UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2015

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______.

Commission file number: 000-49760

PETRO RIVER OIL CORP.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	98-0611188
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

205 East 42nd Street, Fourteenth Floor, New York, NY 10017
(Address of Principal Executive Offices, Zip Code)

(469) 828-3900
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at December 15, 2015
Common Stock, $0.00001 par value per share	4,259,505 shares

TABLE OFCONTENTS

		Page
PART I - FINANCIAL INFORMATION		1
Item 1.	Financial Statements (Unaudited)	1
	Consolidated Balance Sheets	1
	Consolidated Statements of Operations	2
	Consolidated Statements of Cash Flows	3
	Notes to Consolidated Financial Statements	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operation	19
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	27
Item 4.	Controls and Procedures	27
PART II - OTHER INFORMATION		28
Item 1.	Legal Proceedings	28
Item 1A.	Risk Factors	29
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	29
Item 3.	Default Upon Senior Securities	29
Item 4.	Mine Safety Disclosures	29
Item 5.	Other Information	29
Item 6.	Exhibits	30
SIGNATURES		31

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Petro River Oil Corp. and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	As of	
	October 31, 2015	**April 30, 2015**
Assets		
Current Assets:		
Cash and cash equivalents	$ 526,135	$ 1,010,543
Certificate of deposit - restricted	125,000	125,000
Accounts receivable – oil and gas	1,806	42,688
Accounts receivable - related party	18,271,716	-
Real estate – held for sale	6,021,779	-
Prepaid expenses and other current assets	48,729	52,771
Total Current Assets	24,995,165	1,231,002
Oil and gas assets, net	15,403,606	15,757,011
Property, plant and equipment, net of accumulated depreciation of $304,090 and $313,508, respectively	2,720	60,953
Intangible assets, net of accumulated amortization of $80,519 and $20,293, respectively	2,143,167	2,203,393
Other assets	28,132	27,922
Total Other Assets	17,577,625	18,049,279
Total Assets	**$ 42,572,790**	**$ 19,280,281**
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 163,187	$ 252,227
Deposit on real estate sales	888,375	-
Asset retirement obligations, current portion	541,959	541,959
Total Current Liabilities	1,593,521	794,186
Long-term Liabilities:		
Asset retirement obligations, net of current portion	396,798	376,471
Total Long-term Liabilities	396,798	376,471
Total Liabilities	1,990,319	1,170,657
Commitments and contingencies		
Equity:		
Preferred shares - 5,000,000 authorized; par value $0.00001; 0 shares issued and outstanding	-	-
Preferred B shares - 29,500 authorized; par value $0.00001; 0 shares issued and outstanding	-	-
Common shares - 100,000,000 authorized; par value $0.00001; 4,259,505 issued and outstanding	43	43
Additional paid-in capital	38,659,215	31,115,291
Accumulated deficit	(14,167,061)	(16,650,486)
Total Petro River Oil Corp. Equity	24,492,197	14,464,848
Non-controlling interest	16,090,274	3,644,776
Total Stockholders' Equity	40,582,471	18,109,624
Total Liabilities and Equity	**$ 42,572,790**	**$ 19,280,281**

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

Petro River Oil Corp. andSubsidiaries
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2015	**2014**	**2015**	**2014**
Revenues				
Oil and natural gas sales	$ -	$ 757,485	$ 62,841	$ 1,423,761
Sales of real estate	18,347,111	-	18,347,111	-
Total Revenues	18,347,111	757,485	18,409,952	1,423,761
Cost of revenues – sales of real estate	10,486,373	-	10,486,373	-
Gross margin	7,860,738	757,485	7,923,579	1,423,761
Operating expenses				
Lease operating expenses	84,035	446,829	259,988	787,497
Depreciation, depletion and accretion	39,777	218,681	105,750	400,833
Amortization of intangibles	30,113	-	60,226	-
Gain on sale of equipment	(5,519)	-	(5,519)	-
General and administrative	1,418,386	1,195,000	1,978,361	3,052,032
Total expenses	1,566,792	1,860,510	2,398,806	4,240,362
Operating income (loss)	6,293,946	(1,103,025)	5,524,773	(2,816,601)
Other income (expense)	(101)	-	782	33
Net income (loss)	6,293,845	(1,103,025)	5,525,555	(2,816,568)
Net income (loss) attributable to non-controlling interest	3,125,489	55,680	3,042,130	(347,031)
Net income (loss) attributable to Petro River Oil Corp. and Subsidiaries	**$ 3,168,356**	**$ (1,158,705)**	**$ 2,483,425**	**$ (2,469,537)**
Basic and diluted net income (loss) per common share	**$ 0.74**	**$ (0.28)**	**$ 0.58**	**$ (0.60)**
Weighted average number of common shares outstanding - Basic and diluted	**4,259,505**	**4,092,839**	**4,259,505**	**4,092,839**

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

Petro River Oil Corp. and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	For the Six Months Ended October 31, 2015	For the Six Months Ended October 31, 2014
Cash Flows From Operating Activities:		
Net income (loss)	$ 5,525,555	$ (2,816,568)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation, depletion and accretion	105,750	400,834
Amortization of intangibles	60,226	-
Stock-based compensation	1,402,910	674,254
Non-cash cost of real estate properties sold	9,522,603	-
Gain on sale of equipment	(5,519)	-
Changes in operating assets and liabilities:		
Accounts receivable – oil and gas	40,882	(225,805)
Accounts receivable – related party	(17,383,341)	-
Prepaid expenses and other current assets	4,042	(45,564)
Accounts payable and accrued expenses	(89,036)	(78,981)
Net Cash Used in Operating Activities	(815,928)	(2,091,830)
Cash Flows From Investing Activities:		
Purchase of certificate of deposit - restricted	-	(125,000)
Capitalized expenditures on oil and gas assets	(7,283)	(8,333,510)
Cash received upon disposal of oil and gas assets	279,013	-
Purchase of equipment	-	(39,756)
Proceeds from sale of equipment	60,000	-
Payments on deposits	(210)	(10,999)
Net Cash Provided by (Used in) Investing Activities	331,520	(8,509,265)
Cash Flows From Financing Activities:		
Cash payments of note payable	-	(1,926)
Cash received from non-controlling interest contribution	-	5,000,000
Net Cash Provided by Financing Activities	-	4,998,074
Decrease in cash and cash equivalents	(484,408)	(5,603,021)
Cash and cash equivalents, beginning of period	1,010,543	8,352,949
Cash and cash equivalents, end of period	$ 526,135	$ 2,749,928
Supplementary Cash Flow Information:		
Cash paid during the period for:		
Income taxes	$ 14,482	$ 7,975
Interest paid	$ -	$ -
Non-cash Investing and Financing Activities:		
Real estate contributed by non-controlling interest	$ 15,544,382	$ -
Accounts receivable for deposit received on real estate sales in escrow	$ 888,375	$ -
Acquisition of oil and gas assets	$ -	$ 48,763
Issuance of note payable for purchase of fixed assets	$ -	$ 27,280

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

PETRO RIVER OIL CORP.
Notes to the Consolidated FinancialStatements
(Unaudited)

1. Organization

Petro River Oil Corp (the "*Company*") is an independent exploration and development company with a focus on drilling, completion, recompletions, and applying modern technologies to oil and gas assets. The Company's core holdings are in Oklahoma. The Company's operations are currently focused on the Mississippi Lime play, capitalizing on the experience, knowledge, and drilling techniques of its team. The Company is driven to utilize its expertise both in the region and in similar formations to exploit hydrocarbon prone resources with tight and/or challenging characteristics in order to create value for the Company and its shareholders. The Company's principal administrative office is located in Houston, Texas and its principal operations are in Oklahoma with secondary operations in Kansas and Western Missouri. The Company also has an office in New York, New York, which is also headquarters to Petro Spring LLC ("*Petro Spring*"), the Company's technology focused subsidiary.

The Company is currently focused on developing its Mississippi Lime acreage and acquiring attractive oil and gas assets in this current depressed oil market. The Company recently closed on the MegaWest Transaction (described below) in which it plans to jointly develop its acreage in Osage County, Oklahoma and announced its purchase agreement to acquire Horizon Investments (as described in Note 15), which includes a portfolio of domestic and international oil and gas assets.

Petro River Oil LLC ("*Petro*"), was incorporated under the laws of the State of Delaware on March 3, 2011. Petro has purchased various interests in oil and gas leases, wells, records, data and related personal property located along the Mississippi Lime play in the state of Kansas from Metro Energy Corporation ("*Metro*"), a Louisiana company, and other interrelated entities, through a court approved order as Metro was undergoing Chapter 11 Bankruptcy proceedings as a Debtor-In-Possession of these various oil and gas assets. The Company has a total of 115,000 gross (85,000 net) acres of leased unproved property in the Mississippi Lime in Southeast Kansas.

Recent Developments

Reverse Stock Split. On December 7, 2015 (the "*Effective Date*"), the Company effected a one (1) for two hundred (200) reverse split of its issued and outstanding common stock (the "*Reverse Split*"), and, immediately following the Reverse Split, filed an amendment to its Certificate of Incorporation with the Delaware Secretary of State to increase the Company's authorized number of shares of common stock to 100.0 million. The reverse stock split was approved by the Company's shareholders at the Company's annual meeting of shareholders on July 8, 2015 and the specific ratio was subsequently determined at a meeting of the Company's Board of Directors on November 11, 2015. Following the filing of an amendment to the Company's Certificate of Incorporation with the Delaware Secretary of State on December 1, 2015, each 200 shares of issued and outstanding common stock were converted into one share of common stock. On the Effective Date, the Company's common stock will begin trading under a new CUSIP number (71647K303). The Company's ticker symbol, "PTRC", will remain unchanged; however, the ticker symbol will be represented as "PTRCD" for 20 trading days commencing on the Effective Date to designate the Reverse Split.

As a result of the Reverse Split, all historical share amounts have been retrospectively recast to reflect the share exchange. No fractional shares are to be issued, with fractional shares of common stock to be rounded up to the nearest whole share.

Megawest Transaction. On October 15, 2015, the Company entered into a contribution agreement (the "*Contribution Agreement*"), with Megawest Energy Kansas Corporation ("*Megawest*"), a Delaware corporation and wholly owned subsidiary of the Company, and Fortis Property Group, LLC ("*Fortis*"), a Delaware limited liability company, pursuant to which the Company and Fortis each agreed to contribute certain assets to Megawest in exchange for shares of MegaWest common stock ("*Megawest Shares*").

Upon execution of the Contribution Agreement, (i) the Company transferred its 50% membership interest in Bandolier Energy, LLC (the "*Bandolier Interest*"), with net assets of $7,119,798, and cancelled all of its ownership interest in the then issued and outstanding Megawest Shares, and (ii) Fortis transferred certain indirect interests held in 30 condominium units and the rights to any profits and proceeds therefrom, with a book value of $15,544,382, to Megawest. Immediately thereafter, Megawest issued to the Company 58,510 Megawest Shares, representing a 58.51% member interest in Megawest, as consideration for the assignment of the Bandolier Interest, and issued to Fortis 41,490 Megawest Shares, representing a 41.49% member interest in Megawest, as consideration for the assets assigned to Megawest by Fortis. Subject to the terms and conditions of the Contribution Agreement, following six months after the execution of the Contribution Agreement, the board of Megawest will engage in a valuation of the Company's contribution to determine the fair market value (the "*Redetermination*"). Any shortfall from the initial valuation at contribution resulting from the Redetermination shall be required to be funded by the Company. The board of Megawest shall have certain remedies to exercise against the Company (including a right to foreclose on all of the Company's equity in Megawest) upon a failure by the Company to fund the shortfall following the Redetermination. In the event of foreclosure, the Bandolier Interest would revert back to the Company.

2. Basis of Preparation

The consolidated financial statements and accompanying footnotes are prepared in accordance with U.S. GAAP and include the accounts of the Company and its wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. Non–controlling interest represents the minority equity investment in the Company's subsidiaries, plus the minority investors' share of the net operating results and other components of equity relating to the non–controlling interest.

These consolidated financial statements include the Company and the following subsidiaries:

Petro River Oil LLC, Petro Spring, LLC, PO1, LLC and MegaWest Energy USA Corp. and its wholly owned subsidiaries:

MegaWest Energy Texas Corp.
MegaWest Energy Kentucky Corp.
MegaWest Energy Missouri Corp.
MegaWest Energy Montana Corp.

Also contained in the consolidated financial statements is the financial information of the Company's 58.51% owned subsidiary, MegaWest Energy Kansas Corp., which pursuant to the MegaWest Transaction includes the Company's contribution of its 50% interest in Bandolier Energy LLC, as described in Note 5.

3. Significant Accounting Policies

The unaudited consolidated financial information furnished herein reflects all adjustments, consisting solely of normal recurring items, which in the opinion of management are necessary to fairly state the financial position of the Company and the results of its operations for the periods presented. This report should be read in conjunction with the Company's consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended April 30, 2015 filed with the Securities and Exchange Commission (the "*SEC*") on August 13, 2015. The Company assumes that the users of the interim financial information herein have read or have access to the audited financial statements for the preceding fiscal year and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. Accordingly, footnote disclosure, which would substantially duplicate the disclosure contained in the Company's Form 10-K for the year ended April 30, 2015 has been omitted. The results of operations for the interim periods presented are not necessarily indicative of results for the entire year ending April 30, 2016.

(a) Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company's financial statements are based on a number of significant estimates, including oil and natural gas reserve quantities which are the basis for the calculation of depreciation, depletion and impairment of oil and natural gas properties, and timing and costs associated with its asset retirement obligations, as well as those related to the fair value of stock options, stock warrants and stock issued for services. While we believe that our estimates and assumptions used in preparation of the financial statements are appropriate, actual results could differ from those estimates.

(b) Receivables:

Pursuant to FASB ASC paragraph 310-10-35-47 trade receivables that management has the intent and ability to hold for the foreseeable future shall be reported in the balance sheet at outstanding principal adjusted for any charge-offs and the allowance for doubtful accounts.. The Company follows FASB ASC paragraphs 310-10-35-7 through 310-10-35-10 to estimate the allowance for doubtful accounts. Pursuant to FASB ASC paragraph 310-10-35-9, losses from uncollectible receivables shall be accrued when both of the following conditions are met: (a) Information available before the financial statements are issued or are available to be issued (as discussed in Section 855-10-25) indicates that it is probable that an asset has been impaired at the date of the financial statements, and (b) The amount of the loss can be reasonably estimated. These conditions may be considered in relation to individual receivables or in relation to groups of similar types of receivables. If the conditions are met, an accrual shall be made even though the particular receivables that are uncollectible may not be identifiable. The Company reviews individually each trade receivable for collectability and performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current credit worthiness, as determined by the review of their current credit information; and determines the allowance for doubtful accounts based on historical write-off experience, customer specific facts and general economic conditions that may affect a client's ability to pay. Bad debt expense is included in general and administrative expenses, if any.

Pursuant to FASB ASC paragraph 310-10-35-41 Credit losses for trade receivables (uncollectible trade receivables), which may be for all or part of a particular trade receivable, shall be deducted from the allowance. The related trade receivable balance shall be charged off in the period in which the trade receivables are deemed uncollectible. Recoveries of trade receivables previously charged off shall be recorded when received. The Company charges off its trade account receivables against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The allowance for doubtful accounts at October 31, 2015 and April 30, 2015 was $0 and $0, respectively.

(c) Real Estate – Held for Sale:

Real estate for which the Company commits to a plan to sell within one year and actively markets in its current condition for a reasonable price in comparison to its estimated fair value is classified as held-for-sale. Real estate held-for-sale is stated at the lower of depreciated cost or estimated fair value less expected disposition costs and is not depreciated.

(d) Per Share Amounts:

Basic net income (loss) per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. For the three and six months ended October 31, 2014, potentially dilutive securities were not included in the calculation of diluted net loss per share because to do so would be anti-dilutive. For the three and six months ended October 31, 2015, the dilutive effect of stock options and warrants was 0 because all options and warrants outstanding were out of money.

The Company had the following common stock equivalents at October 31, 2015 and 2014:

As of	**October 31, 2015**	**October 31, 2014**
Stock Options	598,352	534,691
Stock Purchase Warrants	336,458	203,125
	934,810	737,816

(e) Income Taxes:

Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

During the six months ended October 31, 2015, the Company utilized a portion of its NOL carry-forwards to absorb the income created by the real estate segment.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no adjustments to its income tax liabilities or benefits pursuant to the provisions of Section 740-10-25 for the reporting period ended October 31, 2015 or 2014.

(f) Recent Accounting Pronouncements:

The Company does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on its financial position, results of operations, or cash flows.

(g) Subsequent Events:

The Company has evaluated all transactions through the date the consolidated financial statements were issued for subsequent event disclosure consideration.

4. Going Concern and Management's Plan

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of October 31, 2015, the Company had an accumulated deficit of $14,167,061. The Company has incurred significant losses since inception. These matters raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

At October 31, 2015, the Company had a working capital surplus of approximately $23.4 million, of which approximately $18.3 million and $6.0 million is attributable to an accounts receivable from a related party, and real estate held for sale, respectively, each of which are held by Megawest, the Company's 58.51% owned subsidiary. As a result of the utilization of cash in its operating activities, and the development of its assets, the Company has incurred losses since it commenced operations. In addition, the Company has a limited operating history prior to the acquisition of Bandolier. At October 31, 2015, the Company had cash and cash equivalents of $526,135. The Company's primary source of operating funds since inception has been equity financings.

As a result of the execution of the purchase agreement with Horizon I Investments, LLC as discussed in Note 16, the Company received $750,000 in debt financing, which amount management intends to use to fund operating expenses pending consummation of the Horizon Transaction. To address the current challenging oil and gas environment, and in order to increase the value of the Company's oil and gas assets, management has also curtailed certain oil and gas operations, and focused on the Company's technology and related initiatives, as well as the Horizon Transaction. In addition to the Horizon Transaction and the Megawest Transaction, the Company is exploring farm in and joint venture opportunities for its oil and gas assets as well other opportunities to increase shareholder value. No assurances can be given that management will be successful.

5. Business Acquisition

Acquisition of Interest in Bandolier Energy LLC. On May 30, 2014, the Company entered into a Subscription Agreement pursuant to which the Company was issued a 50% interest in Bandolier Energy, LLC ("*Bandolier*") in exchange for a capital contribution of $5.0 million (the "*Bandolier Acquisition*"). In connection with the Bandolier Acquisition, the Company has the right to appoint a majority of the board of managers of Bandolier. The Company's Executive Chairman is a manager of, and investor in, Pearsonia West Investment Group, LLC ("*PWIG*"), a special purpose vehicle formed for the purpose of investing in Bandolier with the Company and Ranger Station, LLC ("*Ranger Station*"). Concurrently with the Bandolier Acquisition, PWIG was issued a 44% interest in Bandolier for cash consideration of $4.4 million, and Ranger Station was issued a 6% interest in Bandolier for cash consideration of $600,000. In connection with PWIG's investment in Bandolier, the Company and PWIG entered into an agreement, dated May 30, 2014, granting the members of PWIG an option, exercisable at any time prior to May 30, 2017, to exchange their pro rata share of the Bandolier membership interests for shares of the Company's common stock, at a price of $16 per share, subject to adjustment (the "*Option*"). The Option, if fully exercised, would result in the Company issuing 275,000 shares of its common stock, or 6% to the members of PWIG.

The Company has operational control along with a 50% ownership interest in Bandolier. As a result, the Company consolidates Bandolier. The remaining 50% non–controlling interest represents the equity investment from PWIG and Ranger Station.

On May 30, 2014, Bandolier acquired for $8,712,893, less a $407,161 claw back, all of the issued and outstanding equity of Spyglass Energy Group, LLC ("*Spyglass*"), the owner of oil and gas leases, leaseholds, lands, and options and concessions thereto located in Osage County, Oklahoma. Spyglass controls a significant contiguous oil and gas acreage position in Northeastern Oklahoma, consisting of approximately 106,000 acres, with substantial original oil in place, stacked reservoirs, as well as exploratory and development opportunities that can be accessed through both horizontal and vertical drilling. Significant infrastructure is already in place including 32 square miles of 3D seismic, 3 phase power, a dedicated sub-station as well as multiple oil producing horizontal wells. No additional contingencies were assumed.

The Company recorded the purchase of Spyglass using the acquisition method of accounting as specified in *ASC 805 "Business Combinations."* This method of accounting requires the acquirer to (i) record purchase consideration issued to sellers in a business combination at fair value on the date control is obtained, (ii) determine the fair value of any non-controlling interest, and (iii) allocate the purchase consideration to all tangible and intangible assets acquired and liabilities assumed based on their acquisition date fair values. Further, the Company commenced reporting the results of Spyglass on a consolidated basis with those of the Company effective upon the date of the acquisition.

The Company consolidated Bandolier as of May 30, 2014, and the results of operations of the Company include that of Bandolier from June 1, 2014.

The following table summarizes, on an unaudited pro forma basis, the results of operations of the Company as though the acquisition had occurred as of May 1, 2014. The pro forma amounts presented are not necessarily indicative of either the actual operation results had the acquisition transaction occurred as of May 1, 2014.

	For the Three Months Ended October 31, 2014	For the Six Months Ended October 31, 2014
Revenues	$ 1,184,375	$ 2,217,467
Net loss	$ (1,681,079)	$ (3,187,533)
Net loss per common share - Basic and diluted	$ (0.41)	$ (0.79)
Weighted average number of common shares outstanding - Basic and diluted	4,029,839	4,029,839

6. Accounts Receivable – Related Party

As discussed in Note 1, on October 15, 2015, the Company entered into the Contribution Agreement with Megawest and Fortis, pursuant to which the Company and Fortis each agreed to assign certain assets to Megawest in exchange for the Megawest Shares.

Upon execution of the Contribution Agreement, (i) the Company transferred its 50% membership interest in Bandolier with a net book value of $7,119,798, and cancelled all of its ownership interest in the then issued and outstanding Megawest Shares, and (ii) Fortis transferred certain indirect interests held in 30 condominium units and the rights to any profits and proceeds therefrom, with a book value of $15,544,382, to Megawest. Immediately thereafter, Megawest issued to the Company 58,510 Megawest Shares, representing a 58.51% member interest in Megawest, as consideration for the assignment of the Bandolier Interest, and issued to Fortis 41,490 Megawest Shares, representing a 41.49% member interest in Megawest, as consideration for the condominiums assigned to Megawest by Fortis.

As of October 31, 2015, the Company recorded an accounts receivable – related party in the amount of $17,383,341 which was due from Fortis for the sale of 18 condominiums. See Note 7. The Company also recorded an accounts receivable – related party in the amount of $888,375 for deposits received on the sale of additional units that was being held in escrow and an offsetting liability of $888,375 for the deposits received. These funds were received by Megawest subsequent to October 31, 2015. These funds are held currently by Megawest and controlled by the board of directors of Megawest, consisting of two members appointed by Fortis, and one by the Company.

7. Real Estate Held for Sale

As discussed above, the Company acquired an interest in 30 condominium units pursuant to the Megawest Transaction. Between October 15, 2015 and October 31, 2015, the Company sold 18 condominium units with a book value of $9,522,603 for gross proceeds of $18,347,111. The Company incurred commissions and closing costs of $963,770 for the 18 units sold. As of October 31, 2015, proceeds from the sale of the 18 units was received by Fortis, but had not yet been transferred to the Company. See Note 6.

The following table summarizes the activity for real estate held for sale:

	October 31, 2015
Balance at April 30, 2015	$ -
Additions - 30 condominium units contributed by Fortis	15,544,382
Cost of sales - 18 condominium units	(9,522,603)
Balance at October 31, 2015	$ 6,021,779

The Company reviewed the accounting standards, Real Estate - General (ASC 970-10) and Property, Plant, and Equipment (ASC 360-10), to determine the appropriate classification for this property. According to ASC 970-10, real estate that is held for sale in the ordinary course of business is classified as inventory, which is a current asset. ASC 360-10 provides the following criteria for property to be classified as held for sale:

- Management with the appropriate authority commits to a plan to sell the asset;
- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- An active program to locate a buyer and other actions required to complete the plan of sale have been initiated;
- The sale of the property or asset within one year is probable and will qualify for accounting purposes as a sale;
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- Actions required to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Company had sales of units during the period and has reviewed the recent interest for remaining units. Based on the review, the Company believes that the sale of the remaining units within one year is probable. The Company concluded that all of these criteria have been met for these properties and that they are appropriately classified as held for sale in current assets.

8. Oil and Gas Assets

The following table summarizes the oil and gas assets by project:

Cost	Oklahoma	Kansas	Missouri	Other	Total
Balance April 30, 2015	$ 6,935,000	$ 7,803,020	$ 918,991	$ 100,000	$ 15,757,011
Additions	7,283	-	-	-	7,283
Disposals	(279,013)	-	-	-	(279,013)
Depreciation, depletion and amortization	(23,042)	(58,634)	-	-	(81,676)
Balance October 31, 2015	$ 6,640,228	$ 7,744,386	$ 918,991	$ 100,000	$ 15,403,605

During the six months ended October 31, 2015, the Company disposed of oil and gas assets and received proceeds totaling $279,013. The proceeds were offset against the full cost pool therefore no gain or loss was recognized.

As of April 30, 2015, the Company performed a ceiling test on the oil and gas assets and recognized an impairment charge of $1,246,975. As of October 31, 2015, the Company performed a ceiling test on the oil and gas assets and no impairment was noted.

Change in Personia West Concession. On July 31, 2015, the Company received formal notice from the Osage Mineral Council that the new concession terms for the Pearsonia West Concession ("*Pearsonia West*") are effective and formalized. Pearsonia West is a 106,500 contiguous acre position in Osage County, Oklahoma which the Company owns a controlling interest in through its investment in Bandolier Energy LLC, whole owner of the concession.

The new terms allow for vertical drilling obligations to hold the concession which previously had horizontal drilling obligations. This provides a significant cost savings to the Company and preserves potential control of its core asset until 2018, assuming the negotiated obligations are met. Previously, the concession required 11 horizontal wells to be drilled by the end of 2015 with the concession terminating in the event these wells were not drilled. The estimated cost of this obligation was approximately $22.1 million.

Pursuant to the new terms, assuming estimated completion costs of $300,000 per vertical well, the drilling obligations only require capital expenditures of: $1.8 million in 2016, $2.7 million in 2017, and $3.6 million in 2018, collectively $8.1 million to hold the entire concession. This represents a cost savings to the Company of approximately $14.0 million while gaining an extra three years of potential control.

The Company is currently exploring multiple options for development for the Pearsonia Concession including entertaining inquiries from industry and joint venture partners.

9. Intangible Assets

Acquisition of Havelide and Coalthane Assets. On February 18, 2015, Petro Spring I, LLC ("*Petro Spring I*"), a Delaware limited liability company wholly owned by Petro Spring, entered into a definitive asset purchase agreement ("*Havelide Purchase Agreement*") to purchase substantially all of the assets of Havelide GTL LLC ("*Havelide*") and Coalthane Tech LLC ("*Coalthane*"), consisting of certain patents and other intellectual property, trade secrets, and assets developed and owned by Havelide to produce a gasoline-like liquid and high-purity hydrogen from natural gas, at low temperature and at low pressure (the "*Havelide Assets*") and consisting of certain patents and other intellectual property, trade secrets, and assets developed and owned by Coalthane to reduce the methane from coal mines and other wells (the "*Coalthane Assets*"). The purchase of the Coalthane and Havelide Assets was consummated on February 27, 2015. The acquisitions reflect the increased focus on technology solutions in an effort to diversify our business amid a challenging oil price environment. We believe the patents acquired can potentially be licensed or sold for a profit.

The Company's intangible assets are held by Petro Spring, a wholly owned technology focused subsidiary of the Company. It was launched with an intentionally broad mandate to acquire and commercialize cutting edge technologies with the intent to capitalize on the significant technological experience of its leadership team and network of industry relationships within the energy sector.

The Company's intangibles assets consisted of the following:

	Estimated useful life		As of October 31, 2015		As of April 30, 2015
Patent rights	15 years	$	2,223,686	$	2,223,686
Less: accumulated amortization			(80,519)		(20,293)
Intangible assets, net		$	2,143,167	$	2,203,393

The Company recorded amortization expense of $30,113 and $0 for the three months ended October 31, 2015 and 2014, respectively, and recorded amortization expense of $60,226 and $0 for the six months ended October 31, 2015 and 2014, respectively.

As of April 30, 2015 and October 31, 2015, the Company performed an impairment assessment on the intangible assets and no impairment was noted.

The following table outlines estimated future annual amortization expense for the next five years and thereafter:

April 30,		
2016 (remainder of year)	$	59,489
2017		119,469
2018		119,469
2019		119,469
2020		119,469
Thereafter		1,605,802
	$	**2,143,167**

10. Asset Retirement Obligations

The total future asset retirement obligation was estimated based on the Company's ownership interest in all wells and facilities, the estimated legal obligations required to retire, dismantle, abandon and reclaim the wells and facilities and the estimated timing of such payments. The Company estimated the present value of its asset retirement obligations at both October 31, 2015 and April 30, 2015, based on a future undiscounted liability of $1,146,125 and $1,143,857, respectively. These costs are expected to be incurred within one to 24 years. A credit-adjusted risk-free discount rate of 10% and an inflation rate of 2% were used to calculate the present value.

Changes to the asset retirement obligation were as follows:

		October 31, 2015		April 30, 2015
Balance, beginning of period	$	918,430	$	818,010
Additions		-		52,514
Accretion		20,327		47,906
Total asset retirement obligations		938,757		918,430
Less: current portion of asset retirement obligations		(541,959)		(541,959)
Long-term portion of asset retirement obligations	$	396,798	$	376,471

Expected timing of asset retirement obligations:

Year Ending April 30,	
2016 (remainder of year)	541,959
2017	212,000
2018	-
2019	-
2020	-
Thereafter	392,166
	1,146,125
Effect of discount	(207,368)
Total	$ 938,757

As of October 31, 2015 and April 30, 2015, the Company has $0 of reclamation deposits with authorities to secure certain abandonment liabilities.

11. Related Party Transactions

On October 30, 2015, Mr. Stephen Brunner joined the Company as President. Mr. Brunner has been tasked with making oil and gas related decisions and execute the Company's growth strategy. Under the terms of the contract, Mr. Brunner will receive a base salary of $5,000 per month from January 2016 until March 2016, which amount will increase to $10,000 per month thereafter. Mr. Brunner was also granted 53,244 stock options, which represents 1.25% of the Company's outstanding common stock as of October 31, 2015, subject to vesting schedules, aligning his interests strongly with shareholders. He also has the right to purchase an additional 1.75% of the Company's common stock subject to shareholder approval on the increase of the current stock option plan and achieving pre-defined target objectives.

The Company computed the fair value of the grant as of the date of grant utilizing a Black-Scholes option-pricing model using the following assumptions: common share value based on the fair value of the Company's common stock as quoted on the Over the Counter Bulletin Board, $1.78; exercise price of $2.00; expected volatility of 171%; and a discount rate of 2.16%. The grant date fair value of the award was $89,525. For the three and six months ended October 31, 2015, the Company expensed $17,905 and $17,905, respectively, to general and administrative expenses.

12. Stockholders' Equity

As of October 31, 2015 and April 30, 2015, the Company had 5,000,000 shares of blank check preferred stock authorized with a par value of $0.00001 per share. None of the blank check preferred shares were issued or outstanding.

As of October 31, 2015 and April 30, 2015, the Company had 29,500 shares of preferred B preferred stock authorized with a par value of $0.00001 per share ("*Series B Preferred*"). No Series B Preferred shares are issued or outstanding.

As of October 31, 2015 and April 30, 2015, the Company had 100,000,000 shares of common stock authorized with a par value of $0.00001 per share. There were 4,259,505 shares of common stock issued and outstanding as of October 31, 2015 and April 30, 2015.

13. Stock Options

The following table summarizes information about the options changes of options for the period from Aril 30, 2015 to October 31, 2015 and options outstanding and exercisable at October 31, 2015:

	Options	Weighted Average Exercise Prices
Outstanding April 30, 2015	540,941	$ 12.00
Exercisable – April 30, 2015	158,241	$
Granted	453,039	$ 2.00
Exercised	-	$ -
Forfeited/Cancelled	(395,629)	$ 11.71
Outstanding – October 31, 2015	598,352	$ 4.39
Exercisable – October 31, 2015	439,951	$ 5.21
Outstanding – Aggregate Intrinsic Value		$ -
Exercisable – Aggregate Intrinsic Value		$ -

The Company restructured its option plan by cancelling 395,629 options and issuing 453,039 options to new and existing option holders pursuant to the Amended and Restated 2012 Equity Compensation Plan.

For options issued during the six months ended October 31, 2015, the Company computed the fair value of the grant as of the date of grant utilizing a Black-Scholes option-pricing model using the following assumptions: common share value based on the fair value of the Company's common stock as quoted on the Over the Counter Bulletin Board, range of $2.00 to $12.00; exercise price range of $2.00 to $12.00; expected volatility of 171%; and a discount rate range of 2.16% to 2.29%.

The following table summarizes information about the options outstanding and exercisable at October 31, 2015:

	Options Outstanding			Options Exercisable	
Exercise Price	Options	Weighted Avg. Life Remaining	Weighted Avg. Exercise Price	Options	Weighted Avg. Exercise Price
$ 44.00	2,326	0.01 years	$ 44.00	2,326	$ 44.00
$ 12.00	132,987	8.18 years	$ 12.00	130,811	$ 12.00
$ 6.00	10,000	9.25 years	$ 6.00	10,000	$ 6.00
$ 2.00	453,039	10.0 years	$ 2.00	296,814	$ 2.00
	598,352			439,951	
Aggregate Intrinsic Value			$ -		$ -

During the three months ended October 31, 2015 and 2014, the Company expensed approximately $1,174,000 and $485,000 to general and administrative expense for stock-based compensation pursuant to employment and consulting agreements. During the six months ended October 31, 2015 and 2014, the Company expensed approximately $1,403,000 and $674,200 to general and administrative expense for stock-based compensation pursuant to employment and consulting agreements.

As of October 31, 2015, the total intrinsic value of options outstanding and exercisable was $0.

During the three and six months ended October 31, 2015, the Company had no other stock-based compensation expense.

As of October 31, 2015, the Company has approximately $683,000 in unrecognized stock-based compensation expense, which will be amortized over a weighted average exercise period of 4.25 years.

Warrants:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life Remaining
Outstanding and exercisable – April 30, 2015	336,458	$ 36.00	2.29
Forfeited	-	-	-
Granted	-	-	-
Outstanding and exercisable – October 31, 2015	336,458	$ 36.00	2.04

There were no changes of the Company's warrants during the six months ended October 31, 2015. The aggregate intrinsic value of the outstanding warrants was $0.

14. Non-Controlling Interest

At October 31, 2015 the Company's non–controlling interest was as follows:

	Bandolier	Fortis	Total
Non–controlling interest at April 30, 2015	$ 3,644,776	$ -	$ 3,644,776
Contribution of real estate by non-controlling interest holders	-	9,403,368	9,403,368
Non–controlling interest share of income (losses)	(154,987)	3,197,117	3,042,130
Non–controlling interest at October 31, 2015	$ 3,489,789	$ 12,600,485	$ 16,090,274

15. Segment Information

The Company evaluates performance of its operating segments based on revenue and operating profit (loss). Segment information for the three and six months ended October 31, 2015 and 2014 and as of October 31, 2015, and April 30, 2015, are as follows:

	Oil and Gas	Real Estate	Total
Three months ended October 31, 2015			
Revenue	$ –	$ 18,347,111	$ 18,347,111
Cost of revenue	–	(10,486,373)	(10,486,373)
Gross margin	–	7,860,738	7,860,738
Operating expenses	(1,572,311)	-	(1,572,311)
Operating profit/(loss)	(1,572,311)	7,860,738	6,288,427
Three months ended October 31, 2014			
Revenue	$ 757,485	$ –	$ 757,485
Cost of revenue	–	–	–
Gross margin	757,485	–	757,485
Operating expenses	(1,860,510)	–	(1,860,510)
Operating profit/(loss)	(1,103,025)	–	(1,103,025)
Six months ended October 31, 2015			
Revenue	$ 62,841	$ 18,347,111	$ 18,409,952
Cost of revenue	–	(10,486,373)	(10,486,373)
Gross margin	62,841	7,860,738	7,860,738
Operating expenses	(2,404,325)	-	(2,404,325)
Operating profit/(loss)	(2,341,484)	7,860,738	5,519,254
Six months ended October 31, 2014			
Revenue	$ 1,423,761	$ –	$ 1,423,761
Cost of revenue	–	–	–
Gross margin	1,423,761	–	1,423,761
Operating expenses	(4,240,362)	–	(4,240,362
Operating profit/(loss)	(2,816,601)	–	(2,816,601)
October 31, 2015			
Cash and cash equivalents (excludes $125,000 of restricted cash)	$ 526,135	$ –	$ 526,135
Investment in real estate	–	6,021,779	6,021,779
Oil and gas assets, net	15,403,606	–	15,403,606
Intangible assets, net	2,143,167	–	2,143,167
April 30, 2015			
Cash and cash equivalents (excludes $125,000 of restricted cash)	$ 1,010,543	$ –	$ 1,010,543
Investment in real estate	–	–	–
Oil and gas assets, net	15,757,011	–	15,757,011
Intangible assets, net	2,203,393	–	2,203,393

16. Contingency and Contractual Obligations

(a) In January 2010, the Company experienced a flood in its Calgary office premises as a result of a broken water pipe. There was significant damage to the premises rendering them unusable until the landlord had completed remediation. Pursuant to the lease contract, the Company asserted that rent should be abated during the remediation process and accordingly, the Company did not pay any rent after December 2009. During the remediation process, the Company engaged an independent environmental testing company to test for air quality and for the existence of other potentially hazardous conditions. The testing revealed the existence of potentially hazardous mold and the consultant provided specific written instructions for the effective remediation of the premises. During the remediation process, the landlord did not follow the consultant's instructions and correct the potentially hazardous mold situation and subsequently in June 2010 gave notice and declared the premises to be ready for occupancy. The Company re-engaged the consultant to re-test the premises and the testing results again revealed the presence of potentially hazardous mold. The Company determined that the premises were not fit for re-occupancy and considered the landlord to be in default of the lease and the lease terminated.

On January 30, 2014 the landlord filed a Statement of Claim against the Company for rental arrears in the amount aggregating approximately CAD $759,000. On October 20, 2014, the Company filed a summary judgment application stating that the landlord's claim is barred as it was commenced outside the 2-year statute of limitation period under the Alberta Limitations Act. The landlord subsequently filed a cross-application to amend its Statement of Claim to add a claim for loss of prospective rent in an amount of approximately CAD $665,000. The applications were heard on June 25, 2015. On July 3, 2015 the court issued a decision allowing both applications. On the basis of this decision, the landlord's claim for rental arrears in the approximate amount of CAD $759,000 has now been replaced by a claim for loss of prospective rent in the approximate amount of CAD $665,000 (which the Company believes is more accurately quantified at approximately CAD $450,000). The decision has been appealed by both parties and the appeal hearing has been scheduled for March 16, 2016.

(b) In September 2013, the Company was notified by the Railroad Commission of Texas (the "*Commission*") that the Company was not in compliance with regulations promulgated by the Commission. The Company was therefore deemed to have lost its corporate privileges within the State of Texas and as a result, all wells within the state would have to be plugged. The Commission therefore collected $25,000 from the Company, which was originally deposited with the Commission, to cover a portion of the estimated costs of $88,960 to plug the wells. In addition to the above, the Commission also reserved its right to separately seek any remedies against the Company resulting from its noncompliance.

(c) On August 11, 2014, Martha Donelson and John Friend amended their complaint in an existing lawsuit by filing a class action complaint styled: *Martha Donelson and John Friend, et al. v. United States of America, Department of the Interior, Bureau of Indian Affairs and Devon Energy Production, LP, et al.,* Case No. 14-CV-316-JHP-TLW, United States District Court for the Northern District of Oklahoma (the "*Proceeding*"). The plaintiffs added as defendants twenty-seven (27) specifically named operators, including the Company, as well as all Osage County lessees and operators who have obtained a concession agreement, lease or drilling permit approved by the Bureau of Indian Affairs ("*BIA*") in Osage County allegedly in violation of National Environmental Policy Act ("*NEPA*"). Plaintiffs seek a declaratory judgment that the BIA improperly approved oil and gas leases, concession agreements and drilling permits prior to August 12, 2014, without satisfying the BIA's obligations under federal regulations or NEPA, and seek a determination that such oil and gas leases, concession agreements and drilling permits are void *ab initio*. Plaintiffs are seeking damages against the defendants for alleged nuisance, trespass, negligence and unjust enrichment. The potential consequences of such complaint could jeopardize the corresponding leases.

On October 7, 2014 Spyglass, along with other defendants, filed a motion to dismiss the August 11, 2014 Proceeding on various procedural and legal arguments. Plaintiffs filed their response to the motion to dismiss on October 27, 2014. Spyglass filed its reply brief on November 10, 2014 and the plaintiffs were granted leave until November 19, 2014 to file a reply to Spyglass' reply brief. Once the briefing cycle concluded on November 19, 2014, the motion to dismiss became ripe for determination by the court. Oral arguments may be ordered by the court. There is no specific timeline by which the court must render a ruling.

(d) Mega West Energy Missouri Corp. ("*Megawest*"), a wholly owned subsidiary of the Company, was previously involved in two cases related to oil leases in West Central, Missouri. The first case (*James Long and Jodeane Long v. Mega West Energy Missouri and Petro River Oil Corp.*, case number 13B4-CV00019) was a case for unlawful detainer, pursuant to which the plaintiffs contended that a Megawest oil and gas lease had expired and Megawest was unlawfully possessing the plaintiffs' real property by asserting that the leases remained in effect. Megawest filed a second case on October 14, 2014 (*Mega West Energy Missouri Corp. v. James Long, Jodeane Long, and Arrow Mines LLC*, case number 14VE-CV00599). This case was pending in Vernon County, Missouri. Although the two cases were separate, they were interrelated. In the Vernon County case, Megawest made claims for: (1) replevin for personal property; (2) conversion of personal property; (3) breach of the covenant of quiet enjoyment regarding the lease; (4) constructive eviction of the lease; (5) breach of fiduciary obligation against James Long; (6) declaratory judgment that the oil and gas lease did not terminate; and (7) injunctive relief to enjoin the action pending in Barton County, Missouri. On September 21, 2015, the parties entered into a Settlement and Release Agreement for both cases. The parties agreed to release their claims and dismiss their lawsuits with prejudice. Megawest released its claims to certain leases and the plaintiffs purchased certain personal property from Megawest. The matters have been completely resolved, and the cases dismissed.

(e) The Company is from time to time involved in legal proceedings in the ordinary course of business. It does not believe that any of these claims and proceedings against it is likely to have, individually or in the aggregate, a material adverse effect on its financial condition or results of operations.

17. Subsequent Events:

Acquisition of Horizon Investments. On December 1, 2015, the Company entered into a conditional purchase agreement with Horizon I Investments, LLC ("*Horizon Investments*") ("*Purchase Agreement*"). Under the terms of the Purchase Agreement, the Company intends to acquire from Horizon Investments, no earlier than April 30, 2016 (the "*Closing Date*"), and subject to the satisfaction of certain conditions set forth in the Purchase Agreement (the "*Horizon Transaction*"): (i) a 20% membership interest in Horizon Energy Partners, LLC ("*Horizon Energy Partners*"); (ii) certain promissory note issued by Horizon Investments to the Company in the principal amount of $750,000 ("*Horizon Note*"); (iii) approximately $690,000 currently held in escrow pending Closing (the "*Closing Proceeds*"); and (iv) certain bank, investment and other accounts maintained by Horizon Investments, in an amount which, together with the principal amount of the Horizon Note and the Closing Proceeds, total not less than $5.0 million (collectively, the "*Purchased Assets*"). The consideration for the Purchased Assets is 10,168,333 post-split shares of the Company's common stock, which shares shall be issued to Horizon Investments on the Closing Date.

The Escrow Proceeds are being held in a third party escrow account under the terms of an Escrow Agreement, dated November 17, 2015 ("*Escrow Agreement*"). Under the terms of the Escrow Agreement, the Escrow Proceeds will be disbursed to the Company upon consummation of the Horizon Transaction, the issuance to certain investors of 230.0 million shares of the Company's Common Stock, as well as the satisfaction of other release conditions set forth in the Escrow Agreement. Horizon Energy Partners is an oil and gas exploration and development company with a portfolio of domestic and international assets. Horizon Energy Partner's key projects include two assets located in the United Kingdom, adjacent to the giant Wytch Farm oil field, the largest onshore oil field in Western Europe. Other projects include the redevelopment of a large oil field in Kern County, California and the development of an additional recent discovery in Kern County. The Company will provide more detail on each project on or prior to the closing of the Horizon Transaction.

Issuance of Horizon Note. On December 1, 2015, the Company issued the Horizon Note, in the principal amount of $750,000, the proceeds of which are to be used for working capital purposes. Interest on the Horizon Note is due upon the earlier to occur of closing of the Horizon Transaction, or December 31, 2016. Amounts due under the terms of the Horizon Note accrue interest at an annual rate equal to one half of one percent.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Except as otherwise indicated by the context, references in this Quarterly Report to "we", "us", "our" or the "Company" are to the consolidated businesses of Petro River Oil Corp. and its wholly-owned direct and indirect subsidiaries and majority-owned subsidiaries, except that references to "our common stock" or "our capital stock" or similar terms refer to the common stock, par value $0.00001 per share, of Petro River Oil Corp., a Delaware corporation (the "*Company*").

Management's Discussion and Analysis of Financial Condition and Results of Operations ("*MD&A*") is designed to provide information that is supplemental to, and should be read together with, the Company's condensed consolidated financial statements and the accompanying notes contained in this Quarterly Report. Information in this Item 2 is intended to assist the reader in obtaining an understanding of the condensed consolidated financial statements, the changes in certain key items in those financial statements from quarter to quarter, the primary factors that accounted for those changes, and any known trends or uncertainties that the Company is aware of that may have a material effect on the Company's future performance, as well as how certain accounting principles affect the condensed consolidated financial statements. This includes discussion of (i) Liquidity, (ii) Capital Resources, (iii) Results of Operations, and (iv) Off-Balance Sheet Arrangements, and any other information that would be necessary to an understanding of the company's financial condition, changes in financial condition and results of operations.

Forward Looking Statements

The following is management's discussion and analysis of certain significant factors which have affected our financial position and operating results during the periods included in the accompanying condensed consolidated financial statements, as well as information relating to the plans of our current management and should be read in conjunction with the accompanying financial statements and their related notes included in this Report. References in this section to "we," "us," "our," or the "Company" are to the consolidated business of Petro River Oil Corp. and its wholly owned and majority owned subsidiaries.

This Report contains forward-looking statements. Generally, the words "believes," "anticipates," "may," "will," "should," "expects," "intends," "estimates," "continues," and similar expressions or the negative thereof or comparable terminology are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, including the matters set forth in this Report or other reports or documents we file with the Securities and Exchange Commission ("*SEC*") from time to time, which could cause actual results or outcomes to differ materially from those projected. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our condensed consolidated financial statements and their related notes included in this Quarterly Report and our Annual Report on Form 10-K filed with the SEC on August 13, 2015 for the year ended April 30, 2015.

Business Overview

Petro River Oil Corp. is an independent exploration and development company with a focus on drilling, recompletions, and applying modern technologies to oil and gas assets.

We benefit from having an experienced management team with proven acquisition, operating and financing capabilities. Stephen Brunner, the Company's newly appointed President, has over 30 years domestic and international operations background in the oil and gas exploration and production industry. Mr. Scot Cohen, our Executive Chairman, has over 20 years of financial management experience including five years as managing partner of Iroquois Capital Opportunity Fund, a private equity fund focused on oil and gas. He has raised equity and debt for a number of small and microcap public companies.

The Company is focused on developing its Mississippi Lime acreage and acquiring attractive oil and gas assets in this current depressed oil market. It has recently closed on the Megawest Transaction in which it plans to jointly develop the vertical drilling program for our Pearsonia West Concession, consisting of 106,500 contiguous acres in Osage County, Oklahoma It has also announced its purchase agreement to acquire Horizon Investments, which includes a portfolio of domestic and international oil and gas assets.

In addition to the Horizon Transaction and the Megawest Transaction, the Company is exploring farm in and joint venture opportunities for its oil and gas assets as well other opportunities to increase shareholder value. No assurances can be given that management will be successful.

The Company continues to build out its technology focused business segment through Petro Spring LLC, a wholly owned subsidiary of the Company ("*Petro Spring*"). Management has devoted additional resources to effectively establishing the framework for Petro Spring to develop and execute its business plan. Petro Spring was launched with an intentionally broad mandate to acquire and commercialize cutting edge technologies with the intent to capitalize on the significant technological experience of its leadership team and network of industry relationships within the energy sector.

Recent Developments

Consummation of Reverse Stock Split. On December 7, 2015 (the "*Effective Date*"), the Company effected a one (1) for two hundred (200) reverse split of its issued and outstanding common stock (the "*Reverse Split*"), and, immediately following the Reverse Split, filed an amendment to its Certificate of Incorporation with the Delaware Secretary of State to increase the Company's authorized number of shares of common stock to 100.0 million. The reverse stock split was approved by the Company's shareholders at the Company's annual meeting of shareholders on July 8, 2015 and the specific ratio was subsequently determined at a meeting of the company's Board of Directors on November 11, 2015. Following the filing of an amendment to the Company's Certificate of Incorporation with the Delaware Secretary of State on December 1, 2015, each 200 shares of issued and outstanding common stock were converted into one share of common stock. On the Effective Date, the Company's common stock will begin trading under a new CUSIP number (71647K303). The Company's ticker symbol, "PTRC", will remain unchanged; however, the ticker symbol will be represented as "PTRCD" for 20 trading days commencing on the Effective Date to designate the Reverse Split.

As a result of the Reverse Split, the number of outstanding common shares will be reduced from 851,901,079 to 4,259,505, subject to adjustment for fractional shares. No fractional shares are to be issued, with fractional shares of common stock to be rounded up to the nearest whole share.

Acquisition of Horizon Investments. On December 1, 2015, the Company entered into a conditional purchase agreement with Horizon I Investments, LLC ("*Horizon Investments*") ("*Purchase Agreement*"). Under the terms of the Purchase Agreement, the Company intends to acquire from Horizon Investments, no earlier than April 30, 2016 (the "*Closing Date*"), and subject to the satisfaction of certain conditions set forth in the Purchase Agreement (the "*Horizon Transaction*"): (i) a 20% membership interest in Horizon Energy Partners, LLC ("*Horizon Energy Partners*"); (ii) certain promissory note issued by Horizon Investments to the Company in the principal amount of $750,000 ("*Horizon Note*"); (iii) approximately $690,000 currently held in escrow pending Closing (the "*Closing Proceeds*"); and (iv) certain bank, investment and other accounts maintained by Horizon Investments, in an amount which, together with the principal amount of the Horizon Note and the Closing Proceeds, total not less than $5.0 million (collectively, the "*Purchased Assets*"). The consideration for the Purchased Assets is 2,033,666,667 shares of the Company's common stock, which shares shall be issued to Horizon Investments on the Closing Date.

The Escrow Proceeds are being held in a third party escrow account under the terms of an Escrow Agreement, dated November 17, 2015 ("*Escrow Agreement*"). Under the terms of the Escrow Agreement, the Escrow Proceeds will be disbursed to the Company upon consummation of the Horizon Transaction, the issuance to certain investors of 230 million pre-split shares of the Company's common stock, as well as the satisfaction of other release conditions set forth in the Escrow Agreement.

Horizon Energy Partners is an oil and gas exploration and development company with a portfolio of domestic and international assets. Horizon Energy Partner's key projects include two assets located in the United Kingdom, adjacent to the giant Wytch Farm oil field, the largest onshore oil field in Western Europe. Other projects include the redevelopment of a large oil field in Kern County, California and the development of an additional recent discovery in Kern County. The Company will provide more detail on each project on or prior to the closing of the Horizon Transaction.

Issuance of Horizon Note. On December 1, 2015, the Company issued the Horizon Note, in the principal amount of $750,000, the proceeds of which are to be used for working capital purposes. Interest on the Horizon Note is due upon the earlier to occur of closing of the Horizon Transaction, or December 31, 2016. Amounts due under the terms of the Horizon Note accrue interest at an annual rate equal to one half of one percent.

Megawest Transaction. On October 15, 2015, the Company entered into a contribution agreement (the "*Contribution Agreement*"), with Megawest Energy Kansas Corporation, a Delaware corporation and wholly owned subsidiary of the Company ("*Megawest*"), and Fortis Property Group, LLC, a Delaware limited liability company ("*Fortis*"), pursuant to which the Company and Fortis each agreed to assign certain assets to Megawest in exchange for shares of MegaWest common stock ("*Megawest Shares*").

Upon execution of the Contribution Agreement, (i) the Company transferred its 50% membership interest in Bandolier Energy, LLC (the "*Bandolier Interest*"), with a book value of $7,119,798, together with Megawest's existing net assets to Megawest, and cancelled all of its ownership interest in the then issued and outstanding Megawest Shares, and (ii) Fortis transferred certain indirect interests held in 30 condominium units and the rights to any profits and proceeds therefrom, with a book value of $15,554,382, to Megawest. Immediately thereafter, Megawest issued to the Company 58,510 Megawest Shares, or 58.51% of the now issued and outstanding Megawest Shares, as consideration for the assignment of the Bandolier Interest, and issued to Fortis 41,490 Megawest Shares, or the remaining 41.49% of the remaining issued and outstanding Megawest Shares, as consideration for the assets assigned to Megawest by Fortis. Subject to the terms and conditions of the Contribution Agreement, following six months after the execution of the Contribution Agreement, the board of Megawest will engage in a valuation of the Company's contribution to determine the fair market value (the "*Redetermination*"). Any shortfall from the initial valuation at contribution resulting from the Redetermination shall be required to be funded by the Company. The board of Megawest shall have certain remedies to exercise against the Company (including a right to foreclose on all of the Company's equity in Megawest) upon a failure by the Company to fund the shortfall following the Redetermination. In the event of foreclosure, the Bandolier Interest would revert back to the Company.

Appointment of Stephen Brunner, as President of Company. On October 30, 2015, Mr. Stephen Brunner joined the Company as President. Mr. Brunner has been tasked with making oil and gas related decisions and execute the Company's growth strategy. Under the terms of the contract, Mr. Brunner is granted the right to purchase up to 1.25% of the Company's outstanding common stock, subject to vesting schedules, aligning his interests strongly with shareholders. He also has the right to purchase an additional 1.75% of the Company's common stock subject to shareholder approval on the increase of the current stock option plan and achieving pre-defined target objectives.

Mr. Brunner has over 30 years domestic and international operations background in the exploration and production industry as well as extensive public company management experience. Mr. Brunner most recently served as the President and Chief Executive Officer of Constellation Energy Partners where he has been in various roles since 2008. Mr. Brunner also served as the Executive Vice President for Pogo Producing Company responsible for business units both domestic and international. During his tenure at Pogo, he also served as the Resident Manager of Thaipo Limited, a subsidiary of Pogo located in Thailand, responsible for all aspects of offshore oil and gas development. Mr. Brunner also held various positions with Zilkha Energy Company, Chevron Corporation and Tenneco Oil Company prior to Pogo.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements. These condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("*US GAAP*"), which requires us to make estimates and assumptions that affect the reported amounts of our assets and liabilities and revenues and expenses, to disclose contingent assets and liabilities on the date of the condensed consolidated financial statements, and to disclose the reported amounts of revenues and expenses incurred during the financial reporting period. The most significant estimates and assumptions include the valuation of accounts receivable, and the useful lives and impairment of property and equipment, goodwill and intangible assets, the valuation of deferred tax assets and inventories and the provision for income taxes. We continue to evaluate these estimates and assumptions that we believe to be reasonable under the circumstances. We rely on these evaluations as the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We believe critical accounting policies as disclosed in this Form 10-Q reflect the more significant judgments and estimates used in preparation of our condensed consolidated financial statements. We believe there have been no material changes to our critical accounting policies and estimates.

The following critical accounting policies rely upon assumptions and estimates and were used in the preparation of our condensed consolidated financial statements:

Oil and Gas Operations

The Company follows the full cost method of accounting for oil and gas operations whereby all costs related to exploration and development of oil and gas reserves are capitalized. Under this method, the Company capitalizes all acquisition, exploration and development costs incurred for the purpose of finding oil and natural gas reserves, including salaries, benefits and other internal costs directly attributable to these activities. Costs associated with production and general corporate activities, however, are expensed in the period incurred. Costs are capitalized on a country-by-country basis. To date, there has only been one cost center, the United States.

The present value of estimated future net cash flows is computed by applying the average first-day-of-the-month prices during the previous twelve-month period of oil and natural gas to estimated future production of proved oil and natural gas reserves as of year-end less estimated future expenditures to be incurred in developing and producing the proved reserves and assuming continuation of existing economic conditions. Prior to December 31, 2009, prices and costs used to calculate future net cash flows were those as of the end of the appropriate quarterly period.

Following the discovery of reserves and the commencement of production, the Company will compute depletion of oil and natural gas properties using the unit-of-production method based upon production and estimates of proved reserve quantities. Costs associated with unproved properties are excluded from the depletion calculation until it is determined whether or not proved reserves can be assigned to such properties. Unproved properties are assessed for impairment annually. Significant properties are assessed individually.

The Company assesses all items classified as unproved property on an annual basis for possible impairment. The Company assesses properties on an individual basis or as a group if properties are individually insignificant. The assessment includes consideration of the following factors, among others: land relinquishment; intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; the assignment of proved reserves; and the economic viability of development if proved reserves are assigned. During any period in which these factors indicate impairment, the related exploration costs incurred are transferred to the full cost pool and are then subject to depletion and the ceiling limitations on development oil and natural gas expenditures.

Proceeds from the sale of oil and gas assets are applied against capitalized costs, with no gain or loss recognized, unless a sale would alter the rate of depletion and depreciation by 25 percent or more.

Significant changes in these factors could reduce our estimates of future net proceeds and accordingly could result in an impairment of our oil and gas assets. Management will perform annual assessments of the carrying amounts of its oil and gas assets as additional data from ongoing exploration activities becomes available.

As of April 30, 2015, management performed a ceiling test on the Oklahoma assets acquired in the Bandolier transaction. As a result, the Company recognized an impairment charge of $1,246,975 on the Oklahoma oil and gas assets. No further impairment was recognized on these assets during the six month ended October 31, 2015.

NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014–09, *Revenue from Contracts with Customers*. Amendments in this Update create Topic 606, *Revenue from Contracts with Customers,* and supersede the revenue recognition requirements in Topic 605, *Revenue Recognition,* including most industry–specific revenue recognition guidance throughout the Industry Topics of the Codification. In addition, the amendments supersede the cost guidance in Subtopic 605–35, *Revenue Recognition—Construction–Type and Production–Type Contracts,* and create new Subtopic 340–40, *Other Assets and Deferred Costs—Contracts with Customers.* In summary, the core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This Accounting Standards Update is the final version of Proposed Accounting Standards Update 2011–230 —Revenue Recognition (Topic 605) and Proposed Accounting Standards Update 2011–250—Revenue Recognition (Topic 605): Codification Amendments, both of which have been deleted. Accounting Standards Update 2014–09. The amendments in this Update are effective for the Company for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The Company is currently evaluating the effects of ASU 2014–09 on the condensed consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying condensed consolidated financial statements.

Results of Operations

As a result of the April 23, 2013 acquisition and share exchange transaction, Petro River Oil, LLC was deemed the accounting acquirer. All historical financial information is that of Petro River Oil, LLC.

Results of Operations for the Three Months Ended October 31, 2015 Compared to Three Months Ended October 31, 2014

Oil Sales

During the three months ended October 31, 2015, the Company recognized $0 in oil and gas sales, compared to sales of $757,485 for the three months ended October 31, 2014. The overall decrease in sales of $757,485 is primarily due to the Company continuing to decrease operations and shut-in wells in light of the current challenging oil price environment.

Sales of Real Estate and Cost of Revenue

During the three months ended October 31, 2015, the Company recognized $18,347,111 and $10,486,373 in real estate sales and cost of revenues, respectively, compared to sales and cost of revenue of $0 for the three months ended October 31, 2014. The increase in real estate sales of $18,347,111 is due to the consummation of the Megawest Transaction.

Lease Operating Expenses

During the three months ended October 31, 2015, lease operating expenses were $84,035, as compared to lease operating expense of $446,829 for the three months ended October 31, 2014. The overall decrease in lease operating expense of $362,794 is primarily attributable to management's commitment to substantially reduce operating expenses in light of the current challenging oil price environment.

General and Administrative Expense

General and administrative expense for the three months ended October 31, 2015 were $1,418,386, as compared to $1,190,500 for the three months ended October 31, 2014. The increase is primarily attributable to an increase in stock based compensation due to the restructuring of the option plan offset by decreases in general and administrative expenses due to management's commitment to substantially reduce expenses in light of the current challenging oil price environment. These changes are outlined below:

	For the Three Months Ended October 31, 2015	For the Three Months Ended October 31, 2014
Salaries and benefits	$ 1,254,887	$ 533,601
Professional fees	120,334	595,519
Office and administrative	40,157	62,654
Information technology	3,008	3,226
	$ 1,418,386	$ 1,195,000

Salary and benefits include non-cash stock-based compensation of $1,174,078 for three months ended October 31, 2015 compared to $485,010 for the three months ended October 31, 2014. The increase in stock-based compensation from the prior comparable period is due to the restructuring of the option plan resulting in the recording of any unrecognized compensation from the original awards as well as additional awards were expensed during the three months ended October 31, 2015, which were expensed over the corresponding vesting periods. This increase was offset by a significant decrease in professional fees, office and administrative and information technology due to management's commitment to substantially reduce expenses in light of the current challenging oil price environment.

Results of Operations for the Six Months Ended October 31, 2015 Compared to Six Months Ended October 31, 2014

Oil Sales

During the six months ended October 31, 2015, the Company recognized $62,841 in oil and gas sales, compared to sales of $1,423,761 for the six months ended October 31, 2014. The overall decrease in sales of $1,360,920 is primarily due to the Company continuing to decrease operations and shut-in wells in light of the current challenging oil price environment.

Sales of Real Estate and Cost of Revenues

During the six months ended October 31, 2015, the Company recognized $18,347,111 and $10,486,373 in real estate sales and cost of revenue, respectively, compared to sales and cost of revenue of $0 for the six months ended October 31, 2014. The increase in real estate sales of $18,347,111 is primarily due to the consummation of the Megawest Transaction.

Lease Operating Expenses

During the six months ended October 31, 2015, lease operating expenses were $259,988, as compared to lease operating expenses of $787,497 for the six months ended October 31, 2014. The overall decrease in lease operating expenses of $527,509 is primarily attributable to the primarily attributable to management's commitment to substantially reduce operating expenses in light of the current challenging oil price environment.

General and Administrative Expense

General and administrative expense for the six months ended October 31, 2015 was $1,978,361, as compared to $3,052,032 for the six months ended October 31, 2014. The decrease is primarily attributable to management's commitment to substantially reduce general and administrative expense in light of the current challenging oil price environment, offset by an increase in stock based compensation compared to the 2014 period. These changes are outlined below:

	For the Six Months Ended October 31, 2015	For the Six Months Ended October 31, 2014
Salaries and benefits	$ 1,605,342	$ 794,766
Professional fees	242,051	1,893,005
Office and administrative	127,960	350,841
Information technology	3,008	13,420
	$ 1,978,361	$ 3,052,032

Salary and benefits include non-cash stock-based compensation of $1,403,008 for six months ended October 31, 2015 compared to $674,254 for the six months ended October 31, 2014. The increase in stock-based compensation from the prior comparable period is due to the restructuring of the option plan resulting in the recording of any unrecognized compensation from the original awards as well as additional awards were expensed during the six months ended October 31, 2015 which were expensed over the corresponding vesting periods. This increase was offset by a significant decrease in professional fees, office and administrative and information technology due to management's commitment to substantially reduce expenses in light of the current challenging oil price environment.

Liquidity and Capital Resources

At October 31, 2015, the Company had working capital of approximately $23.4 million. The substantial increase in working capital is principally due to the consummation of the Megawest Transaction during October 2015, which resulted in a substantial increase in current assets in the form of amounts due from a third party and real estate held for sale. The amount due from a third party was paid subsequent to October 31, 2015. However, substantially all of these amounts are held by Megawest and controlled by the board of directors of Megawest, consisting of two members appointed by Fortis, and one by the Company. In the event following the Redetermination there is a shortfall from the initial valuation of the Bandolier Interest transferred to Megawest under the terms of the Contribution Agreement, the Company will be required to fund such shortfall, and any unfunded shortfall may result in the foreclosure on the Company's interest in Megawest. In the event of foreclosure, the Bandolier Interest would revert back to the Company.

The Company is focused on developing its Mississippi Lime acreage. Over the last 12 months the Company has continued to build out its leadership and technical team. Additionally, the Company has been in discussions with industry partners to capitalize and develop acreage in the Mississippi Lime. The Company continues to seek out joint venture partners and acquisition targets.

Projects related to our legacy heavy oil reservoirs are still in technical review, but a determination has been made to continue to test pilot technologies and processes on the Missouri heavy oil assets as the Company has an extensive amount of technical and reservoir information on the Missouri positions. The Company is also continuing to analyze reservoir data and testing results in Missouri and this data is being utilized in the understanding and test phases to develop an economic heavy oil production reserve base.

Operating Activities

The Company used $815,928 in operating activities during the six months ended October 31, 2015, as compared to $2,091,830 used in operating activities during the six months ended October 31, 2014. The Company incurred net income during the six months ended October 31, 2015 of $5,525,555 as compared to a net loss of $(2,816,568) for six months ended October 31, 2014. For the six months ended October 31, 2015, the net income was increase by non-cash items such as stock-based compensation, depreciation, depletion and amortization, accretion of asset retirement obligation and cost of real estate sales. Cash used in operations was also influenced by increases in accounts receivable, prepaid expenses and deposit on real estate sales in escrow as well as a decrease in accounts payable and accrued expenses. For the six months ended October 31, 2014, the loss was offset by non-cash items such as stock-based compensation, depreciation, depletion and amortization, and accretion of asset retirement obligation. Cash used in operations was also influenced by increases in accounts receivable and prepaid expenses as well as a decrease in accounts payable and accrued expenses.

Investing Activities

Investing activities during the six months ended October 31, 2015 provided $331,520, as compared to $8,509,265 during the six months ended October 31, 2014. During the six months ended October 31, 2015, the Company incurred $7,283 of expenditures on oil and gas assets as part of the Bandolier acquisition compared to $8,333,510 during the six months ended October 31, 2014. During the six months ended October 31, 2015, the Company received $279,013 and $60,000 from the disposal of oil and gas assets and equipment, respectively. During the six months ended October 31, 2014, the Company used $39,756 and $125,000 for the purchase of equipment and certificate of deposit, respectively.

Financing Activities

During the six months ended October 31, 2015 and 2014, the Company had $0 and $4,998,074 in cash provided by financing activities. During the six month period ended October 31, 2014, $5,000,000 was contributed from the non-controlling interest holder of Bandolier. This increase was offset by $1,926 paid on a vehicle note payable.

Capitalization

The number of outstanding shares and the number of shares that could be issued if all convertible instruments are converted to shares is as follows:

As of	October 31, 2015	October 31, 2014
Common shares	4,259,505	4,092,839
Stock Options	598,352	534,691
Stock Purchase Warrants	336,458	203,125
	5,194,315	4,830,655

Off-Balance Sheet Arrangements

None.

ITEM 3. QUANTITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

ITEM 4. CONTROLS AND PROCEDURES

A. Material Weaknesses

As discussed in Item 9A of our Annual Report on Form 10-K for the fiscal year ended April 30, 2015, we identified material weaknesses in the design and operation of our internal controls. The material weaknesses are due to the limited number of employees, which impacts our ability to conduct a thorough internal review, and the Company's reliance on external accounting personnel to prepare financial statements.

To remediate the material weakness, the Company is developing a plan to design and implement the operation of our internal controls. Upon the Company obtaining additional capital, the Company intends to hire additional accounting staff, and operations and administrative executives in the future to address its material weaknesses.

We will continue to monitor and assess our remediation initiatives to ensure that the aforementioned material weaknesses are remediated.

B. Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in the Company's filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The Company's management, with the participation of its principal executive and principal financial officers, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation and solely due to the unremediated material weaknesses described above, the Company's principal executive and financial officers have concluded that such disclosure controls and procedures were not effective for the purpose for which they were designed as of the end of such period. As a result of this conclusion, the financial statements for the period covered by this report were prepared with particular attention to the unremediated material weaknesses previously disclosed. Accordingly, management believes that the condensed consolidated financial statements included in this report fairly present, in all material respects, the Company's financial condition, results of operations and cash flows as of and for the periods presented, in accordance with US GAAP, notwithstanding the unremediated weaknesses.

C. Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that was identified in connection with such evaluation that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

(a) In January 2010, the Company experienced a flood in its Calgary office premises as a result of a broken water pipe. There was significant damage to the premises rendering them unusable until remediation had been completed by the landlord. Pursuant to the lease contract, the Company has asserted that rent should be abated during the remediation process and accordingly, the Company has not paid rent since December 2009. During the remediation process, the Company engaged an independent environmental testing company to test for air quality and for the existence of other potentially hazardous conditions. The testing revealed the existence of potentially hazardous mold and the consultant provided specific written instructions for the effective remediation of the premises. During the remediation process, the landlord did not follow the consultant's instructions and correct the potentially hazardous mold situation and subsequently in June 2010 gave notice and declared the premises to be ready for occupancy. The Company re-engaged the consultant to re-test the premises and the testing results again revealed the presence of potentially hazardous mold. The Company has determined that the premises are not fit for re-occupancy and considers the landlord to be in default of the lease and the lease terminated.

On January 30, 2014, the landlord filed a Statement of Claim against the Company in the amount aggregating approximately $759,000. On October 20, 2014, the Company filed a summary judgment application stating that landlord's claim is barred as it was commenced outside the 2 year statute of limitation period under the Alberta Limitations Act. Our summary judgment application has been scheduled for hearing on February 5, 2015. The landlord has advised that it intends to contest our application, but has not yet filed any documents in this regard.

(b) In September 2013, the Company was notified by the Railroad Commission of Texas (the "*Commission*") that the Company was not in compliance with regulations promulgated by the Commission. The Company was therefore deemed to have lost its corporate privileges within the State of Texas and as a result, all wells within the state would have to be plugged. The Commission therefore collected $25,000 from the Company, which was originally deposited with the Commission, to cover a portion of the estimated costs of $88,960 to plug the wells. In addition to the above, the Commission also reserved its right to separately seek any remedies against the Company resulting from its noncompliance.

(c) On August 11, 2014, Martha Donelson and John Friend amended their complaint in an existing lawsuit by filing a class action complaint styled: *Martha Donelson and John Friend, et al. v. United States of America, Department of the Interior, Bureau of Indian Affairs and Devon Energy Production, LP, et al.,* Case No. 14-CV-316-JHP-TLW, United States District Court for the Northern District of Oklahoma (the " *Proceeding*"). The plaintiffs added as defendants 27 specifically named operators, including the Company, as well as all Osage County lessees and operators who have obtained a concession agreement, lease or drilling permit approved by the Bureau of Indian Affairs ("*BIA*") in Osage County allegedly in violation of National Environmental Policy Act ("*NEPA*"). Plaintiffs seek a declaratory judgment that the BIA improperly approved oil and gas leases, concession agreements and drilling permits prior to August 12, 2014, without satisfying the BIA's obligations under federal regulations or NEPA, and seek a determination that such oil and gas leases, concession agreements and drilling permits are void *ab initio*. Plaintiffs are seeking damages against the defendants for alleged nuisance, trespass, negligence and unjust enrichment.

On October 7, 2014, Spyglass, along with other defendants, filed a motion to dismiss the Proceeding on various procedural and legal arguments. Plaintiffs filed their response to the motion to dismiss on October 27, 2014. Spyglass filed its reply brief on November 10, 2014 and the plaintiffs have been granted leave until November 19, 2014 to file a surreply to Splyglass's reply brief. Once the briefing cycle is concluded on November 19, 2014, the motion to dismiss becomes ripe for determination by the court. Oral arguments may be ordered by the court. There is no specific timeline by which the court must render a ruling.

(d) Mega West Energy Missouri Corp. ("*Megawest*"), a wholly owned subsidiary of the Company, was previously *in*volved in two cases related to oil leases in West Central, Missouri. The first case (*James Long and Jodeane Long v. Mega West Energy Missouri and Petro River Oil Corp.*, case number 13B4-CV00019) was a case for unlawful detainer, pursuant to which the plaintiffs contended that a Megawest oil and gas lease had expired and Megawest was unlawfully possessing the plaintiffs real property by asserting that the leases remained in effect. Megawest filed a second case on October 14, 2014 (*Mega West Energy Missouri Corp. v. James Long, Jodeane Long, and Arrow Mines LLC*, case number 14VE-CV00599). This case was pending in Vernon County, Missouri. Although the two cases were separate, they were interrelated. In the Vernon County case, Megawest made claims for: (1) replevin for personal property; (2) conversion of personal property; (3) breach of the covenant of quiet enjoyment regarding the lease; (4) constructive eviction of the lease; (5) breach of fiduciary obligation against James Long; (6) declaratory judgment that the oil and gas lease did not terminate; and (7) injunctive relief to enjoin the action pending in Barton County, Missouri. On September 21, 2015, the parties entered into a Settlement and Release Agreement for both cases**.** The parties agreed to release their claims and dismiss their lawsuits with prejudice. Megawest released its claims to certain leases and the plaintiff purchased certain personal property from Megawest. The matters have been completely resolved, and the cases dismissed.

(e) The Company is from time to time involved in legal proceedings in the ordinary course of business. It does not believe that any of these claims and proceedings against it is likely to have, individually or in the aggregate, a material adverse effect on its financial condition or results of operations.

ITEM 1A. RISKFACTORS

Our results of operations and financial condition are subject to numerous risks and uncertainties described in our Annual Report on Form 10-K for our fiscal year ended April 30, 2015, filed on August 13, 2015. You should carefully consider these risk factors in conjunction with the other information contained in this Quarterly Report. Should any of these risks materialize, our business, financial condition and future prospects could be negatively impacted.

We have identified the following risk factor in addition to the risk factors previously disclosed in Part I, Item 1A, "*Risk Factors*" in our Annual Report on Form 10-K for the year ended April 30, 2015:

In the event of a Redetermination of the value of the Bandolier Interest contributed to Megawest, the Company may be required to fund any shortfall in such valuation, which the Company may not be able to fund. Failure to fund the shortfall will result in a material and adverse effect on our financial condition and results from operations.

Consummation of the Megawest Transaction resulted in a substantial increase in our assets and total revenue during the quarter ended October 31, 2015. However, substantially all of these amounts are held by Megawest and controlled by the board of directors of Megawest, consisting of two members appointed by Fortis, and one by the Company. In the event following the Redetermination of the valuation of the Bandolier Interest contributed by the Company to Megawest under the terms of the Contribution Agreement, there is a shortfall from the initial valuation of the value of the Bandolier Interest transferred to Megawest, the Company will be required to fund such shortfall, and any unfunded shortfall may result in the foreclosure on the Company's interest in Megawest. No assurances can be given that the value of the Bandolier Interest following six months from the date of the Contribution Agreement will equal the initial valuation, or if such value is below the initial valuation, that we will be able to fund such shortfall. Any requirement to fund a shortfall, or in the event of a foreclosure, our results from operations and financial condition will be materially and adversely affected. In the event of foreclosure, the Bandolier Interest would revert back to the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETYDISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

(a) There is no information required to be disclosed on Form 8-K during the period covered by this Form 10-Q that was not so reported.

(b) There were no material changes to the procedures by which security holders may recommend nominees to the registrant's board of directors during the quarter ended October 31, 2015.

ITEM 6. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements.

Our financial statements as set forth in the Index to Financial Statements attached hereto commencing on page F-1 are hereby incorporated by reference.

(b) Exhibits.

The following exhibits, which are numbered in accordance with Item 601 of Regulation S-K, are filed herewith or, as noted, incorporated by reference herein:

Exhibit Number	Exhibit Description
3.1 (1)	Certificate of Amendment to the Certificate of Incorporation of Petro River Oil Corporation, effective December 1, 2015 (Reverse Split).
3.2 (2)	Certificate of Amendment to the Certificate of Incorporation of Petro River Oil Corporation, effective December 1, 2015 (Authorized Increase).
10.1 (3)	Employment Agreement, by and between Petro River Oil Corp. and Stephen Brunner, dated October 30, 2015.
10.2 (4)	Contribution Agreement, by and between Petro River Oil Corp., Megawest Energy Kansas Corporation and Fortis Property Group, dated October 30, 2015, effective October 15, 2015.
10.3 (5)	Conditional Purchase Agreement, by and between Petro River Oil Corp. and Horizon I Investments, LLC, dated December 1, 2015.
10.4 (6)	Form of Escrow Agreement.
10.5 (7)	Non-Recourse Note, by and between Petro River Oil Corp. and Horizon I Investments, LLC, dated December 1, 2015.
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1 (8)	Unaudited statement of revenues and direct operating expenses of Spyglass Energy Group, LLC for the years ended December 31, 2013 and 2012, and for the three months ended March 31, 2014.
99.2 (9)	Unaudited pro forma condensed consolidated balance sheet as of April 30, 2014, and unaudited pro forma condensed consolidated statement of operations for the year ended April 30, 2014.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

(1) Previously filed as Exhibit 3.1 to the Company's Form 8-K, filed with the Securities and Exchange Commission on December 7, 2015.
(2) Previously filed as Exhibit 3.1 to the Company's Form 8-K, filed with the Securities and Exchange Commission on December 7, 2015.
(3) Previously filed as Exhibit 10.1 to the Company's Form 8-K, filed with the Securities and Exchange Commission on November 5, 2015.
(4) Previously filed as Exhibit 10.1 to the Company's Form 8-K, filed with the Securities and Exchange Commission on November 5, 2015.
(5) Previously filed as Exhibit 10.1 to the Company's Form 8-K, filed with the Securities and Exchange Commission on December 7, 2015.
(6) Previously filed as Exhibit 10.2 to the Company's Form 8-K, filed with the Securities and Exchange Commission on December 7, 2015.
(7) Previously filed as Exhibit 10.3 to the Company's Form 8-K, filed with the Securities and Exchange Commission on December 7, 2015.
(8) Previously filed as Exhibit 99.1 to the Company's Form 8-K/A filed with the Securities and Exchange Commission on August 15, 2014.
(9) Previously filed as Exhibit 99.1 to the Company's Form 8-K/A filed with the Securities and Exchange Commission on September 24, 2014.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PETRO RIVER OIL CORP.

By: */s/ Scot Cohen*
Name: Scot Cohen
Title: Executive Chairman

By: */s/ David Briones*
Name: David Briones
Title Chief Financial Officer

Date: December 15, 2015

Exhibit 31.1

CERTIFICATION BY PRINCIPAL EXECUTIVE OFFICER

I, Scot Cohen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Petro River Oil Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 15, 2015

By: *<u>/s/ Scot Cohen</u>*
Scot Cohen
Executive Chairman

Exhibit 31.2

CERTIFICATION BY PRINCIPAL FINANCIAL OFFICER

I, David Briones, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Petro River Oil Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 15, 2015

By: *<u>/s/ David Briones</u>*
David Briones
Chief Financial Officer (*Principal Financial Officer*)

Exhibit 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report of Petro River Oil Corp. (the "*Company*") on Form 10-Q for the period ended October 31, 2015, as filed with the Securities Exchange Commission on the date hereof (the "*Report*"), I, Scot Cohen, Executive Chairman of the Company, certify, pursuant to 18 U. S. C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 15, 2015

/s/ Scot Cohen
Scot Cohen
Executive Chairman

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report of Petro River Oil Corp (the "*Company*") on Form 10-Q for the period ended October 31, 2015, as filed with the Securities Exchange Commission on the date hereof (the "*Report*"), I, David Briones, Chief Financial Officer of the Company, certify, pursuant to 18 U. S. C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 15, 2015

/s/ David Briones
David Briones
Chief Financial Officer (*Principal Financial Officer*)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.