

NRG Investments Inc.

now known as Bucking Horse Energy Inc.

Interim Consolidated Financial Statements

For the period ending February 29, 2008 and 2007

NRG Investments Inc.

now known as Bucking Horse Energy Inc.

Interim Consolidated Balance Sheets

(Expressed in Canadian dollars)

	As at February 29, 2008	As at August 31, 2007
ASSETS		
Current		
Cash	\$ 8,666,136	\$ 774,621
Prepaid expenses	-	11,785
Accounts receivable	125,149	148,284
	8,791,285	934,690
Petroleum & natural gas interests (note 2)	2,564,789	2,585,073
	\$ 11,356,074	\$ 3,519,763
LIABILITIES		
Current		
Accounts payable & accrued liabilities	\$ 90,227	\$ 18,000
Subscription advance	8,000,000	-
	8,090,227	18,000
Loan payable (note 3)	1,614,291	1,500,000
Asset retirement obligation	9,506	8,747
	9,714,024	1,526,747
SHAREHOLDERS' EQUITY		
Share capital (note 4)	2,381,589	2,381,589
Deficit	(739,536)	(388,573)
	1,642,053	1,993,016
	\$ 11,356,074	\$ 3,519,763

Approved by the board:

"Gordon Nielsen"

"Raymond Deere"

NRG Investments Inc.

now known as Bucking Horse Energy Inc.

Interim Consolidated Statements of Operations and Deficit

(Expressed in Canadian dollars)

	Six month period ending February 29, 2008	Three month period ending February 29, 2008	Six month period ending February 28, 2007	Three month period ending February 28, 2007
Revenue				
Petroleum and natural gas interests	\$ 256,231	140,098 \$	415,651	243,189
Production expenses				
Royalties	53,407	27,614	132,367	78,401
Direct operating expenses	79,382	32,498	53,004	23,739
Accretion and depletion	211,457	105,729	181,297	90,648
	344,245	165,840	366,668	192,788
Net production income	(88,014)	(25,742)	48,983	50,400
Expenses				
Administration & office expense	62,434	30,960	32,683	26,249
Filing and transfer agent fees	17,741	5,796	2,000	—
Interest	119,879	63,783	68,299	55,937
Professional fees	127,033	35,071	30,946	22,377
	327,087	135,610	133,929	104,562
Loss before other item	(415,101)	(161,352)	(84,946)	(54,162)
Other item				
Interest income	71,780	50,612	13,561	4,305
Foreign exchange gain (loss)	(7,642)	(7,642)		
Net loss for the period	(350,963)	(118,382)	(71,385)	(49,857)
Deficit, beginning of period	(388,573)	(621,155)	(21,831)	(43,359)
Deficit, end of period	\$ (739,536)	(739,536) \$	(93,216)	(93,216)
Basic and diluted loss per share	\$ (0.04)	(0.01) \$	(0.01)	(0.01)
Weighted average shares outstanding	8,225,000	8,225,000	8,013,904	7,534,590

NRG Investments Inc.

now known as Bucking Horse Energy Inc.

Interim Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

	Six month period ending February 29, 2008	Three month period ending February 29, 2008	Six month period ending February 28, 2007	Three month period ending February 28, 2007
Cash flows provided by (used for):				
Operating Activities				
Net loss for the period	\$ (350,963)	(118,381)	\$ (71,385)	(49,857)
Adjustment for items not involving cash:				
Accretion and depletion	211,457	105,729	181,297	90,649
Accrued interest	—	(56,096)	68,299	55,936
	(139,507)	(68,749)	178,211	96,728
Changes in non-cash working capital:				
(Increase) decrease in accounts receivables	23,135	(57,753)	(173,467)	(96,790)
(Increase) decrease in prepaid expenses	11,785	(9,090)	(30,000)	(30,000)
Increase (decrease) in accounts payable	8,072,227	42,371	(1,393,618)	15,900
	8,107,147	(24,472)	(1,597,085)	(110,890)
	7,967,640	(93,221)	(1,418,874)	(14,162)
Cash flows used in investing activities				
Acquisition of petroleum and natural gas	(190,414)	(187,598)	(1,618,178)	
	(190,414)	(187,598)	(1,618,178)	-
Cash flows from financing activities				
Loan payable			1,500,000	
Issuance of common shares, net	114,291	114,291	541,590	366,590
	114,291	114,291	2,041,590	366,590
Increase (decrease) in cash position	7,891,518	(166,527)	(995,462)	352,428
Cash, beginning of period	774,621	8,832,667	1,789,855	441,965
Cash, end of period	\$ 8,666,136	8,666,136	\$ 794,393	794,393

NRG INVESTMENTS INC.

Notes to the Interim Consolidated Financial Statements February 29, 2008

1. Continued Operations

The Company was incorporated under the laws of the Province of British Columbia on April 28, 2006. The Company's principal business activity is the exploration, development and production of petroleum and natural gas reserves located in Canada and the United States of America.

The accompanying interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and include the assets, liabilities and operations of the Company and its wholly-owned subsidiary. These interim consolidated financial statements do not contain all the information required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended August 31, 2007. The accounting policies and methods of application used in the preparation of these interim unaudited Consolidated Financial Statements are consistent with those used in the Company's most recent audited Consolidated Financial Statements.

2. Petroleum and Natural Gas Interests

As at February 28, 2008, the Company's petroleum and natural gas interests include the following acquisition costs and accumulated depletion:

	Cost	Accumulated Depletion	Total
Proved, producing Petroleum and natural gas interests Canadian properties - Wainwright	\$970,092	\$211,077	\$759,015
Unproven USA properties Columbia River Basin properties	1,805,775	-	1,805,775
	\$2,775,867	\$211,077	\$2,564,789

As at August 31, 2007, the Company's petroleum and natural gas interests include the following acquisition costs and accumulated depletion:

	Cost	Accumulated Depletion	Total 2007
Proved, producing Petroleum and natural gas interests Canadian properties - Wainwright	\$1,388,292	\$421,396	\$966,896
Unproven USA properties Columbia River Basin properties	1,618,177	-	1,618,177
	\$3,006,469	\$421,396	\$2,585,073

NRG INVESTMENTS INC.

Notes to the Interim Consolidated Financial Statements February 29, 2008

2. Petroleum and Natural Gas Interests (continued)

On October 26, 2006, the Company through its wholly owned subsidiary, successfully bid US\$1,425,119 for the right to acquire a 100% interest in 68 oil and natural gas leases related to the Columbia River Basin Properties at a Washington State Department of Natural Resources ("DNR") oil and gas lease auction. The DNR oil and gas leases have been paid for and were issued to NRG with seven year terms commencing February 1, 2007.

3. Loan Payable

The Company entered into a loan agreement with Q Investments Ltd., a public company with which it shares a Director, and which is a shareholder of the Company, for a loan of \$1,500,000. The loan bears interest at 15% per annum, compounded and payable quarterly, maturing on November 10, 2012, with no penalty for pre-payment at the Company's option. The loan is secured by fixed and floating charge security over the Company's assets. The Company has the option to repay the loan in common shares at terms which are agreed to by the parties and approved by the applicable regulatory authorities.

4. Share Capital

(a) Authorized: Unlimited number of common shares without par value.

(b) Issued:

	Number of shares	Amount (net)
Balance, August 31, 2007	8,225,000	\$ 2,381,589
Shares issued for cash		
- Private placement	—	—
- Exercise of warrants	—	—
Share returned to treasury	—	—
Share issue costs	—	—
Balance, February 28, 2008	8,225,000	\$ 2,381,589

NRG INVESTMENTS INC.

Notes to the Interim Consolidated Financial Statements February 29, 2008

4. Share Capital (continued)

- (c) On September 15, 2006, the Company completed a private placement of 150,000 common shares at \$1.00 per share for total gross proceeds of \$150,000.
- (d) On October 12, 2006, the Company completed a private placement of 25,000 common shares at \$1.00 per share for total gross proceeds of \$25,000.
- (c) December 20, 2006, in connection with its initial public offering, the Company issued 500,000 common shares at \$1.00 per share for gross proceeds of \$500,000. In addition, the Company paid cash commissions of \$66,550, legal fees and agent's out-of-pocket expenses of \$66,861, and also granted the agent 50,000 warrants to purchase 50,000 common shares at a price of \$1.00 per share. These warrants were exercised on July 5, 2007. The fair value of the agent's warrants was estimated at \$16,666 using the Black-Scholes option pricing model with an expected annual volatility of 55.58%, risk free interest rate of 3.97%, expected life of 2 years and expected dividend yield of 0%.

5. Related Party Transactions

The following are related party transactions which are not disclosed elsewhere in the interim consolidated financial statements:

- (a) Administrative and consulting fees paid to a company controlled by a director - \$30,000.
- (b) Interest paid on a loan to a company with a common director - \$114,290.

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

6. Comparative Figures

Certain comparative figures have been reclassified to conform to the fiscal 2008 consolidated financial statement presentation.