



**ROLLAND ENERGY**

**Rolland Energy Inc.**

**Interim financial statements**

*March 31th, 2008*

**SUMMARY**

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## Management's report

Management is responsible for the preparation of the financial statements. Management believes that these financial statements fairly reflect the form and substance of transactions, and that they reasonably present the Company's financial position and the results of its operations.

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Management has included in the Company's financial statements amounts based on best estimates and careful judgements that it believes are reasonable under the circumstances, and designed to ensure that the financial statements are presented fairly, in all material respects

To fulfil its responsibility, management developed and continues to maintain systems of internal accounting controls and establishes policies and procedures to ensure the reliability of financial information and to safeguard assets. The internal control systems and financial records are subject to reviews by external auditors during the examination of the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performances of its financial reporting responsibilities.

A handwritten signature in black ink, appearing to read "M. Mclellan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael Mclellan

President and CEO

April 12, 2008

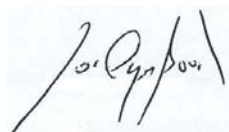
# ROLLAND ENERGY INC.

## INTERIM BALANCE SHEET

As at	March 31 2008 (unaudited)	June 30 2007 (audited)
<b>ASSETS</b>		
<i>Current assets</i>		
Cash	\$ 201 233	\$ 582 687
Deposits for exploration and development	-	466 320
Accounts Receivable (note 3)	552 842	218 479
Inventory	50 313	166 413
Research and development tax credits receivable (note 2)	43 192	49 796
Prepaid expenses	79 069	83 577
	<b>926 649</b>	<b>1 567 272</b>
<b>Deposits</b>	<b>146 179</b>	<b>141 141</b>
<b>Capital assets</b> , at cost less depletion, depreciation and amortization (note 4)	<b>3 689 820</b>	<b>2 698 481</b>
<b>Research and development tax credits receivable</b> (note 2)	<b>460 190</b>	<b>460 190</b>
	<b>\$ 5 222 838</b>	<b>\$ 4 867 084</b>
<b>LIABILITIES</b>		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities (note 5)	\$ 1 413 331	\$ 1 668 534
Short-term debt (note 6)	3 000 000	3 200 000
Current portion of long-term debt (note 7)	8 834	8 418
	<b>4 422 165</b>	<b>4 876 952</b>
<b>Advances from shareholders without interest and terms</b>	<b>-</b>	<b>67 353</b>
<b>Long-term debt</b> (note 7)	<b>20 335</b>	<b>67 353</b>
<b>Convertible Debentures</b> (note 8)	<b>442 659</b>	<b>27 014</b>
<b>Asset retirement obligations</b> (note 9)	<b>606 317</b>	<b>592 636</b>
	<b>5 491 476</b>	<b>5 631 308</b>
<b>SHAREHOLDER'S EQUITY</b>		
<b>Share Capital</b> (note 10)	<b>8 053 679</b>	<b>5 755 459</b>
<b>Equity component of convertible debentures</b> (note 8)	<b>151 305</b>	<b>151 305</b>
<b>Contributed surplus</b>	<b>1 455 589</b>	<b>1 440 465</b>
<b>Deficit</b>	<b>(9 929 211)</b>	<b>(8 458 963)</b>
	<b>(268 638)</b>	<b>(1 111 734)</b>
	<b>\$ 5 222 838</b>	<b>\$ 4 519 574</b>

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

Signed for the Board,



Chairman



Director

# ROLLAND ENERGY INC.

## INTERIM STATEMENT OF OPERATIONS AND DEFICIT

For the period ended March 31, 2008

(unaudited)

	Three months		Nine months	
	2008	2007	2008	2007
<b>Income</b>				
Oil and natural gas revenues	\$ 387,025	\$ 243,225	\$ 792,443	\$ 1,152,981
Royalties and production taxes	(57,319)	(27,830)	(109,960)	(147,262)
Information technology division revenues	-	41,276	-	334,070
	\$ 329,706	\$ 256,671	\$ 682,483	\$ 1,339,789
<b>Operating expenses</b>				
Transportation and selling expenses	\$ 5,037	\$ 4,579	\$ 13,699	\$ 29,246
Production expenses	174,417	127,370	470,832	367,006
Administrative expenses	191,168	383,988	565,167	1,078,724
Depletion, depreciation and amortization	99,651	148,956	190,726	616,674
Stock-based compensation expense (note 11)	3,381	88,306	15,124	164,887
Information technology division expenses	-	37,341	-	100,727
	\$ 473,653	\$ 790,540	\$ 1,255,548	\$ 2,357,264
<b>Income (loss) before financial expenses</b>	<b>(143,947)</b>	<b>(533,869)</b>	<b>(573,065)</b>	<b>(1,017,475)</b>
Financial expenses	215,817	305,988	692,708	829,889
<b>Earnings (loss) from operations</b>	<b>(359,764)</b>	<b>(839,857)</b>	<b>(1,265,773)</b>	<b>(1,847,364)</b>
Other income (expenses)	12,446	1,123	(204,475)	(179,838)
<b>Earnings (loss) before income taxes</b>	<b>(347,318)</b>	<b>(840,980)</b>	<b>(1,470,248)</b>	<b>(1,667,526)</b>
Future income taxes (note 18)	-	(264,646)	-	(547,704)
<b>(Net loss) net earning (note 15)</b>	<b>\$ (347,318)</b>	<b>\$ (576,334)</b>	<b>\$ (1,470,248)</b>	<b>\$ (1,119,822)</b>
<b>Deficit, beginning of year</b>	<b>(9,581,893)</b>	<b>(4,259,175)</b>	<b>(8,458,963)</b>	<b>(3,715,687)</b>
<b>Deficit, end of year</b>	<b>\$ (9,929,211)</b>	<b>\$ (4,835,509)</b>	<b>\$ (9,929,211)</b>	<b>\$ (4,835,509)</b>
<b>Earning per share (note 17)</b>				
Basic	\$ (0.003)	\$ (0.009)	\$ (0.014)	\$ (0.012)
Diluted	\$ (0.003)	\$ (0.009)	\$ (0.014)	\$ (0.012)

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

# ROLLAND ENERGY INC.

## INTERIM STATEMENT OF CASH FLOW

For the period ended March 31st, 2008

(unaudited)

	Three months		Nine months	
	2008	2007	2008	2007
<b>OPERATING ACTIVITIES</b>				
(Net loss) net earnings	\$ (347,318)	\$ (576,334)	\$ (1,470,248)	\$ (1,119,822)
Items not affecting cash flows				
Amotization of capital assets	99,651	148,956	190,726	616,974
Imputed interest on convertible debentures	7,572	-	27,796	-
Stock-based compensation	3,381	88,306	15,124	164,887
Accretion expense	4,561	-	13,681	-
Future income taxes	-	(264,646)	-	(547,704)
	(232,153)	(603,718)	(1,222,921)	(885,665)
Net change in non-cash working capital items (note 12)	16,595	(482,809)	3,966	(491,178)
<b>Cash used by operating activities</b>	<b>(215,558)</b>	<b>(1,086,527)</b>	<b>(1,218,955)</b>	<b>(1,376,843)</b>
<b>FINANCING ACTIVITIES</b>				
Issue of common shares	(7,045)	(2,700)	2,298,220	1,195,665
Advances from shareholders	-	116,895	(67,353)	(107,131)
Short term debt	-	-	(200,000)	(500,000)
Long-term borrowing	-	(500,000)	-	560,000
Repayment of long-term debt	(2,121)	(4,137)	(6,263)	(11,633)
<b>Cash generated by financing activities</b>	<b>(9,166)</b>	<b>(389,942)</b>	<b>2,024,604</b>	<b>1,136,901</b>
<b>INVESTING ACIVITIES</b>				
Acquisition of capital assets	(474,549)	(102,389)	(1,182,065)	(298,190)
Deferred corporate transactions costs	-	(104,798)	-	(233,212)
Deposits	76,350	(940)	(5,038)	180,829
<b>Cash used in investing activities</b>	<b>(398,199)</b>	<b>(208,127)</b>	<b>(1,187,103)</b>	<b>(350,573)</b>
Increase in cash and cash equivalents	(622,923)	(1,124,596)	(381,454)	(590,515)
Opening cash and cash equivalents	824,156	1,197,237	582,687	663,156
<b>Ending cash and cash equivalents</b>	<b>\$ 201,233</b>	<b>\$ 72,641</b>	<b>\$ 201,233</b>	<b>\$ 72,641</b>

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

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

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### NOTE 1 INCORPORATION AND NATURE OF BUSINESS

The Corporation was incorporated under the Canada Business Corporations Act. The Corporation sells oil and gas produced from properties in Western Canada in which it has an interest.

### NOTE 2 ACCOUNTING POLICIES

#### *Basis of presentation*

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business. The Corporation has sustained substantial losses in the past and had negative working capital at the end of the period. Its ability to continue as a going concern is dependent on the Corporation's ability to generate future profitable operations, to generate sufficient cash flows to meet its obligations on a timely basis and obtain additional financing. The outcome of these matters cannot be predicted at this time.

We believe that the results of the search for funding and investment in new revenue generating assets will be sufficient to enable us to continue as a going concern. These financial statements do not give effect to any adjustments that would be necessary should the Corporation be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

#### *Use of estimates*

The preparation of financial statements in accordance with Canadian generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Examples of significant estimates include the key economic assumptions used in determining the allowance for doubtful accounts and the recovery of research and development tax credits, the recovery of future income tax assets, the useful lives of capital assets, the assumptions used for capital assets and impairment tests, asset retirement obligations, the assumptions used for the calculation of stock-based compensation costs and the fair value of financial instruments.

#### *Revenue recognition*

The sale of oil is recorded when the title passes from the Corporation to external parties.

#### *Capital assets*

Depreciation of non oil & gas capital assets is calculated using the diminishing balance method at a rate of 30% for vehicles and 20% rate for office equipment and tools.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

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### NOTE 2 ACCOUNTING POLICIES (CONTINUED)

#### *Oil and gas assets*

##### i) Capitalized costs

The Corporation follows the full cost method of accounting for its petroleum and natural gas operations as determined by the Canadian Institute of Chartered Accountants (“CICA”), Accounting Guideline 16 (“AcG-16”). Under this method all costs related to the exploration for and development of petroleum and natural gas reserves are capitalized. Costs include lease acquisition costs, geological and geophysical expenses, costs of drilling both producing and non-producing wells, production facilities, asset retirement costs and certain general and administrative expenses directly related to exploration and development activities.

Proceeds from the sale of properties are applied against capitalized costs, without any gain or loss being realized, unless such sale would significantly alter the rate of depletion and depreciation.

Expenditures related to renewals or betterments that improve the productive capacity or extend the life of an asset are capitalized. Maintenance and repairs are expensed as incurred.

##### ii) Depletion and depreciation

Depletion and depreciation of property and equipment is provided using the unit-of-production method based upon estimated proved petroleum and natural gas reserves. The costs of undeveloped properties are excluded from costs subject to depletion until it is determined whether or not proved reserves are attributable to the properties or impairment has occurred. Estimated future costs to be incurred in developing proved reserves are included in costs subject to depletion. For depletion and depreciation purposes, relative volumes of natural gas production and reserves are converted at the energy equivalent conversion rate of six thousand cubic feet of natural gas to one barrel of crude oil.

##### iii) Impairment test

Each year the Corporation performs an impairment test to determine the recoverability of capitalized costs associated with reserves. An impairment loss is recognized when the carrying amount of a cost centre exceeds its fair value. The carrying amount of the cost centre is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows from proved reserves plus the costs of unproved properties. If the sum of the cash flows is less than the carrying amount, the impairment loss is limited to the amount by which the carrying amount exceeds the sum of the fair value of proved and probable reserves and the costs of unproved properties that have been subject to a separate impairment test and contain no probable reserves.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

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### NOTE 2 ACCOUNTING POLICIES (CONTINUED)

#### iv) Asset retirement obligations

The Corporation recognizes the fair value of estimated asset retirement obligations on the balance sheet when a reasonable estimate of fair value can be made. Asset retirement obligations include those legal obligations where the Corporation will be required to retire tangible long lived assets such as well sites, pipelines and facilities. The asset retirement cost, equal to the initially estimated fair value of the asset retirement obligation, is capitalized as part of the cost of the related long lived asset. Changes in the estimated obligation resulting from revisions to estimated timing or amount of undiscounted cash flows are recognized as a change in the asset retirement obligation and the related asset retirement cost.

Asset retirement costs are amortized using the unit-of-production method and are included in depletion and depreciation in the statement of operations. Increases in the asset retirement obligations resulting from the passage of time are recorded as accretion of asset retirement obligations in the consolidated statement of operations.

#### *Convertible debentures*

Convertible Debentures are accounted for based on their estimated components. The debt component, representing the obligation to make interest payments, is accounted for as long-term debt, and the equity component, representing the option of conversion of the holder, are accounted for as shareholders equity under the heading "Equity component of convertible debentures".

The value of the debt component of the convertible debentures is determined by updating the future payments of interest and principal at a rate of actualization representing the rate of borrowing of the Corporation for similar debentures without the right of conversion. Management estimated that this rate corresponds to 15 %. The accounting value of the equity component is determined by reducing the accounting value of the debt component from the value of the amounts received for the convertible debentures.

The interest expense for the equity component is accounted for and results in the difference between this expense and the disbursement, representing the increase of the value of the debt component due to the passage of time.

#### *Capital stock*

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. Under the liability method of accounting of income taxes, the future income taxes related to temporary differences arising at the renunciation are recorded at that time together with a corresponding charge to results from operation.

#### *Research and development tax credits*

Research and development tax credits are recognized when the qualifying expenditures are incurred. The amounts recognized are applied to reduce research and development expenses. Research and development tax credits are subject to the acceptance of the tax authorities.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

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### NOTE 2 ACCOUNTING POLICIES (CONTINUED)

#### *Income taxes*

The Corporation follows the liability method of accounting for income taxes. According to this method, future income taxes are determined using the difference between the accounting and tax basis of assets and liabilities using the substantively enacted tax rates and fiscal laws expected to apply in the periods in which those differences are expected to be recovered. Future income tax assets are recognized when it is more likely than not that the assets will be realized. The Corporation has adopted a policy whereby this determination is made when the Corporation demonstrates profitability.

#### *Earnings per share*

Earnings per share are reported on the basis of the treasury stock method. This method recognizes the use of proceeds that could be obtained upon exercise of options and warrants in computing diluted earnings per share. It assumes that any proceeds would be used to purchase common shares at the average market price during the period. The exercise of options and warrants that would result an increase in earnings per share amounts or a decrease in loss per share amounts are excluded from the calculations as they become anti-dilutive.

#### *Stock-based compensation*

The Corporation has established a stock-based compensation plan which includes stock options. The Corporation records compensation expense in the statement of operations for stock options granted to Directors, Officers, employees and consultants using the fair-value method. Compensation costs are recognized over the vesting period. Fair value is determined using the Black-Scholes option pricing model.

#### *Foreign exchange translation*

The monetary assets and liabilities of the Corporation that are denominated in foreign currencies are translated into Canadian dollars at the year-end exchanges rates. Non-monetary assets and liabilities denominated in foreign currencies are translated at their historical exchange rates. Revenue and expenses are translated at rates of exchange prevailing on the transaction dates. All of the exchange gains or losses resulting from these transactions are included in the statement of operations.

### NOTE 3 DEBITORS

	<b>March 31</b>	<b>June 30</b>
	<b>2008</b>	<b>2007</b>
Accounts receivable - Canadian dollars	\$ 175,554	\$ 133,403
Accounts receivable - Euros	-	7,476
Accounts receivable - others	<b>60,498</b>	
Advances to employees	<b>16,441</b>	-
Term loan, 5 % interest rate, secured by personal and share collateral	<b>300,350</b>	85,076
	<b>\$ 552,843</b>	<b>\$ 225,955</b>

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

### NOTE 4 CAPITAL ASSETS

				<b>March 31 2008</b>
	Cost		Accumulated depreciation	Net book value
<i>Oil and gas</i>				
Exploration and development costs	\$ 5,252,247	\$	1,601,675	\$ 3,650,572
Equipment and tools	18,000		2,700	15,300
Vehicle	50,441		26,493	23,948
	<b>\$ 5,320,688</b>	<b>\$</b>	<b>1,630,868</b>	<b>\$ 3,689,820</b>
<hr/>				
				<b>June 30 2007</b>
	Cost		Accumulated depreciation	Net book value
<i>Oil and gas</i>				
Exploration and development costs	\$ 4,070,183	\$	1,420,602	\$ 2,649,581
Equipment and tools	18,000		-	18,000
Vehicle	50,441		19,540	30,901
	<b>\$ 4,138,624</b>	<b>\$</b>	<b>1,440,142</b>	<b>\$ 2,698,481</b>

### NOTE 5 CREDITORS

			<b>March 31 2008</b>	June 30 2007
Accounts payable - Canadian dollars	\$	<b>1,161,611</b>	\$	1,455,695
Accrued liabilities		<b>240,673</b>		188,168
Accrued interest		<b>11,047</b>		24,671
	<b>\$</b>	<b>1,413,331</b>	<b>\$</b>	1,668,534

### NOTE 6 SHORT-TERM DEBT

			<b>March 31 2008</b>	June 30 2007
Term loan at 12%	\$	<b>2,200,000</b>	\$	2,200,000
Term loan at 15%		<b>800,000</b>		1,000,000
	<b>\$</b>	<b>3,000,000</b>	<b>\$</b>	3,200,000

Both loans are guaranteed by a lien on the general assets of the Corporation. The loan at 12 % expiring on October 31, 2008 is renewable with the mutual consent of parties. The loan at 15 % expiring on October 31st, 2008 is renewable with the mutual consent of parties.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

### NOTE 7 LONG-TERM DEBT

	<b>March 31 2008</b>	June 30 2007
Loan, repayable in monthly installments of \$ 871, including interest calculated at a rate of 6.45%, maturing January 14th, 2011, serured by a movable hypothec on a vehicle with a net book value of \$ 23,948.	\$ 29,169	\$ 35,432
	<b>29,169</b>	35,432
Current portion	<b>8,834</b>	8,418
	<b>\$ 20,335</b>	\$ 27,014

The portion of long term debt payable in each of the next four (4) years is as follows:

	2009	\$ 8,834
	2010	\$ 9,421
	2011	\$ 10,047
	2012	\$ 867

### NOTE 8 CONVERTIBLE DEBENTURES

On February 16th, 2007, the Corporation issued convertible debentures with a total of \$560 000. The convertible debentures have a 12% coupon and are convertible at the election of the holder or the corporation, in full or in part, into common shares of the corporation according to the the terms of conversion set out below.

The terms of conversion are as follows:

For the debentureholder: at a conversion price of \$0.2411 for a conversion taking place on or before February 16, 2009, and an additional 10% premium to the amount set out in each subsequent year after February 16, 2008.

For the Corporation: provided that the volume-weighted-average-trading-price of the common shares is at or above \$0,60 per common share for not less than 20 consecutive trading days on the TSX Venture Exchange until February 16, 2008; \$0,60 per common share for the period between February 17, 2008 to February 16, 2009 and \$1,00 per common share for the period between February 17, 2008 to February 16, 2012.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

### NOTE 9 ASSET RETIREMENT OBLIGATION

The following table provides a reconciliation of the carrying amount of the obligation associated with the retirement of oil and gas properties:

	<b>March 31</b>	<b>June 30</b>
	<b>2008</b>	<b>2007</b>
Asset retirement obligations, beginning of year	\$ 592,636	\$ 666,164
Liabilities incurred, net of liabilities disposed, year to date	-	52,892
Revisions to estimated liabilities	-	(147,499)
Accretion expense	13,680	21,079
Asset retirement obligations, end of year	\$ 606,316	\$ 592,636

The key assumptions on which the carrying amount of the asset retirement obligations are based include an 10.5% discount rate and an annual inflation rate of 2.5%. The total undiscounted amount of the estimated cash flows required to settle the obligations was \$986,830 (\$986,830 June 30, 2007). The expected timing of payment of the cash flows required to settle the obligations ranges from 1 year to 12 years. As for the revision of estimated liabilities, new information led us to re-evaluate our estimations and assumptions.

### NOTE 10 CAPITAL STOCK

The Corporation is authorized to issue an unlimited number of common shares without par value.

Outstanding	<b>March 31</b>	<b>June 30</b>
	<b>2008</b>	<b>2007</b>
103,904,014 common shares (53,748,289 common shares as at June 30, 2007)	\$ 8,053,679	\$ 5,755,459

The total number of common shares in circulation at the end of period includes 56,667 of shares under escrow without provision for release. In the course of the financial year, the Corporation issued 47,036,929 common shares and 47,036,929 common share purchase warrants for gross proceeds of \$2,473,806. An amount of \$331,686 has been registered for expenses associated with a share issuance that occurred subsequent to the end of the period. The Corporation also issued 3,118,796 shares to pay suppliers in exchange for an amount owing of \$155,940.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

### NOTE 10 CAPITAL STOCK (CONTINUED)

The following tables show the variation of outstanding convertible instruments for the exercise that ended March 31th, 2008:

#### Warrants

Issue Date	Expiry Date	Exercise Price	Balance at beginning of the year	Issued	Exercised	Cancelled	Expired	Balance at end of period
December 29, 2006	December 29, 2007	\$ 0.280	2,380,000	-	-	-	2,380,000	-
December 29, 2006	December 29, 2007	\$ 0.280	1,820,000	-	-	-	1,820,000	-
January 11, 2006	January 11, 2008	\$ 0.450	331,806	-	-	-	331,806	-
February 29, 2007	February 29, 2008	\$ -	4,888,889	-	-	-	4,888,889	-
March 15, 2006	March 15, 2008	\$ 0.320	85,000	-	-	-	85,000	-
December 29, 2007	June 29, 2008	\$ 0.175	120,000	-	-	-	-	120,000
December 29, 2007	June 29, 2008	\$ 0.225	600,000	-	-	-	-	600,000
February 16, 2007	February 16, 2009	\$ 0.219	2,554,742	-	-	-	-	2,554,742
June 6, 2007	June 6, 2009	\$ 0.250	1,879,999	-	-	-	-	1,879,999
October 18, 2007	October 18, 2009	\$ 0.100	-	36,804,700	-	-	-	36,804,700
December 29, 2007	December 29, 2009	\$ 0.100	-	2,857,140	-	-	-	2,857,140
December 31, 2007	January 1, 2010	\$ 0.100	-	7,375,089	-	-	-	7,375,089
			10,460,436	47,036,929	-	-	5,305,695	52,191,670

Each purchase warrant gives the right to purchase one common share of the Company at its exercise price on or before its expiry date.

#### Stock options

Issue Date	Expiry Date	Exercise Price	Balance at beginning of the year	Issued	Exercised	Cancelled	Expired	Balance at end of period
December 14, 2004	December 14, 2009	\$ 0.550	2,146,500	-	-	2,096,500	-	50,000
July 14, 2005	July 14, 2010	\$ 0.590	25,000	-	-	25,000	-	-
August 25, 2005	August 25, 2010	\$ 0.480	150,000	-	-	150,000	-	-
May 5, 2006	May 5, 2011	\$ 0.510	265,000	-	-	265,000	-	-
July 17, 2006	June 28, 2011	\$ 0.320	400,008	-	-	400,008	-	-
January 12, 2007	January 12, 2012	\$ 0.170	1,015,008	-	-	1,015,008	-	-
May 31, 2007	May 31, 2012	\$ 0.150	900,000	-	-	-	-	900,000
October 30, 2007	October 30, 2012	\$ 0.100	-	5,337,782	-	-	-	5,337,782
January 28, 2008	January 28, 2013	\$ 0.100	-	1,536,699	-	-	-	1,536,699
			4,901,516	6,874,481	-	3,951,516	-	7,824,481

Each stock option gives the right to purchase one common share of the Company's capital stock at its exercise price on or before its expiry date

#### Convertible Debentures

Issue Date	Expiry Date	Conversion Price (During period)	Balance at beginning of the year	Issued	Converted	Redeemed	Reached Maturity	Balance at end of period
February 16, 2007	February 16, 2012	\$ 0.2192	-	2,554,742	-	-	-	2,554,742

The convertible debenture has a conversion price of \$0.2411 until February 16, 2008 and then increases by 10% for each subsequent year.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

### NOTE 11 STOCK-BASED COMPENSATION

Under the amended 2004 stock option plan, the Corporation may grant options in respect of a maximum of 9,039,298 common shares to directors, officers and employees of, and consultants to the Corporation.

The Corporation uses the fair-value method to record stock-based compensation expense with respect to stock options granted. The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model, using the following average assumptions for the period:

Risk free interest rate (average):	3.50%
Expected life:	1 year
Expected volatility (average):	57.0%
Expected dividend yield:	Nil

The Table in Note 10 lists each options issuance that occurred during the year. In total, options shares were issued during the period for a total expense of \$3,381

### NOTE 12 SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital:	Three months		Nine months	
	2008	2007	2008	2007
Accounts receivable	\$ (144,768)	\$ 32,616	\$ (334,363)	\$ (165,136)
Deposits for exploration and development	-	(621,886)	466,320	(621,886)
Research and development tax credits	-	28,369	6,604	50,034
Inventory	(2,850)	-	116,100	(171,169)
Prepaid expenses	(54,888)	(5,891)	4,508	82,218
Accounts payable and accrued liabilities	219,101	83,983	(255,203)	334,761
Changes in non-cash working capital items	\$ 16,595	\$ (482,809)	\$ 3,966	\$ (491,178)

During the year, the Company made the following cash outlays in respect of interest expense:

Interest expense	\$ 96,332	\$ 144,751	\$ 299,199	\$ 449,099
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### NOTE 13 RELATED PARTY TRANSACTION

In the course of the period \$188,320 (\$245,114 in 2007) was paid in interest expense and fees to Primatlantis Capital, where a director of the Corporation is a principal. These transactions were concluded in the normal course of business, measured at the exchange value.

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

### NOTE 14 COMMITMENTS

Due to two flow-through financing that closed during the financial year that ended December 31st, 2007, the Corporation has the obligation to spend \$1,899,044 on Canadian Exploration and Eevaluation Expenses (CEE and CDE) before December 31st, 2008 or at latest December 31st, 2009. An amount of \$ 355,792 was already spent on CEE and CDE during 2008 as at March 31, 2008.

The Corporation's commitments under a short-term operating lease for office space and ancillary services amounts to \$26,730.

The Corporation holds leases on several properties in Manitoba where are located its oil operations. Approximately 80% of its oil production comes from properties with leases signed with freehold mineral owners. These leases require the Corporation to pay royalties on oil revenues net of some transportation and processing costs. On average these royalties were 13% of revenues. In addition, the Corporation must pay production taxes on production from properties with freehold mineral leases according to the formula published by Manitoba Industry, Trade & Mines. The remaining 15% of its oil production comes from properties with Crown Mineral leases, for which royalties are payable to the federal government according to the formula published by Manitoba Industry, Trade & Mines.

### NOTE 15 STATEMENT OF OPERATIONS

The statement of operations includes the following charges :

	Three months		Nine months	
	2008	2007	2008	2007
<i>Depletion, depreciation and amortization</i>				
Tangible office assets	\$ 3,218	\$ 12,763	\$ 9,653	\$ 35,274
Oil and gas assets	96,433	136,193	181,073	581,400
<i>Financial expenses</i>				
Interest on long term debt	\$ 24,819	\$ 8,782	\$ 33,990	\$ 10,664
Interest on short term debt	96,332	135,969	299,199	438,435
Other interest, financing expenses and bank charges	94,666	161,237	359,519	380,790

# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

(unaudited)

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### NOTE 16 FINANCIAL INSTRUMENTS

#### *Credit Risk*

The Corporation does not require guarantees upon accounts receivable. However, it only provides credit after it has evaluated a customer's solvency. The Corporation regularly evaluates the credit of all its customers and establishes allowances for account. As at the end of the period, 100 % of the total accounts receivable from clients were from the purchaser of the Corporation's oil production, which hadn't exceeded 30 days.

#### *Interest Rate Risk*

The Corporation manages its cash according to its operational needs and to optimise revenues from interest.

The Corporation's long term debts have fixed interest rates. Also, the Corporation intends to repay its long term debts at maturity. As a result, the risks associated with long term debt is minimal.

#### *Fair value*

Fair value is estimated on a specific date through the use of the information available about the financial instrument in question. Estimates of fair value are of a subjective nature and cannot, in many cases, be established with any degree of precision.

The Corporation has determined that the book value of its short-term assets and liabilities is close to their fair value because of their immediate and short-term expiry.

The fair value of long-term debt is close to its book value because of its short-term maturity.

The fair value of shareholder advances cannot be established because they do not have a repayment date.

### NOTE 17 EARNINGS PER SHARE

The following table reconciles the numerators and denominators of the basic and diluted earnings per share:

		<b>March 31 2008</b>	<b>June 30 2007</b>
Net loss	\$	(1,470,248) \$	(4,743,269)
Weighted average number of shares outstanding - basic		<b>80,656,388</b>	48,936,873
Weighted average number of shares outstanding - diluted		<b>80,656,388</b>	48,936,873

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# ROLLAND ENERGY INC.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

March 31th, 2008

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### NOTE 18 INCOME TAXES

As of June 30th, 2007, the Corporation can carry forward losses totalling \$4,011,582 federally and in Manitoba, and \$4,026,073 Quebec. The expiration dates for using these losses to reduce income taxes are as follows:

	Federal	Quebec
2009	\$ -	\$ 150,260
2014	220,621	214,964
2015	1,876,873	1,780,874
2026	911,289	974,942
2027	1,002,799	905,033
	<b>\$ 4,011,582</b>	<b>\$ 4,026,073</b>

# Rolland Energy Inc.

## BOARD OF DIRECTORS

Jocelyn Boucher<sup>1,2,3</sup>

*Directeur des ressources financières et des partenariats économiques, CHUM*

Ron Bourgeois<sup>1,2,3</sup>

*Public oil and gas company director and consultant*

Robert Jones

*Consultant, Information Technology*

Mazen Haddad

*President, Township Capital Inc. and public company director*

Louis-Robert Lemire<sup>1,2,3</sup>

*President, Primatlantis Capital L.P. and President Corporation Financière Lemire*

Michael McLellan

*President and CEO, Rolland Energy*

## OFFICERS

Michael McLellan

*President and CEO, Rolland Energy*

1. Chairman

2. Member of Audit Committee

3. Member of the Executive Committee

## REGISTRAR AND TRANSFER AGENTS

Pacific Corporate Trust Company  
C/O DataCore Resource Group Inc.  
9040 Shaughnessy Street  
Vancouver, BC V6P 3G1

## LEGAL COUNSEL

Heenan Blaikie LLP  
1250 Boul. René-Lévesque Ouest  
Suite 2500  
Montréal, Québec H3B 4Y1

## BANKERS

Banque Nationale  
500, Place Dupuis, 29 ième étage  
Montreal, Quebec  
H2Y 2W3

## AUDITORS

Bélanger Dalcourt CA  
2000 Avenue McGill College  
Montréal, Québec  
H3A 3H3

## EVALUATION ENGINEERS

Sproule Associates Limited  
140 Fourth Avenue S.W.  
Suite 900  
Calgary, Alberta T2P 3N3

## STOCK EXCHANGE LISTINGS

TSX Venture Exchange  
Symbole d'échange "ROE"

## ABBREVIATIONS

bbls	<i>barrels</i>
mbbls	<i>thousand barrels</i>
bbls/d	<i>barrels per day</i>
CICA	<i>Canadian Institute of Chartered Accountants</i>

## CONVERSION OF UNITS

<i>Imperial</i>	<i>Metric</i>
1 acre	<i>0.4 hectares</i>
2.5 acres	<i>1 hectare</i>
1 bbl	<i>0.159 cubic metre</i>
6.29 bbls	<i>1 cubic metre</i>
1 foot	<i>0.3048 metres</i>
3.281 feet	<i>1 metre</i>
1 mcf	<i>28.2 cubic metres</i>
1 mile	<i>1.61 kilometres</i>
0.62 miles	<i>1 kilometre</i>

## HEAD OFFICE

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