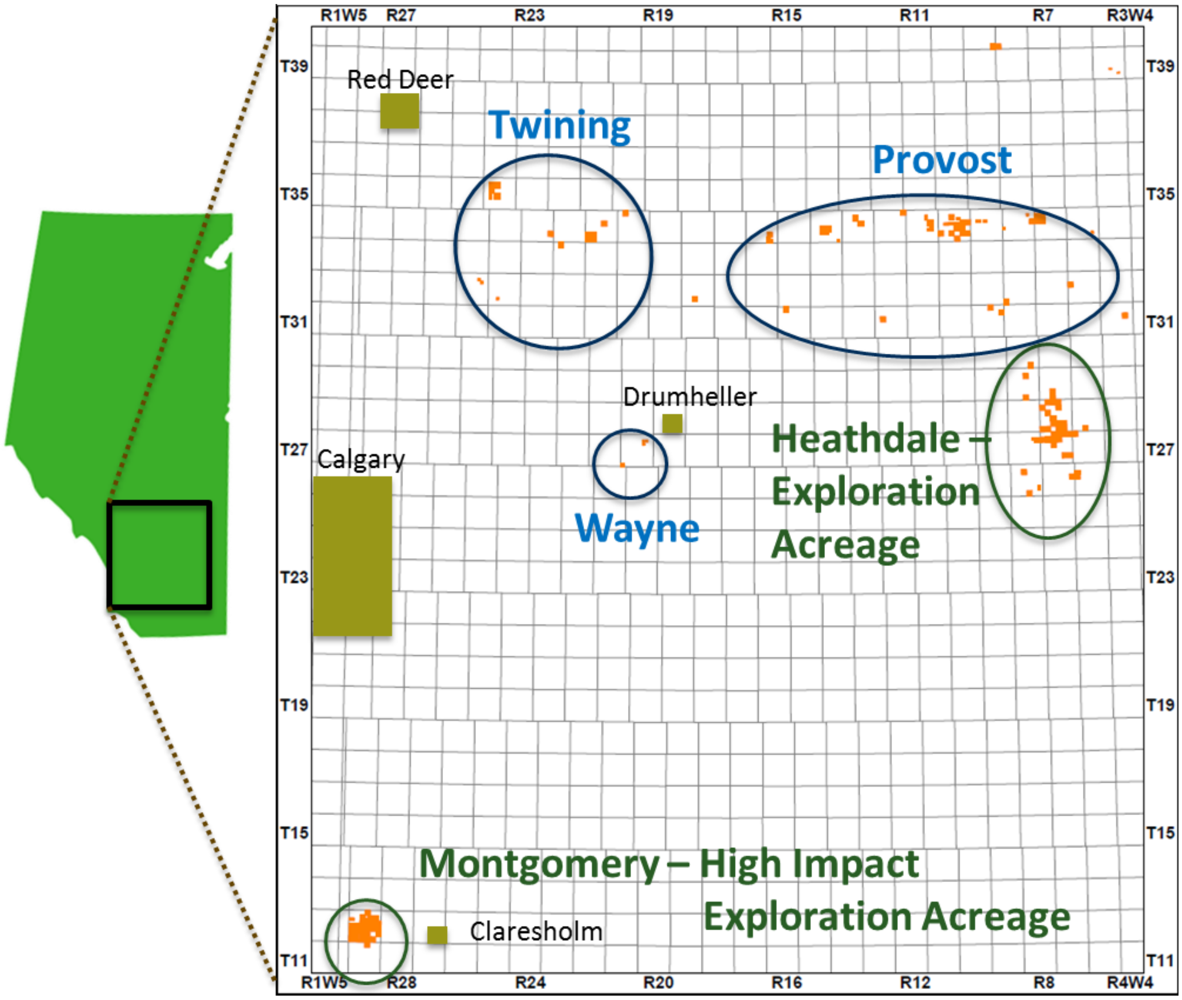
"Signed"
Richard Wade
President and Chief Executive Officer

May 28, 2015

OPERATIONS REVIEW

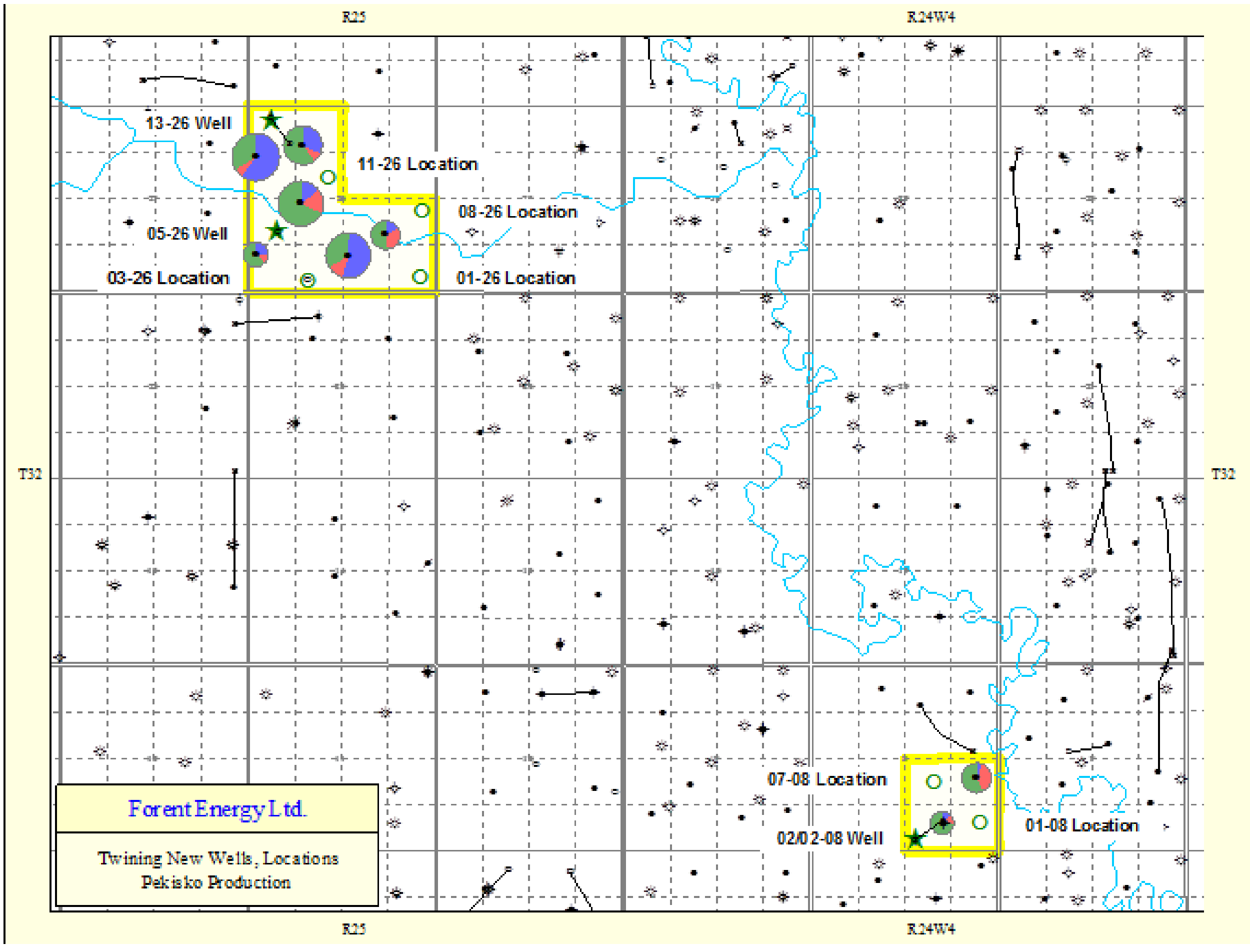
The Twining, Provost and Wayne properties were acquired in Q4 2013. These properties can be described as low decline, long life assets that are the focus of the Company's operations.

OPERATIONAL AREAS



Twining, Alberta – Working Interest 100%, approximate 31° API oil

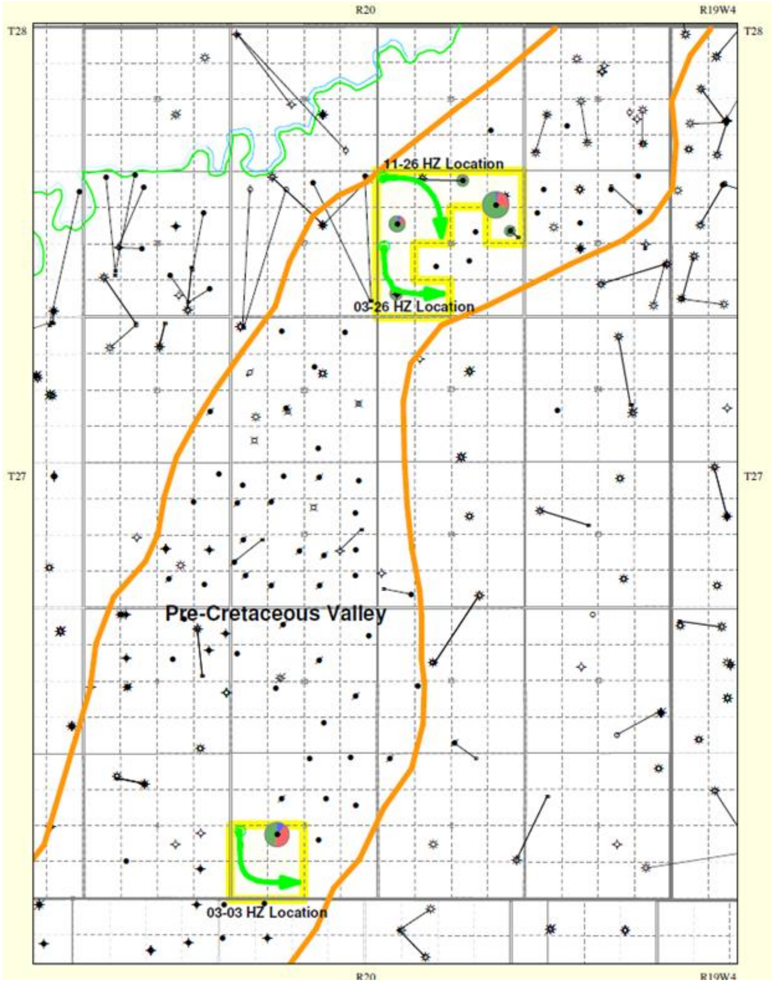
Forent drilled three infill vertical wells on the Twining property during Q2/Q3 2014 (see the solid stars on map below).



Two of the three wells drilled exhibited excellent initial inflow upon completion and significant remaining reservoir pressure. The third well drilled exhibited reduced initial inflow and subsequent reservoir pressure analysis indicated a more advanced stage of depletion. Production from all three wells has now stabilized and they are exhibiting the same predictable, low decline rates as the offsetting historical production.

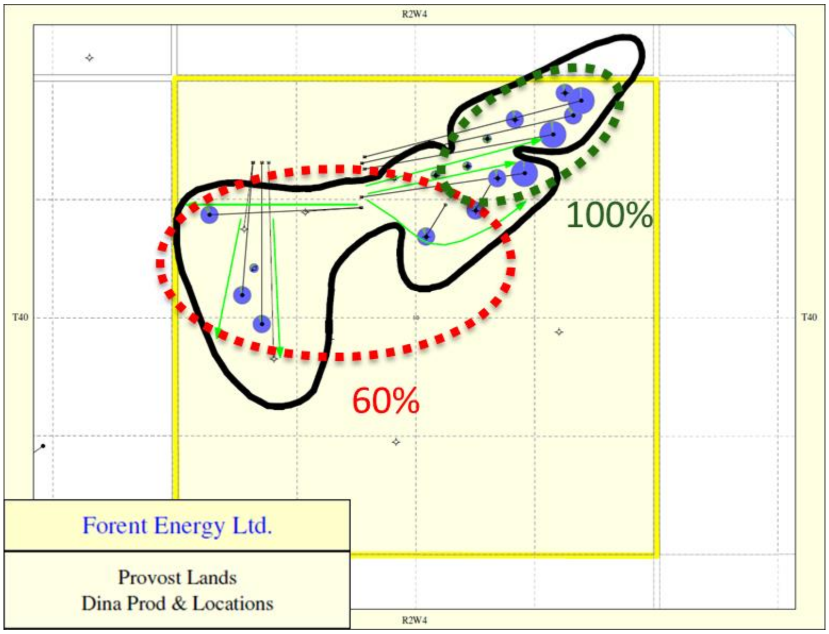
Wayne, Alberta – Working Interest 50% / 100%, approximate 31° API oil

Down spacing approval from the AER allows for up to nine infill vertical drilling locations or three horizontal wells. Success by offsetting operators indicates horizontal wells appear to be economically superior to vertical wells. Once commodity prices reach levels that provide acceptable rates of return, Forent will proceed with the development of this property.

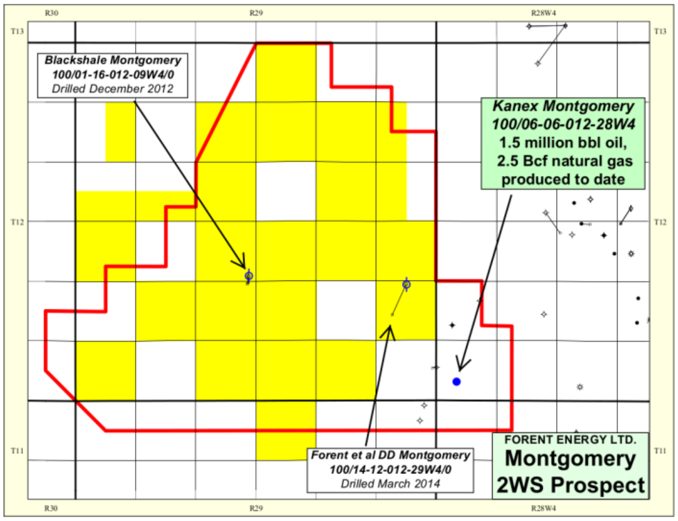


Provost, Alberta – Working Interest 60% - 100%, approximate 17° API oil

Currently the production at Provost is restricted by water handling capacity. The Company has identified a number of infill horizontal oil development locations. Forent has proposed to expand water handling capacity at the battery to our working interest partner, to facilitate increased oil production with recovery in commodity pricing.



MONTGOMERY

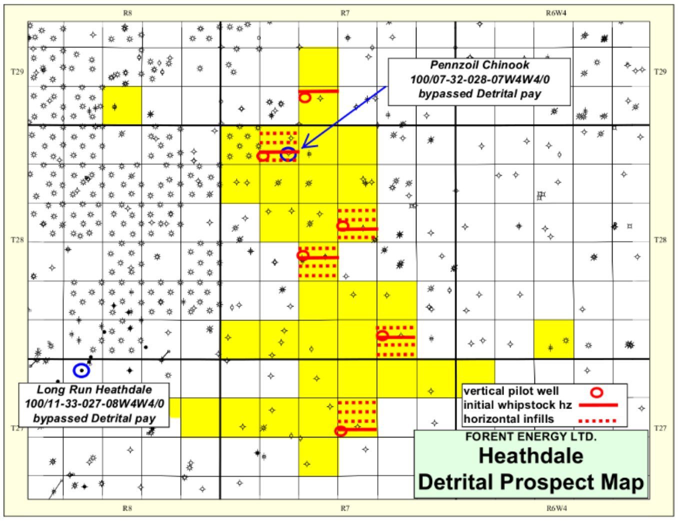


At Montgomery, Forent holds an interest in 23.5 gross sections most of which is freehold and covered by Forent's proprietary 3D seismic survey. Hydrocarbon potential has been identified in the Second White Specked Shale (2WS), Sunburst, Cardium, Barons, Glauconite and Ellerslie Formations.

Directly offsetting Forent's lands is the 06-06-12-28W4 well which produced 1.5 million barrels of oil from the 2WS over several decades. Forent's interpretation of its 3D seismic survey in conjunction with partner funded exploration wells has validated the fractured SWS exploration model. Fracturing is responsible for the superior performance of the 06-06 well. We have identified four separate naturally fractured trends on our 3D seismic survey.

The completion results of the 14-12 well indicate one of these trends was drained by the 06-06 well. The remaining three trends are undrilled and the Company has identified twelve drilling locations with similar geophysical characteristics as the 06-06 well.

HEATHDALE



Forent holds a 100% working interest in 54 sections of land in the Heathdale area with P&NG rights from surface to basement, and an additional 19.5 sections of land with varying working interests.

The area has shallow multi-zone oil potential in the Banff, Detrital, Glauconitic and Lithic Mannville Channels, and natural gas potential in the Colony, Viking, 2WS and Belly River Formations.

Recent drilling activity at Heathdale has focused on horizontal wells in the Glauconitic and Detrital Formations. The Company has identified two locations on its lands, targeting bypassed oil pay in each of the Glauconitic and the Detrital. Forent has mapped multi-well follow-up potential on eight sections of land for the Detrital prospect and four sections of land for Glauconitic potential.

READER ADVISORY

Forward-Looking Statements

In providing Forent Energy Ltd.'s shareholders and potential investors with information regarding Forent, including management's assessment of the future plans and operations of Forent, certain statements contained in this annual report constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In particular but without limiting the foregoing, this report contains forward-looking statements pertaining to the following: drilling plans and property developments planned for 2015 and beyond; funds flow and cash flow forecasts; the volume and product mix of Forent's oil and natural gas production; future oil and natural gas prices; future operational activities; future results from operations and operating metrics, including future production growth and other matters herein. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

With respect to forward-looking statements contained in this interim report, Forent has made assumptions regarding, among other things: future capital expenditure levels; future oil and natural gas prices and differentials between light, medium and heavy oil prices; results from operations including future oil and natural gas production levels; future exchange rates and interest rates; Forent's ability to obtain equipment in a timely manner to carry out development activities; decline rates based on analogous information; its ability to market its oil and natural gas successfully to current and new customers; Forent's ability to obtain financing on acceptable terms; and Forent's ability to add production and reserves through its development and exploitation activities. Although Forent believes that the expectations reflected in the forward looking statements contained in this annual report, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward looking statements included in this annual report, as there can be no assurance that the plans or expectations upon which the forward looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Forent's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the following: the risks associated with the oil and gas industry; commodity prices; operational risks in exploration, development and production; delays or changes in plans; risks associated with the uncertainty of reserve estimates; the uncertainty of estimates and projections of production, costs and expenses; volatility in market prices for oil and natural gas; and general economic conditions in Canada, the U.S. and globally. The recovery and reserve estimates of Forent's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Readers are cautioned that this list of risk factors should not be construed as exhaustive. The forward-looking statements contained in this annual report speak only as of the date of this annual report. Except as required by applicable securities laws, Forent does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Barrels of Oil Equivalent

Barrels of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indicated value.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dated as of May 28, 2015

This Management's Discussion and Analysis ("MD&A") for Forent Energy Ltd. ("Forent" or the "Company") should be read in conjunction with the interim financial statements of the Company for the three months ended March 31, 2015, and the audited financial statements for the year ended December 31, 2014.

The Company's principal activity is the acquisition of, exploration for and the development and production of petroleum and natural gas properties in Alberta, Canada.

The following discussion and analysis is Management's assessment of Forent's historical, financial and operating results. The reader should be aware that historical results are not necessarily indicative of future performance.

The three months ended March 31, 2015, have not been audited nor reviewed by the Company's auditor.

IFRS

The interim financial statements for the three months ended March 31, 2015 and comparative information have been prepared in Canadian dollars, except where another currency has been indicated, and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. In Canada, public companies that prepare their financial statements using IFRS are also considered to be following generally accepted accounting principles ("GAAP").

CORPORATE SUMMARY

The Corporate Summary included on page two of this report is incorporated in this MD&A by reference.

NON-GAAP FINANCIAL MEASURES

Certain measures in this document do not have any standardized meaning as prescribed by GAAP and, therefore, are considered non-GAAP measures. Non-GAAP measures are commonly used in the oil and gas industry and by Forent to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations.

Non-GAAP measures used in this report include the term "funds flow from operations" or "funds flow" which represents the total of cash provided by operating activities, before adjusting for changes in non-cash working capital items and expenditures on decommissioning liabilities. "Annualized funds flow from operations" equals four times the most recent quarterly "funds flow from operations". "Funds flow" per share is calculated using the weighted average shares outstanding consistent with the calculation of earnings per share. "Operating net back" separately presents royalty which is not shown on the face of the financial statements. In addition, the Company presents "net debt" and "surplus", which is calculated as current liabilities less current assets.

Funds flow from operations is reconciled to cash flow from operating activities as follows:

	Three months ended March 31	
(Cdn $)	**2014**	2013
Cash provided by (Used in) operating activities	**(801,784)**	398,911
Change in non-cash working capital	**352,342**	(249,165)
FUNDS (OUT) FLOW	**(449,442)**	149,746

Net debt (surplus) is reconciled to the balance sheet accounts as follows:

($ Thousands)	As at Mar 31, 2015	Mar 31, 2014
Current liabilities	$ 7,657,567	$ 2,950,977
Current assets	(1,330,580)	(1,361,704)
NET DEBT	$ 6,326,987	$ 1,589,273

These financial measures may not be comparable to similar measures presented by other companies and should not be considered as an alternative to, or more meaningful than, earnings (loss), cash flow from operating activities and other measures of financial performance as determined in accordance with IFRS as an indicator of performance, but we believe these measures are useful in providing relative performance and measuring change.

BOE PRESENTATION

Barrels of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indicated value.

FORWARD LOOKING STATEMENTS

In providing Forent Energy Ltd.'s shareholders and potential investors with information regarding Forent, including management's assessment of the future plans and operations of Forent, certain statements contained in this report constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In particular but without limiting the foregoing, this report contains forward-looking statements pertaining to the following: drilling plans and property developments planned for 2015 and beyond; funds flow and cash flow forecasts; the volume and product mix of Forent's oil and natural gas production; future oil and natural gas prices; future operational activities; future results from operations and operating metrics, including future production growth and other matters herein. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

With respect to forward-looking statements contained in this report, Forent has made assumptions regarding, among other things: future capital expenditure levels; future oil and natural gas prices and differentials between light, medium and heavy oil prices; results from operations including future oil and natural gas production levels; future exchange rates and interest rates; Forent's ability to obtain equipment in a timely manner to carry out development activities; decline rates based on analogous information; its ability to market its oil and natural gas successfully to current and new customers; Forent's ability to obtain financing on acceptable terms; and Forent's ability to add production and reserves through its development and exploitation activities. Although Forent believes that the expectations reflected in the forward looking statements contained in this report, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward looking statements included in this report, as there can be no assurance that the plans or expectations upon which the forward looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Forent's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the following: the risks associated with the oil and gas industry; commodity prices; operational risks in exploration, development and production; delays or changes in plans; risks associated with the uncertainty of reserve estimates; the uncertainty of estimates and projections of production, costs and expenses; volatility in market prices for oil and natural gas; and general economic conditions in Canada, the U.S. and globally. The recovery and reserve estimates of Forent's reserves that may be provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Readers are cautioned that this list of risk factors should not be construed as exhaustive. The forward-looking statements contained in this report speak only as of the date of this report. Except as required by applicable securities laws, Forent does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

SELECTED QUARTERLY INFORMATION

	Three months ended							
	2015	2014				2013		
Cdn$ Thousands, except as indicated	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30
Oil & liquids production (bopd)	129	154	138	96	107	121	2	3
Natural gas production (mcfd)	542	580	499	458	520	496	344	308
Production (BOEd)	219	251	221	172	194	204	59	54
Oil $ per barrel	40.29	62.58	82.67	89.30	83.35	67.60	89.17	45.39
Oil and gas average price ($/BOE)	31.47	47.61	60.06	62.73	60.97	49.71	16.91	22.49
Total revenue	503	903	1,005	738	859	755	106	118
Operating and transport cost	463	676	485	356	350	389	124	115
$/BOE	23.36	29.20	23.04	22.67	20.08	20.69	22.81	23.36
Funds (out) flow *	(449)	(129)	111	(16)	150	(129)	(276)	(212)
per share (basic and diluted) *	-	-	-	-	-	-	-	-
Net loss	(702)	(328)	(38)	(140)	(362)	(1,734)	(290)	(1,494)
per share (basic and diluted)	-	-	-	-	-	(0.01)	-	(0.01)
Overhead	368	377	275	285	303	411	257	233
Net capital expenditures	249	1,481	1,159	3,074	281	12,582	19	1
Total assets	23,532	23,738	22,537	21,239	18,185	18,757	13,922	14,421
Net debt (working capital) *	6,327	5,845	5,581	4,522	1,589	1,909	(4,433)	(5,059)

* See non-GAAP measures.

The Company acquired significant producing assets in Q4 2013 which declined slightly over the next two quarters as the Company incurred production downtime resulting from overdue maintenance. New wells brought onto production during Q3 2014 have increased the average production rates. Average oil and natural gas prices increased during the first half of 2014 but declined slightly in Q3 2014 and then significantly in Q4 2014 and Q1 2015. Total operating and transportation costs have increased over the four of the last five quarters due to increased production activity while the operating cost per BOE has remained flat except for Q4 2014 operating costs and rates that were higher due to several 13 month adjustments charges received from joint venture partners and annual municipal taxes.

The Company has had successive net losses from operations for the last eight quarters; however, the loss in Q4 2013 resulted from the reclassification of exploration expenses to income due to relinquishing the Nova Scotia exploration licence, partially offset by a gain on bargain purchase related to the new assets acquired.

Net debt increased in Q4 2013 resulting from the use of bank debt, combined with cash and common stock to complete the acquisition of the new assets. Net debt decreased in Q1 2014 as funds flow from operations combined with an equity financing offset capital spending for the quarter. Debt increased in Q2 and Q3 2014 to fund the Twining drilling program.

RESULTS OF OPERATIONS

For the three months ended March 31, 2015, Forent's production averaged 219 BOEd consisting of 59% crude oil.

Oil & Gas Production

	Three months ended March 31		
	2015	2014	% Change
Oil & Liquids (Bopd)			
Twining	**65**	41	59%
Provost	**36**	35	3%
Wayne	**26**	27	-4%
Other	**2**	4	-50%
Oil & Liquids (Bopd)	**129**	107	21%
Gas (Mcfd)			
Ghost Pine	**134**	93	44%
Ferrybank	**131**	153	-14%
Twining	**81**	56	45%
Huxley	**66**	68	-3%
Wayne	**31**	30	3%
Provost	**13**	26	-50%
Other	**86**	94	-9%
Gas (Mcfd)	**542**	520	4%
Total (BOEd)	**219**	194	13%
Oil, percentage of total	**59%**	55%	

The drilling of three oil wells at Twining in Q2 / Q3 2014 continues to have a positive impact on oil and natural gas production and operating results into 2015.

During Q1 2015, Forent's average oil and liquids sales increased 21% to 129 bopd compared with 107 bopd in Q1 2014. Gas production in Q1 2015 increased to 542 Mcfd compared with 520 Mcfd in Q1 2014 resulting from three new wells at the Twining field combined with several reactivations of gas wells.

The quarterly rate was reduced by approximately 10 BOEd as a third party gas gathering system underwent repairs in late February, temporarily shutting in production at the Twining field (6 BOEd for the quarter) and oil inventories, primarily at the Wayne field, increased (4 bopd for the quarter).

Product prices	2015	2014	% Change
	Three months ended March 31		
Oil ($/Bbl)	$ 40.29	$ 83.35	-52%
Natural Gas ($/Mcf)	$ 3.06	$ 5.35	-43%
NGL's ($/Bbl)	$ 32.61	$ 70.96	-54%
$/BOE - Company	$ 31.47	$ 60.97	-48%

During Q1 2015, average natural gas and oil prices were 48% lower than for Q1 2014.

The Company has a fixed price physical delivery contract for a portion of its natural gas production for 2015 as follows:

Daily GJ quantity	Term of contract	Fixed price per GJ ($CAD)
250	April 1, 2015 to December 31, 2015	2.61

Revenue from oil and gas production, before royalties	2015	2014	% Change
	Three months ended March 31		
Oil	$ 432,962	$ 766,325	-44%
Natural Gas	149,470	250,295	-40%
NGL's	18,195	31,082	-41%
Royalties and other	23,174	15,173	53%
	$ 623,801	$ 1,062,875	-41%

The slight increase in production q-q slightly offset the significant reduction in oil and natural gas prices as revenues for Q1 2015 of $624,000 were 41% lower than Q1 2014.

Royalty	Three months ended March 31		
	2015	2014	% Change
Crown	$ 7,761	$ 30,523	-75%
Freehold	112,969	173,843	-35%
Royalties	$ 120,730	$ 204,366	-41%
per BOE	$ 6.09	$ 11.72	-48%
Royalties as a percentage of revenue	19.4%	19.2%	

Royalty expense dropped in Q1 2015 compared with Q1 2014 as revenues were down considerably. Royalties as a percentage of revenue remained constant q-q within the expected 19%-20% range.

Operating	Three months ended March 31		
	2015	2014	% Change
Operating and transportation cost	$ 463,133	$ 350,074	32%
per BOE	$ 23.36	$ 20.08	16%

Total operating and transportation costs for the quarter were higher than the prior year comparable period resulting from increased production activity.

Total operating cost per BOE for Q1 2015 has increased 16% compared with Q1 2014.

Summary of operating netback	Three months ended March 31 2015	2014	% Change
Oil	$ 432,962	$ 766,325	-44%
Natural Gas	149,470	250,295	-40%
NGL's	18,195	31,082	-41%
Royalties and other	23,174	15,173	53%
Total oil, gas, liquids & other revenue	623,801	1,062,875	-41%
Royalties	(120,730)	(204,366)	41%
Oil and gas revenue, net of royalties	503,071	858,509	-41%
Operating expenses	(463,133)	(350,074)	-32%
Operating netback	$ 39,938	$ 508,435	-92%
$/BOE			
Total Gas, Oil & Liquids	$ 31.47	$ 60.97	-48%
Royalties	$ (6.09)	$ (11.72)	48%
Operating expenses	$ (23.36)	$ (20.08)	-16%
Operating netback	$ 2.02	$ 29.17	-93%

For the quarter, production has increased while revenues have decreased compared with the prior year due to the significant reduction in oil and natural gas realized prices. The resulting operating netback for Q1 2015 of $2.02 per BOE compared with $29.17 per BOE for Q1 2014 primarily reflects the drop in realized prices.

General and administrative	Three months ended March 31 2015	2014	% Change
Salaries & benefits	$ 293,320	$ 261,225	12%
Office	95,178	91,011	5%
Corporate	55,062	102,063	-46%
Gross expenses	443,560	454,299	-2%
Recovered from third parties	(27,985)	(28,079)	0%
Capitalized	(47,711)	(122,875)	61%
Net Overhead	$ 367,864	$ 303,345	21%
per BOE	$ 18.56	$ 17.40	7%

Gross general and administrative expenses for the quarter decreased 2% compared with the prior year quarter despite paying severance to one employee. Net overhead costs in Q1 2015 were higher than the prior year quarter as the Company did not capitalize as much overhead in the current quarter.

Finance expense, except per BOE	Three months ended March 31		
	2015	2014	% Change
Bank loan - interest	$ 70,951	$ 24,540	189%
Bank loan - fees	2,625	7,875	-67%
Accretion of decommissioning liability	21,045	20,071	5%
Finance expense	$ 94,621	$ 52,486	80%
per BOE	$ 4.77	$ 3.01	58%

Finance expenses for the three months ended March 31, 2015 were higher than the comparable prior year period as the Company had a higher level of bank debt during the current quarter compared with Q1 2014.

Depletion and depreciation	Three months ended March 31		
	2015	2014	% Change
Depletion and depreciation expense	$ 279,176	$ 196,253	42%
per BOE	$ 14.08	$ 11.26	25%

Depletion charges are calculated on a unit of production basis. The charge per unit is based on the total development costs of a cash-generating-unit ("CGU") divided by total proved and probable reserves of a CGU.

Capital additions	Three months ended March 31		
	2015	2014	% Change
Geological and geophysical	$ 30,950	$ 62,411	-50%
Drilling and completions	-	78,265	-100%
Equipment, facilities and pipelines	-	70,316	-100%
Decommissioning obligation	217,675	69,661	212%
Total	$ 248,625	$ 280,653	-11%

Capital additions for Q1 2015 resulted from capitalized overhead or changes to the Company's decommissioning obligation. The Company's capital spending activity has been put on hold until oil and natural gas prices improve.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2015, Forent had net debt of $6.3 million compared with net debt of $5.8 million at the beginning of the year.

Forent has a $7.0 million production loan facility with a Canadian financial institution, payable on demand and currently being reviewed by the lender.

At March 31, 2015, the Company had drawn $6.7 million of the loan facility (2014 – 1.6 million). The Company is required to maintain certain covenants with the financial institution and is in compliance with those covenants as at March 31, 2015. The loan facility is charged interest at prime plus 1.6% per annum. The Company has no outstanding letters of credit at March 31, 2015 (Q1 2014 – nil).

In March 2015, the Company entered into a $150,000 short term loan with Prairie Merchant Corporation to advance funds against a pending GST refund. Prairie Merchant Corporation is owned by the Company's Chairman. The interest rate on the loan was 5% per annum and the loan was repaid in full during April 2015.

To facilitate the management of its capital structure, the Company prepares expenditure and operating forecasts and budgets that are updated as necessary depending on a number of factors that impact the Company's liquidity including drilling success, commodity prices, and other industry conditions and the Company's funds flow from operations (see "Non-GAAP Measures"). These budgets are reviewed by the Board of Directors. The Company makes adjustments to capital spending in light of changes in economic conditions and risk characteristics of the underlying assets.

As of May 28, 2015, Forent had 188,643,215 common shares outstanding and 11,422,409 options outstanding to purchase 11,422,409 additional common shares.

The continued exploration and development of the Company's properties is, in part, dependent upon the renewal of the Company's credit facility and/or its ability to arrange additional equity financing. In addition, as a consequence of the significant decline in commodity prices in Q4 2014 and Q1 2015 the Company's revenues, cash flow and earnings have been significantly reduced, despite higher production levels.

There can be no assurance that the Company will be successful in its efforts to renew the credit facility at acceptable levels, or to arrange additional financing, if needed, on terms satisfactory to the Company or at all.

See note 1, Going Concern, in the notes to the financial statements for the three months ended March 31, 2015.

BUSINESS RISK

The Company is engaged in the exploration, development, production and acquisition of crude oil and natural gas. Forent's business is inherently risky and there is no assurance that hydrocarbon reserves will be discovered and economically produced.

Financial risks associated with the petroleum industry include fluctuations in commodity prices, interest rates and currency exchange rates. Operational risks include competition, environmental factors, reservoir performance uncertainties, a complex regulatory environment and safety concerns.

The Company minimizes its business risks by focusing on a select group of properties. This enables Forent to have more control over the timing, direction and costs related to exploration and development opportunities. The geological focus is on areas in which the prospects are well understood by Management. Technological tools are regularly used to reduce risk and increase the probability of success. The Company closely follows all government regulations and has an up-to-date emergency response plan that has been communicated to all field operations by Management. Forent also carries insurance coverage to protect itself against potential losses.

The Company requires sufficient working capital to undertake the development of its oil & gas properties. Forent makes adjustments to capital requirements in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, as it is required, Forent may issue new shares or buy back shares, and the Company may increase its debt or sell assets.

The Company is exposed to commodity price and market risk for its principal products of petroleum and natural gas. Commodity prices are influenced by a wide variety of factors of which most are beyond the control of Forent. To manage this risk, the Company has entered, from time to time, into a number of fixed price sales contracts in relation to natural gas prices and has entered into financial instrument agreements to protect against fluctuations in the price of oil.

Finally, the Company employs an experienced staff of petroleum and natural gas professionals to further minimize the business risk.

Please refer to note 7 – Financial Instruments and Risk Management in the notes to the financial statements for the three months ended March 31, 2015.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has committed to future minimum payments under an operating base lease covering office facilities, expiring August 31, 2017, as follows:

Commitments as at March 31, 2015	
2015	$ 133,516
2016	180,704
2017	125,835
	$ 440,055

OFF BALANCE SHEET ARRANGEMENTS

Forent does not currently utilize any off balance sheet arrangements with unconsolidated entities to enhance liquidity and capital resource positions or for any other purpose.

RELATED PARTY TRANSACTIONS

The Company enters into various transactions with related parties from time to time.

The following transactions were entered into under the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties recorded at the exchange amount.

During the three months ended March 31, 2015 and 2014, the Company incurred $75,000 and $65,000, respectively, of operating costs relating to compressor rental fees from a company controlled by a board member. During the same periods, Forent also incurred $1,000 and $9,000 respectively for legal services with a law firm of which a board member is a partner.

APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

Forent's financial statements have been prepared in accordance with IFRS. The significant accounting policies used by Forent are disclosed in Note 4 to the Financial Statements of the Company's annual report for the year ended December 31, 2014. Certain accounting policies require that Management make appropriate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

Forent's Management reviews its estimates regularly. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

BUSINESS OUTLOOK

In 2014, the initial development phase of our Twining property was the first step in our plan to materially increase oil and associated gas production for the Company. Within our portfolio, we have several low risk exploitation opportunities available when prices recover. Meanwhile Forent has taken appropriate steps to reduce overhead, while actively pursuing its mandate of growth through asset acquisitions and corporate mergers.

BALANCE SHEET

(Cdn $, unaudited)	Note	Mar 31, 2015	Dec 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		$ -	$ 18,926
Accounts receivable	7	1,059,585	1,147,274
Prepaids and other assets		95,395	121,147
Exploration deposit	9	175,600	223,540
		1,330,580	1,510,887
Non-current assets			
Property, plant and equipment	10	18,170,247	18,200,798
Exploration and evaluation assets	9	4,031,348	4,026,562
		$ 23,532,175	$ 23,738,247
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 792,002	$ 1,369,613
Bank indebtedness	5	6,715,565	5,986,422
Shareholder loan	5	150,000	-
		7,657,567	7,356,035
Non-current liabilities			
Decommission obligation	11	4,832,046	4,593,326
Deferred income tax liability		-	65,962
		12,489,613	12,015,323
SHAREHOLDERS' EQUITY			
Share capital	12	24,459,495	24,459,495
Contributed surplus		3,409,234	3,387,647
Deficit		(16,826,167)	(16,124,218)
		11,042,562	11,722,924
		$ 23,532,175	$ 23,738,247

Going concern (note 1)
Commitments (note 13)

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

On Behalf of the Board of Directors:

(Signed) "W.B. Wilson" Director (Signed) "W. Rousch" Director

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

		Three months ended March 31	
(Cdn $ except per share amounts, unaudited)	*Note*	**2015**	2014
Revenues			
Petroleum and natural gas sales, net of royalties	*15*	**$ 503,071**	$ 858,509
Expenses			
Operating		**463,133**	350,074
General and administrative	*15*	**367,864**	303,345
Share based compensation	*12*	**18,248**	72,303
Finance expense	*15*	**94,621**	52,486
Loss on derivatives	*7*	**-**	139,063
Depletion and depreciation	*10*	**279,176**	196,253
Other (income) expense	*9*	**47,940**	-
		1,270,982	1,113,524
Loss before income taxes		**(767,911)**	(255,015)
Deferred tax recovery (expense)		**65,962**	(106,974)
Net loss and comprehensive loss		**$ (701,949)**	$ (361,989)
Loss per share, basic and diluted	*12*	**$ -**	$ -

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Three months ended March 31	
(Cdn $, unaudited)	*Note*	**2015**	2014
Share Capital			
Balance, beginning of year		**$ 24,459,495**	$ 23,893,520
Common shares issued pursuant to private placement		**-**	591,000
Share issue costs, net of deferred tax		**-**	(25,025)
Balance, end of period		**$ 24,459,495**	$ 24,459,495
Contributed surplus			
Balance, beginning of year		**$ 3,387,647**	$ 3,194,051
Share-based payments for awards granted		**21,587**	95,721
Balance, end of period		**$ 3,409,234**	$ 3,289,772
Deficit			
Balance, beginning of year		**$ (16,124,218)**	$ (15,350,504)
Net loss and comprehensive loss		**(701,949)**	(361,989)
Balance, end of period		**$ (16,826,167)**	$ (15,712,493)
Shareholders equity, end of period		**$ 11,042,562**	$ 12,036,774

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

STATEMENT OF CASH FLOWS

		Three months ended March 31	
(Cdn $, unaudited)	*Note*	**2015**	2014
Cash provided by (Used in):			
OPERATING ACTIVITIES			
Loss		**$ (701,949)**	$ (361,989)
Adjustments for items not involving cash:			
Share based compensation		**18,248**	72,303
Finance expense, accretion portion		**21,045**	27,946
Loss (gain) on derivatives, unrealized		**-**	108,259
Depletion and depreciation		**279,176**	196,253
Deferred tax (recovery) expense		**(65,962)**	106,974
Change in non-cash working capital	*15*	**(352,342)**	249,165
		(801,784)	398,911
FINANCING			
Increase (decrease) in bank indebtedness		**729,143**	(1,220,682)
Share capital issued for cash, net of issue costs		**-**	567,876
Increase (decrease) in shareholder loan		**150,000**	-
		879,143	(652,806)
INVESTING			
Expenditures on property and equipment	*10*	**(28,907)**	(201,668)
Expenditures on exploration and evaluation assets	*9*	**(3,490)**	(75,504)
Change in non-cash working capital	*15*	**(63,888)**	(94,017)
		(96,285)	(371,189)
CHANGE IN CASH		**$ (18,926)**	$ (625,084)
Cash, beginning of period		**18,926**	637,186
CASH, End of period		**$ -**	$ 12,102

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

NOTES TO FINANCIAL STATEMENTS

For the three months ended March 31, 2015 and 2014 (unaudited)

Amounts in Canadian dollars unless otherwise indicated.

1. Going Concern

The accompanying financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

At March 31, 2015, the Company had a working capital deficit of $6.3 million, including amounts drawn on its credit facility of $6.7 million. The Company currently has a credit facility with a Canadian financial institution of $7.0 million, which is repayable on demand and subject to an annual review by May 31, 2015. Also, the Company has had net losses from continuing operations for the last eight quarters and has an accumulated deficit of $16.8 million.

The continued exploration and development of the Company's properties is, in part, dependent upon the renewal of the Company's credit facility and/or its ability to arrange additional financing. The necessary financing may be secured through the issue of new equity or debt instruments, or entering into new joint venture arrangements. In addition, as a consequence of the significant decline in commodity prices in Q4 2014 and Q1 2015 the Company's revenues, cash flow and earnings have been significantly reduced, despite higher production levels. The Company has taken steps to reduce operating and overhead costs where possible.

These conditions give rise to material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

There can be no assurance that the Company will be successful in its efforts to sufficiently reduce operating and overhead costs, to renew the credit facility at acceptable levels, or to arrange additional financing, if needed, on terms satisfactory to the Company or at all.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, or expenses and revenues and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Corporate Information

Forent Energy Ltd. ("Forent" or the "Company") is an oil and gas exploration, development and production company with mineral rights holdings, reserves and production in Alberta, Canada. The Company's principal focus is the exploitation of oil reserves through development drilling on three core properties in south central Alberta; Twining, Provost and Wayne. The majority of Forent's production and revenue is generated from these properties.

Forent is a publicly traded company, incorporated and headquartered in Canada. The address of its principal office is 200, 340 – 12th Avenue SW, Calgary, Alberta, Canada T2R 1L5.

Common shares of the Company trade on the TSX Venture Exchange under the symbol "FEN".

3. Basis of Presentation

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the same accounting policies throughout all periods presented in these financial statements, except as identified in Note 4(n) in the notes to the financial statements for the year ended December 31, 2014.

These financial statements have been prepared on the historical cost basis, except as disclosed in the significant accounting policies in Note 4. They are presented in Canadian dollars, which is the Company's functional currency.

These financial statements were approved and authorized for issue by the Board of Directors on May 28, 2015.

4. Significant Accounting Policies

The accounting policies followed in these condensed interim financial statements are consistent with those of the year ended December 31, 2014.

5. Bank Indebtedness

Forent has a $7.0 million production loan facility with a Canadian financial institution, payable on demand and currently under annual review by the lender.

At March 31, 2015, the Company had drawn $6.7 million of the loan facility (Q1 2014 – 1.6 million). The Company is required by the financial institution to maintain a working capital ratio greater than 1. The ratio is calculated as current assets plus undrawn facility to current liabilities less any amount drawn under the facility. The Company is in compliance with this covenant as at March 31, 2015. The loan facility is charged interest at prime plus 1.6% per annum. The Company has no outstanding letters of credit at March 31, 2015 (Q1 2014 – nil).

In March 2015, the Company entered into a $150,000 short term loan with Prairie Merchant Corporation to advance funds against a pending GST refund. Prairie Merchant Corporation is owned by the Company's Chairman. The interest rate on the loan was 5% per annum and the loan was repaid in full during April 2015.

6. Significant Accounting Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, and differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 7 – valuation of financial instruments;
- Note 10 – valuation of exploration and evaluation assets and property and equipment;
- Note 11 – measurement of decommissioning provision; and
- Note 12 – measurement of share-based compensation.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

a) Exploration and evaluation assets

The decision to transfer assets from exploration and evaluation to property and equipment is based on the estimated proved and probable reserves used in the determination of an area's technical feasibility and commercial viability (Note 9).

b) Reserves base

The oil and gas development and production properties are depreciated on a unit of production ("UOP") basis at a rate calculated by reference to proved and probable reserves determined in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporate the estimated future cost of developing and extracting those reserves. Proved plus probable reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities and other capital costs (Note 10).

Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is highly likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

c) Depletion of oil and gas assets

Oil and gas properties are depleted using the UOP method over proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production based on proved plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves (Note 10).

d) Determination of cash generating units

Oil and gas properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil and gas properties of the Company, and grouped the properties into cash generating units on the basis of their ability to generate independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure (Note 10).

e) Impairment indicators and calculation of impairment

At each reporting date, Forent assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. At March 31, 2015, Management exercised judgement and determined that there were impairment indicators present for certain CGUs (Note 10). When management judges that circumstances clearly indicate impairment, property and equipment and exploration and evaluation assets are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs (Note 10).

7. Financial Instruments and Risk Management

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

All financial instruments are required to be measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading," "available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities" as defined by the standard.

Cash is measured at fair value, which approximates carrying value due to the short-term nature of these instruments. Accounts receivable are designated as "loans and receivables" and are carried at amortized cost. Accounts payable, accrued liabilities, and bank debt are designated as "other financial liabilities" and carried at amortized cost using the effective interest method. Derivative assets and liabilities are held for trading.

The Company's financial instruments that are currently included in the balance sheet are comprised of cash, accounts receivable, deposits, accounts payable and accrued liabilities, bank indebtedness and derivative assets and liabilities.

Fair value is determined following a three level hierarchy:

> Level 1: Quoted prices in active markets for identical assets and liabilities. The Company does not have any financial assets or liabilities that require level 1 inputs.
>
> Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly. Such inputs can be corroborated with other observable inputs for substantially the complete term of the contract. Forent uses Level 2 inputs in the determination of the fair value of oil and gas derivative assets and liabilities.
>
> Level 3: Fair value is determined using inputs that are not observable. Forent uses Level 3 inputs in the determination of fair value less costs of disposal used in determining the recoverable amount of a Cash Generating Unit (CGU) for the purpose of impairment testing.

Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its accounts receivable and cash to a maximum of the carrying value. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks. Approximately $300,000 (Q1 2014 – $392,000) of accounts receivable balances are in excess of 90 days. Management has reviewed the items comprising the accounts receivable balance and determined that all accounts are collectible; accordingly there has been no allowance for doubtful accounts recorded.

The Company's trade receivable balance at March 31, 2015, was approximately $581,000 (Q1 2014 – $481,000).

Interest Rate Risk

The Company is exposed to risks from interest rate fluctuation on its bank loan and cash balances which are based on prime rates. A 25% change in interest rates would have impacted loss before income taxes in Q1 2015 by approximately $18,000 (Q1 2014 – $6,000).

Liquidity risk

The Company is exposed to liquidity risk from the possibility that it will encounter difficulty meeting its financial obligations.

The Company manages liquidity risk by forecasting cash flows in an effort to match operating cash flow to future expenditures and to arrange financing, if necessary. It may take many years and substantial cash expenditures to pursue exploration and development activities on all of the Company's existing undeveloped properties. Accordingly, the Company may need to raise additional funds from outside sources in order to explore and develop its properties. There is no assurance that adequate funds from debt and equity markets will be available to the Company in a timely manner.

During 2014, the Company completed one equity financing raising $591,000.

The timing of cash outflows relating to financial liabilities are outlined as:

		< 1 year		years 2 & 3		> 3 years
Accounts payable and accrued liabilities	$	792,002	$	-	$	-
Bank indebtedness		6,715,565				
Shareholder loan		150,000		-		-
	$	7,657,567	$	-	$	-

See note 1, going concern.

Foreign Currency Exchange Risk

The Company currently has no material exposure to foreign currency fluctuations in its cash or accounts receivables.

8. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity, working capital and bank indebtedness. Forent's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by investing in oil and gas activities commensurate with the level of risk management deems acceptable.

To facilitate the management of its capital structure, the Company prepares expenditure and operating forecasts and budgets that are updated as necessary depending on a number of factors that impact the Company's liquidity including drilling success, commodity prices, and other industry conditions and the Company's funds flow from operations(2). These budgets are reviewed by the Board of Directors. The Company makes adjustments to capital in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, as it is required, Forent may issue new shares or buy back shares and the Company may increase its debt or sell assets.

Net debt repayability is a calculation to determine the number of years required to repay net debt from the most recent quarter's annualized funds flow from operations. The target for this ratio is to be less than 2 years net debt repayability.

The net debt repayability ratio is unacceptably high and the Company expects this ratio to improve when oil and natural gas prices increase. Additional incremental funds flow is needed or a reduction of the net debt position must occur for the ratio to improve to an acceptable level. The Company's share capital is not subject to external restrictions; however, its credit facility value is based primarily on its petroleum and natural gas reserves. There are covenants Forent must comply with (see Note 5) and the Company was in compliance with all of these financial covenants at the end of the reporting period.

9. EXPLORATION AND EVALUATION ASSETS

Balance, December 31, 2013	$	3,475,784
Additions		573,743
Exploration and evaluation expense		(22,965)
Balance, December 31, 2014	$	4,026,562
Additions		4,786
Exploration and evaluation expense		-
Balance, March 31, 2015	**$**	**4,031,348**

Exploration and evaluation ("E&E") assets consist of the Company's land and exploration projects which are pending the determination of technical feasibility and commercial viability. Projects not deemed to be feasible are charged to the statement of income as exploration and evaluation expense. The majority of the additions for the year were for oil and gas licences.

During Q1 2015, $20,000 (Q1 2014 - $161,000) was capitalized to E&E for related overhead and stock based compensation expenses.

Exploration deposit

The Nova Scotia Government required a deposit of 20% of the outstanding work commitments on exploration licences issued to Forent. At December 31, 2014, the Nova Scotia Government held deposits related to Forent's exploration licence in the amount of $223,540 (2013 - $175,600). However, the Government has reduced the deposit amount to $175,600. The reduction in the deposit also affects the statement of loss as other (income) expense.

As all Government reviews are complete, this deposit should be refunded to Forent in Q2 2015.

10. Property, Plant and Equipment

Cost:	Oil & gas properties	Office equipment	Total
Balance, December 31, 2013	$ 18,722,242	$ 92,230	$ 18,814,472
Additions	4,413,905	13,525	4,427,430
Changes in decommisioning provision	1,580,397	-	1,580,397
Balance, December 31, 2014	$ 24,716,544	$ 105,755	$ 24,822,299
Additions	30,950	-	30,950
Changes in decommisioning provision	217,675	-	217,675
Balance, March 31, 2015	**$ 24,965,169**	**$ 105,755**	**$ 25,070,924**

Accumulated depletion, depreciation and impairment losses			
Balance, December 31, 2013	$ 5,560,623	$ 79,903	$ 5,640,526
Depletion and depreciation	972,037	8,938	980,975
Balance, December 31, 2014	$ 6,532,660	$ 88,841	$ 6,621,501
Depletion and depreciation	277,282	1,894	279,176
Balance, March 31, 2015	**$ 6,809,942**	**$ 90,735**	**$ 6,900,677**

Net carrying value:			
At December 31, 2014	$ 18,183,884	$ 16,914	$ 18,200,798
Balance, March 31, 2015	**$ 18,155,227**	**$ 15,020**	**$ 18,170,247**

For the calculation of depletion expense, estimated future costs required to develop the proved and probable reserves were added to the cost base of property, plant and equipment. At March 31, 2015, future costs were $9.0 million (March 31, 2014 - $9.2 million).

The carrying value of long-term assets is reviewed quarterly for indicators that the carrying value of an asset or CGU may not be recoverable. If indicators of impairment exist, the recoverable amount of the asset or CGU is estimated. If the carrying value of the asset or CGU exceeds the recoverable amount, the asset or CGU is written down with an impairment recognized in earnings. Key judgments include estimates about recoverable reserves (see Note 6 – Significant accounting estimates and assumptions), forecast benchmark commodity prices, royalties, operating costs and discount rates. There were indicators of impairment noted for Q1 2015, however, no impairment was required. The Company used a discount rate of 10% when determining the value of recoverable reserves and used the price forecast from the Company's December 31, 2014, reserve evaluation.

For the three month period of 2015, $31,000 (Q1 2014 - $20,000) was capitalized to property, plant and equipment for related overhead and stock based compensation expenses.

11. Decommissioning Provision

Decommissioning obligations are based on the Company's net ownership in wells and facilities, and management's best estimate of future costs to abandon and reclaim those wells and facilities as well as an estimate of the future timing of the costs to be incurred.

The Company has estimated the present value of its total decommissioning provision to be $4.8 million at March 31, 2015 (Q1 2014 - $3.2 million), based on a total future undiscounted liability of $4.5 million (Q1 2014 - $3.3 million). Payments to settle the obligations occur over the operating lives of the underlying assets and are estimated to be from 2 to 25 years, with the majority of costs to be incurred after 2019. The risk free rate used to calculate the present value of the decommissioning liability used average risk free rates of 0.75% to 1.97% (Q1 2014 - 1.69% - 2.96). The estimated inflation rate was 2.00% (Q1 2014 - 2.00%).

The present value of the initial estimated decommissioning liability for new obligations is capitalized as part of the net capitalized asset base and the depletion of the capitalized decommissioning estimate is determined on a basis consistent with depletion of the Company's other assets. With time, accretion will increase the carrying amount of the obligation. Accretion is expensed.

The Company completed a review of its decommissioning liability at December 31, 2014, using estimates consistent with the Alberta Energy Regulator. This review, combined with the addition of some abandonment liabilities not previously identified, resulted in an increase in the overall decommissioning provision of $1.0 million in Q4 2014.

Changes to the decommisioning provision are:	**Three months ended March 31, 2015**	Year ended December 31, 2014
Decommissioning provision, beginning of period	**$ 4,593,326**	$ 2,933,938
Liabilities incurred	**-**	168,239
Liabilities settled	**-**	-
Liabilities acquired from acquisitions	**-**	-
Effect of change in risk free rate(1)	**217,675**	402,597
Revisions in estimated cash outflows	**-**	1,009,561
Accretion expense	**21,045**	78,991
Decommissioning provision, end of period	**$ 4,832,046**	$ 4,593,326

(1) These amounts include the revaluation of acquired decommissioning liabilities at the end of the period using a risk-free discount rate. At the date of acquisition, acquired decommissioning liabilities are valued using a fair value rate.

12. SHAREHOLDERS' EQUITY

Authorized

The Company has authorized an unlimited number of voting common shares and an unlimited number of preferred shares without nominal or par value.

	Number of common shares	Amount
Balance, December 31, 2013	181,565,715	$ 23,893,520
Common shares issued pursuant to private placements	7,077,500	591,000
Share issue costs, net of deferred tax	-	(25,025)
Balance, December 31, 2014	**188,643,215**	**$ 24,459,495**
Balance, March 31, 2015	**188,643,215**	**$ 24,459,495**

In February 2014, the Company issued 7,077,500 common shares for gross proceeds of $591,000.

Share Option Plan

The Company's Share Option Plan permits the granting of options to purchase common shares to officers, directors, employees and other persons who provide ongoing management or consulting services to the Company. The Share Option Plan currently limits the number of common shares that may be issued on exercise of options outstanding at any time to 10% of the number of outstanding common shares. Any increase in the issued and outstanding common shares will result in an increase in the available number of common shares issuable under the Share Option

Plan. Additionally, any exercise of options will make new grants available under the Share Option Plan.

Options granted pursuant to the Share Option Plan have a term not to exceed five years and vest as follows:

1/3 on grant date

1/3 on first anniversary of grant date

1/3 on second anniversary of grant date

As at March 31, 2015, there are a total of 11,422,409 options granted and outstanding under the Share Option Plan with a weighted average exercise price of $0.20 per share. A total of 10,365,741 options with a weighted average exercise price of $0.19 are exercisable at March 31, 2015.

	March 31, 2015			December 31, 2014		
Stock Options	Options		Weighted Average Exercise Price	Options		Weighted Average Exercise Price
Outstanding, beginning of period	11,422,409	$	0.20	11,208,335	$	0.20
Granted	-	$	-	2,670,000	$	0.10
Expired	-	$	-	(565,000)	$	0.25
Cancelled	-	$	-	(1,890,926)	$	0.19
Outstanding, end of period	11,422,409	$	0.20	11,422,409	$	0.20
Options exercisable, end of period	10,365,741	$	0.19	9,225,743	$	0.19

Exercise price	Outstanding Mar 31, 2015	Remaining (years)	Exercisable Mar 31, 2015
$0.01 - $0.09	250,000	4.21	83,333
$0.10 - $0.19	5,195,000	3.30	4,304,999
$0.20 - $0.29	5,294,077	1.23	5,294,077
$0.30 - $0.39	660,000	0.12	660,000
$0.40 - $0.49	-	-	-
$0.50 - $0.59	23,332	1.75	23,332
	11,422,409	-	10,365,741

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with assumptions as follows:

	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Forfeitures	Expected Volatility		Weighted Average Future Value Per Option
2014	1.39	4.5	10.00%	1.20	$	0.09

The Company accounts for its options granted using the fair value method whereby costs have been recognized for share options granted, resulting in share based compensation expense for Q1 2015 of $18,000 (Q1 2014 – $72,000). Share based compensation of $3,000 (Q1 2014 - $23,000) was capitalized for Q1 2015.

Net loss per share

Diluted earnings per share are calculated by dividing the diluted weighted average number of aggregate outstanding shares during the period into the earnings for the period. Diluted loss per share is calculated by dividing the basic weighted average aggregate outstanding shares into the loss for the period as using the diluted weighted average shares would be anti-dilutive. Share options are not shown to be dilutive in the periods shown below as they were out-of-the-money compared with the average share prices during those periods.

Common shares outstanding	Three months ended March 31	
	2015	2014
Weighted average shares outstanding	188,643,215	186,362,687
Dilutive effect of stock options	-	5,453
Diluted weighted average shares outstanding	188,643,215	186,368,140

13. COMMITMENTS

The Company has committed to future minimum payments under an operating base lease covering office facilities, expiring August 31, 2017, as follows:

Commitments as at March 31, 2015	
2015	$ 133,516
2016	180,704
2017	125,835
	$ 440,055

14. RELATED PARTY TRANSACTIONS

The Company enters into various transactions with related parties from time to time.

The following transactions were entered into under the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties recorded at the exchange amount.

During the three months ended March 31, 2015 and 2014, the Company incurred $75,000 and $65,000, respectively, of operating costs relating to compressor rental fees from a company controlled by a board member. During the same periods, Forent also incurred $1,000 and $9,000 respectively for legal services with a law firm of which a board member is a partner.

15. Supplemental Information

Supplemental Cash Flow Information		Three months ended March 31		
(Cdn $)		2015		2014
Interest paid during the period	$	70,951	$	24,540
Taxes paid during the period	$	-	$	-

Changes in non-cash working capital balances				
Accounts receivable	$	87,689	$	136,375
Prepaid expenses		25,752		(16,013)
Exploration deposit		47,940		-
Accounts payable and accrued liabilities		(577,611)		69,885
Other		-		(35,099)
	$	(416,230)	$	155,148

Changes in non-cash working capital balances				
Operating activity	$	(352,342)	$	249,165
Investing activity		(63,888)		(94,017)
	$	(416,230)	$	155,148

Expenses by nature:

General and administrative		Three months ended March 31		
		2015		2014
Salaries & benefits	$	293,320	$	261,225
Office		95,178		91,011
Corporate		55,062		102,063
Gross expenses		443,560		454,299
Recovered from third parties		(27,985)		(28,079)
Capitalized		(47,711)		(122,875)
Net Overhead	$	367,864	$	303,345

Finance expense	Three months ended March 31			
		2015		2014
Bank loan - interest	$	70,951	$	24,540
Bank loan - fees		2,625		7,875
Accretion of ARO		21,045		20,071
Finance expense	$	94,621	$	52,486

Revenue from oil and gas production, net of royalties	Three months ended March 31			
		2015		2014
Oil	$	432,962	$	766,325
Natural Gas		149,470		250,295
NGL's		18,195		31,082
Royalties and other		23,174		15,173
		623,801		1,062,875
Crown		(7,761)		(30,523)
Freehold		(112,969)		(173,843)
Royalties		(120,730)		(204,366)
	$	503,071	$	858,509

CORPORATE INFORMATION

DIRECTORS

W. Brett Wilson [1]
Chairman of the Board

Robert S. Crosbie [1]

John A. Forgeron [2]

Scott Reeves [3]

Wayne Rousch [1, 3]

Richard Wade [2, 3]

(1) Member of the Audit Committee
(2) Member of the Technical Committee
(3) Member of the Compensation Committee

OFFICERS

Richard Wade
President & Chief Executive Officer

Brad R. Perry
Chief Financial Officer

Tim Laska
Vice President Exploration

Ian Shook
Vice President Geophysics

FORENT ENERGY LTD.

Suite 200, 340 – 12 Avenue SW
Calgary, Alberta T2R 1L5

Telephone: (403) 262-9444
Fax: (403) 262-4351

Website: www.forentenergy.com

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants
Calgary, AB

BANKERS

ATB Financial
Calgary, AB

SOLICITORS

TingleMerrett LLP
Calgary, AB

ENGINEERS

McDaniel & Associates Consultants Ltd.
Calgary, AB

REGISTRAR & TRANSFER AGENT

Valiant Trust Company
Calgary, AB

STOCK EXCHANGE LISTING

TSX Venture Exchange
Trading Symbol "FEN"