

**Aston Hill Financial Inc.
(formerly Overlord Financial Inc.)**

**Consolidated Financial Statements
For the three and nine month periods
ended September 30, 2007 and 2006**

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NOTIFICATION OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the three and nine month periods ended September 30, 2007.

Aston Hill Financial Inc.
Consolidated Balance Sheets

	September 30, 2007 (Unaudited)	December 31, 2006 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 642,371	\$ 3,043,215
Marketable securities (Note 3)	957,915	465,353
Accounts receivable (Note 11)	754,589	549,899
Prepaid expenses	7,570	52,993
	<u>2,362,445</u>	<u>4,111,460</u>
Prepaid deposits	61,796	61,796
Long-term investments (Note 4)	7,952,571	2,415,579
Property and equipment (Note 5)	161,279	106,448
	<u>\$ 10,538,091</u>	<u>\$ 6,695,283</u>
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 205,543	\$ 592,041
Warrant liability (Note 6)	24	-
	<u>205,567</u>	<u>592,041</u>
Debentures (Note 7)	249,550	250,000
Bank Loan (Note 8)	1,800,000	-
	<u>2,255,117</u>	<u>842,041</u>
Shareholders' equity		
Equity instruments (Note 9)	13,258,413	13,177,477
Contributed surplus (Note 10)	1,340,527	995,463
Deficit	(6,315,966)	(8,319,698)
	<u>8,282,974</u>	<u>5,853,242</u>
	<u>\$ 10,538,091</u>	<u>\$ 6,695,283</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aston Hill Financial Inc.

Consolidated Statements of Operations and Comprehensive Income

	Three months ended September 30		Nine months ended September 30	
	2007 (Unaudited)	2006	2007 (Unaudited)	2006
Revenue				
Management fees (Note 11(b))	\$ 527,550	\$ 64,978	\$ 713,260	\$ 288,690
Acquisition fees (Note 4)	-	-	4,995,361	-
	<u>527,550</u>	<u>64,978</u>	<u>5,708,621</u>	<u>288,690</u>
Expenses				
General, administrative and other (Note 11)	540,529	562,308	2,444,782	1,638,789
Interest expense	20,988	6,262	20,988	6,262
Stock compensation (Note 9)	90,000	205,313	370,000	497,397
Amortization of property and equipment	9,020	(8,410)	26,582	31,666
Interest on debenture (Note 7)	5,314	5,293	15,770	15,707
Project identification costs, net of recoveries	39,799	100,000	39,799	100,000
	<u>705,650</u>	<u>870,766</u>	<u>2,917,921</u>	<u>2,289,821</u>
Income (loss) from operations before investing activities	<u>(178,100)</u>	<u>(805,788)</u>	<u>2,790,700</u>	<u>(2,001,131)</u>
Investing				
Gain on sale of subsidiary	-	(25,000)	-	1,125,000
Impairment of long-term investment	-	-	-	(50,000)
Gain on sale of marketable securities	-	-	-	1,196,949
Interest income	2,594	15,743	31,904	36,337
Dividend and royalty income	6,369	5,713	19,106	21,135
Change in fair value of marketable securities (Note 3)	(152,355)	-	(1,146,925)	-
Change in fair value of investment securities held in Wisevest Income Fund (Note 4)	(9,543)	(48,198)	6,286	(41,744)
Change in fair value of long-term investments (Note 4)	(359,550)	-	(520,125)	-
Change in fair value of warrant liability (Note 6)	7,145	-	160,098	-
Dealer commissions	-	-	(742)	-
Loss on sale of long-term investment	-	(592,000)	-	(592,000)
Income (loss) from investing activities	<u>(505,340)</u>	<u>(643,742)</u>	<u>(1,450,398)</u>	<u>1,695,677</u>
Net income (loss) and comprehensive income (loss) for the period	<u>(683,440)</u>	<u>(1,449,530)</u>	<u>1,340,302</u>	<u>(305,454)</u>
Weighted average number of shares – basic and diluted	51,162,792	44,212,792	51,066,594	44,194,660
Income (loss) per share – basic and diluted	\$ (0.013)	\$ (0.032)	\$ 0.026	\$ (0.007)

Consolidated Statements of Deficit

	Three months ended September 30		Nine months ended September 30	
	2007 (Unaudited)	2006	2007 (Unaudited)	2006
Net income (loss) for the period	(683,440)	(1,449,530)	1,340,302	(305,454)
Deficit, beginning of period as previously stated	(5,632,526)	(5,696,874)	(8,319,698)	(6,840,950)
Accounting change (Note 2)	-	-	663,430	-
Deficit, end of period	<u>(6,315,966)</u>	<u>(7,146,404)</u>	<u>(6,315,966)</u>	<u>\$ (7,146,404)</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aston Hill Financial Inc.
Consolidated Statements of Cash Flows

	Three months ended September 30		Nine months ended September 30	
	2007 (Unaudited)	2006	2007 (Unaudited)	2006
Cash flows from operating activities				
Net income for the period	\$ (683,440)	\$(1,449,530)	\$1,340,302	\$ (305,454)
Adjustments for:				
Amortization of property and equipment	9,020	(8,410)	26,582	31,666
Amortization of debenture discount (Note 7)	64	-	20	497,397
Stock compensation	90,000	205,313	370,000	
Change in fair value of marketable securities	152,355	-	1,146,925	-
Change in fair value of investment securities held in Wisevest Income Fund (Note 4)	9,543	-	(6,286)	-
Change in fair value of warrant liability	(7,145)	-	(160,098)	-
Change in fair value of long-term investment (Note 4)	359,550	48,198	520,125	41,744
Non-cash acquisition fee (Note 4)	-	-	(4,995,361)	50,000
Impairment of long-term investment	-	-	-	(1,125,000)
Gain on sale of subsidiary	-	25,000	-	(1,196,949)
Gain on sale of marketable securities	-	-	-	-
Loss on sale of long-term investments	-	592,000	-	592,000
Cash flow (deficiency) from operations	<u>(70,053)</u>	<u>(587,429)</u>	<u>(1,757,791)</u>	<u>(1,414,596)</u>
Changes in non-cash working capital items				
Accounts receivable	(324,829)	255,863	(205,690)	183,100
Prepaid expenses	15,141	9,375	45,423	28,125
Accounts payable and accrued liabilities	(497,410)	96,160	(386,498)	(70,544)
	<u>(877,151)</u>	<u>(226,031)</u>	<u>(2,303,556)</u>	<u>(1,273,915)</u>
Cash flows from investing activities				
Purchase of property and equipment	(7,732)	(3,941)	(81,413)	(17,127)
Proceeds from sale of marketable securities	-	-	-	1,446,460
Cash on subsidiary transaction	-	(25,000)	-	(25,000)
Cash paid for long-term investments (Note 4)	-	-	(1,871,875)	-
Cash paid for marketable securities	-	(99,030)	-	(99,030)
	<u>(7,732)</u>	<u>(127,971)</u>	<u>(1,953,288)</u>	<u>1,305,303</u>
Cash flows from financing activities				
Bank loan borrowings	-	-	1,800,000	-
Proceeds from exercise of stock options	-	-	56,000	42,000
	<u>-</u>	<u>-</u>	<u>1,856,000</u>	<u>42,000</u>
(Decrease) increase in cash and cash Equivalents				
Cash and cash equivalents, beginning of Period	(884,883)	(354,002)	(2,400,844)	73,388
	<u>1,527,254</u>	<u>2,180,242</u>	<u>3,043,215</u>	<u>1,752,852</u>
Cash and cash equivalents, end of period	\$ 642,371	\$ 1,826,240	\$ 642,371	\$ 1,826,240
Supplementary Information				
Non-cash transaction:				
Interest receivable (Note 3)	\$ -	\$ -	\$ -	\$ (7,500)
Cash paid for interest	\$ 5,250	\$ 5,293	\$ 15,750	\$ 15,707

The accompanying notes are an integral part of these Consolidated Financial Statements.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

1. Summary of Significant Accounting Policies

The interim consolidated financial statements of Aston Hill Financial Inc. ("Aston Hill" or the "Company"), formerly Overlord Financial Inc. until the name of the Company was so changed on June 5, 2007, have been prepared by management following the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended December 31, 2006, except as identified below and in Note 2. The note disclosure requirements for annual financial statements provide additional disclosure to that required for these interim statements. Accordingly, these interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2006. The disclosures provided below are incremental to those included in the 2006 annual consolidated financial statements of the Company.

(a) Revenue

Investment income is recognized when a dividend is declared and collection is reasonably assured or when an investment is sold or when interest income is earned on an accrual basis. Management and advisory fees are based on the net asset value of the funds managed and are recognized on an accrual basis as the service is performed. Acquisition fees are based on the purchase price paid by the investor and are recognized on an accrual basis on the date the transaction closes.

2. Changes in Accounting Policies

Financial Instruments

Effective January 1, 2007, the Company adopted three new accounting standards that were issued by the Canadian Institute of Chartered Accountants (the "CICA"): Handbook Section 1530, Comprehensive Income, Handbook Section 3855, Financial Instruments – Recognition and Measurement, and Handbook Section 3865, Hedges. These standards were adopted prospectively pursuant to their respective adoption provisions and therefore there is no effect on prior periods.

Comprehensive Income

CICA Handbook Section 1530 introduces comprehensive income, which consists of net income and other comprehensive income ("OCI"). OCI represents changes in equity during a period arising from transactions and other events with non-owner sources and includes unrealized gains and losses on marketable securities and long-term investments classified as available-for-sale along with unrealized foreign currency translation gains or losses arising from self-sustaining foreign operations, among other things. The Consolidated Statements of Comprehensive Income will include a calculation of comprehensive income where applicable, while the corresponding cumulative changes in OCI are included in the Statements of Accumulated Other Comprehensive Income ("AOCI").

Financial Instruments – Recognition and Measurement

CICA Handbook Section 3855 establishes the criteria for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Under this standard, all financial instruments are required to be measured at fair value on recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

2. Changes in Accounting Policies - continued

Financial assets and financial liabilities classified as held-for-trading are measured at fair value with changes in fair value recognized in net income. Financial assets classified as loans and receivables along with financial liabilities classified as other liabilities are measured at amortized cost using the effective interest rate method. Financial assets classified as available-for-sale are measured at fair value with changes in fair value recognized in OCI. Investments in equity instruments classified as available-for-sale that do not have a quoted price in an active market are measured at cost updated for the most recent market data available. Transaction costs or fees attributable to the acquisition, issue or disposal of a financial asset or liability are expensed immediately to net income.

Derivative instruments are recorded on the consolidated balance sheets at fair value, including those derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contracts. Changes in the fair values of derivative instruments are recognized in net income.

Hedges

CICA Handbook Section 3865 specifies the criteria and method of accounting for each of the designated hedging strategies. The Company does not currently have any financial instruments for which this section applies.

Impact upon Adoption of Sections 1530, 3855 and 3865

Marketable Securities

As a result of the adoption of these standards on January 1, 2007 the Company elected to classify its investment in Eagle Rock Exploration Ltd. ("Eagle Rock") Common shares as marketable securities using the held-for-trading method. Formerly, the investment in these securities was accounted for partially as long-term investments and partially as marketable securities with 1,214,912 shares being classified as long-term investments. The 1,214,912 shares were classified as long-term investments because they could not be sold within one year due to restrictions in warrant agreements with former shareholders of Sword Energy Ltd. ("SEL"), which the Company managed through a former subsidiary, Sword Management Inc. ("SMI"), until May of 2006 (see discussion of warrant liability below). On January 1, 2007 all of these securities were classified as marketable securities as it is likely that the Company will buy additional shares or sell some or all of the shares currently held in the short term.

The Company's investments in marketable securities have been classified as held-for-trading and were therefore recorded on the consolidated balance sheet at fair value, resulting in a \$874,092 increase on January 1, 2007, with the offset to opening deficit.

Long-Term Investments

Parson's Pond has been classified as available-for-sale. As Parson's Pond was carried on the consolidated balance sheet at its fair value (\$Nil) no transition adjustment was made. Future changes in the fair value of this investment will be recorded against long-term investments with the offset recorded against AOCI.

Catapult Energy Limited Partnership I units have been classified as held-for-trading. On January 1, 2007, long-term investments were decreased by \$50,000 with the offset to opening deficit as a result of this change.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

2. Changes in Accounting Policies - continued

Wisevest Income Fund is an investment in an investment trust, which classifies its investments as held-for-trading. As such, Wisevest Income Fund is consolidated at fair value pursuant to Accounting Guideline 18 – Investment Companies. On January 1, 2007, long-term investments were decreased by \$1,010 with the offset to opening deficit as a result of this change.

Warrant Liability

Upon adoption on January 1, 2007, the Company recognized a warrant liability of \$160,122 representing the fair value of the 1,214,912 warrants associated with the investment in Eagle Rock Common shares. The offset was recorded to opening deficit. The warrants are derivatives and as such have been classified as held-for-trading.

Debentures

On January 1, 2007, the Company determined the fair value of the debentures to be \$249,530 and recorded an adjustment decreasing the debentures by \$470 with the offset to opening deficit. Going forward, the debentures will be accounted for at amortized cost using the effective interest rate method.

The following table illustrates the impact of adopting these sections:

	December 31, 2006	Reclassification	Transition Adjustment	January 1, 2007
Assets				
Marketable Securities	\$ 465,353	\$ 765,395	\$ 874,092	\$ 2,104,840
Long-Term Investments	2,415,579	(765,395)	(51,010)	1,599,174
Liabilities & Equity				
Warrant Liability	-	-	160,122	160,122
Debentures	250,000	-	(470)	249,530
Deficit	(8,319,698)	-	663,430	(7,656,268)

3. Marketable Securities

	September 30, 2007	December 31, 2006
270,000 (2006 – 270,000) Common shares of ExAlta Energy Inc.	\$ 415,800	\$ 287,897
25,000 (2006 – 25,000) Common Shares of Sonomax Hearing Healthcare Inc.	7,875	5,652
1,484,000 (2006 - 269,088) Common shares of Eagle Rock Exploration Ltd.	534,240	171,804
	<u>\$ 957,915</u>	<u>\$ 465,353</u>

On January 1, 2007, the Company reclassified 1,214,912 shares of Eagle Rock Exploration Ltd. from long-term investments to marketable securities upon adoption of CICA Handbook Section 3855 (See Notes 2 and 4).

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

4. Long-Term Investments

	September 30, 2007	December 31, 2006
Common shares of Eagle Rock Exploration Ltd. (2006 – 1,214,912 Common shares with quoted market value of \$789,693) ⁽¹⁾	\$ -	\$ 765,395
211,500 Catapult Energy Limited Partnership I units (2006 – 200,000 units) ⁽²⁾	951,750	1,450,000
27,500 Wisevest Income Fund ⁽³⁾	205,460	200,184
2.28% interest in Sword Energy Inc. ⁽⁴⁾	6,795,361	-
Parsons Pond investment, farmout agreement to participate in test drilling of oil and gas well with a 10% working interest in lands and title documents (16.67% of the first \$900,000 of expenditures, 10% on costs thereafter)	-	-
	\$ 7,952,571	\$2,415,579

(1) On January 1, 2007, the Company reclassified 1,214,912 shares of Eagle Rock Exploration Ltd. from long-term investments to marketable securities upon adoption of CICA Handbook Section 3855 (See Notes 2 and 3).

(2) The Company has invested \$71,875 in Catapult Energy Limited Partnership I during 2007.

(3) Investment in Wisevest Income Fund:

	<u>Units</u>	<u>September 30, 2007</u>	<u>December 31, 2006</u>
Canetic Resources Trust	2,833	\$ 42,863	\$ 46,575
Bonavista Energy Trust	1,800	52,236	50,670
Crescent Point Energy Trust	2,750	56,925	48,400
Transalta Power LP	7,300	53,436	54,531
Cash on account		-	8
		<u>\$ 205,460</u>	<u>\$ 200,184</u>

(4) On June 26, 2007, the Company invested \$6,795,361 in Sword Energy Inc. ("Sword"). The Company manages Sword, a private company, on behalf of the majority shareholders and is paid a quarterly management fee in accordance with an executed management agreement. The Company financed the investment with \$1,800,000 in bank debt and by rolling its \$4,995,361 acquisition fee into Sword shares.

5. Property and Equipment

	September 30, 2007			December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer	\$ 195,565	\$ 122,355	\$ 73,210	\$ 170,729	\$ 103,186	\$ 67,543
Leasehold	91,100	91,100	-	91,100	91,100	-
Furniture & Fixtures	80,177	35,006	45,171	37,699	30,783	6,916
Office Equipment	61,692	39,061	22,631	52,583	35,871	16,712
Artwork	20,267	-	20,267	15,277	-	15,277
Net book value	\$ 448,801	\$ 287,522	\$ 161,279	\$ 367,388	\$ 260,940	\$ 106,448

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

6. Warrant Liability

On September 15, 2006 the Company sold its interest in SEL to Eagle Rock for 1,600,000 Common shares of Eagle Rock. As a condition of the sale, SEL warrants were cancelled and the Company granted 1,214,912 warrants in Common shares of Eagle Rock to former SEL shareholders. Each warrant entitles the holder to purchase, from the Company, one Common share of Eagle Rock at a price of \$2.00 per share on or before December 31, 2007. Upon adoption of CICA Handbook Section 3855, the Company recorded the fair value of these warrants of \$160,122 with the offset to opening deficit (see Note 2). During the three and nine month periods ended September 30, 2007, the change in fair value of the warrants resulted in an income inclusion of \$7,145 and \$160,098, respectively. As at September 30, 2007, the fair value of the warrant liability was \$24.

7. Debentures

In May 2004, the Company's wholly owned subsidiary, Juno Canada Holdings Ltd. ("Juno"), issued debentures for \$250,000 cash. Of this amount, \$100,000 was unsecured and bore interest at 13.5% per annum, payable quarterly commencing September 30, 2004. The remaining \$150,000 debenture was collateralized by Juno's investments in the Wisevest Income Fund units (Note 4) and bore interest at 7% per annum, payable quarterly commencing September 30, 2004. Both debentures were to mature May 11, 2012.

On April 20, 2005, Juno amended and consolidated the above debentures to provide a \$250,000 debenture (fully collateralized by the Wisevest Income Fund units) bearing interest at 8.4% per annum and maturing May 11, 2012.

Pursuant to CICA Handbook Section 3855 and as of January 1, 2007, the Company accounts for the debentures at amortized cost using the effective interest rate method. At January 1, 2007 the fair value of the debenture was determined to be \$249,530. The difference between the face value of \$250,000 and the fair value determined at January 1, 2007 is amortized to interest on debenture expense, using the effective interest rate method. The effective interest rate of the debentures is 8.45%. As at September 30, 2007, the fair value of the debentures was \$249,550.

8. Bank Loan

The Company entered into a demand revolving loan agreement with a Canadian bank in order to finance its participation in Sword (see Note 4). The loan has a borrowing limit of \$1,800,000, accrues interest at prime interest rates and will convert to a term loan on June 30, 2008 payable at that time over two years. The Company is required to maintain debt to tangible net worth and cash flow coverage ratios of 1.00:1.00 and 1.25:1.00, respectively. As at September 30, 2007 the Company was in compliance with the covenants of its bank loan.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

9. Equity Instruments

(a) Authorized
 Unlimited number of Common voting shares

(b) Issued
 Common shares

	September 30, 2007		December 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	50,962,792	\$ 13,177,477	44,062,792	\$ 11,854,170
Issued for cash (Note 11)	-	-	6,600,000	1,188,000
Stock options exercised – cash portion (Note 9 (c))	200,000	56,000	300,000	84,000
Stock options exercised – fair value portion	-	24,936	-	51,307
Balance, end of period	51,162,792	\$ 13,258,413	50,962,792	\$ 13,177,477
Warrants	September 30, 2007		December 31, 2006	
	Number of Warrants	Amount	Number of Warrants	Amount
Balance, beginning of period	-	\$ -	1,000,000	\$ 112,931
Issued	-	-	-	-
Expired, unexercised	-	-	(1,000,000)	(112,931)
Balance, end of period	-	-	-	-
Total equity instruments	51,162,792	\$ 13,258,413	50,962,792	\$ 13,177,477

In 2005 the Company completed a non-brokered private placement of 5,000,000 units at a price of \$0.40 per unit, for total proceeds of \$2,000,000 (Note 10). Each unit consists of one Common share and one-fifth of one Common share purchase warrant. Each full purchase warrant entitled the holder to purchase one Common share of the Company at a price of \$0.60 per share. The purchase warrants were exercisable until March 2006 and expired unexercised. The Company paid a total of \$10,000 in filing fees to the TSX Venture Exchange in connection with this private placement.

For accounting purposes, the Company estimated and allocated a total fair value of \$112,931 to the warrants using the Black Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	2.97%
Expected life of warrants	1 year
Expected dividend	Nil
Expected share price volatility	103.79%

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

September 30, 2007 and 2006

9. Equity Instruments - continued

(b) Issued - continued

In March 2006 upon expiration of the warrants, \$112,931 was reclassified from share capital to contributed surplus.

On December 7, 2006, the Company completed a non-brokered private placement of 6,600,000 Common shares for gross proceeds of \$1,188,000. Directors, officers and employees of the Corporation subscribed for 1,400,000 shares of the total 6,600,000 shares in the private placement.

(c) Options

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of Common shares equal to 10% of the issued and outstanding Common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the Common shares traded and is determined by the Board of Directors. Options granted have a term of up to 5 years.

The Company has granted stock options to employees, directors, officers and consultants of the Company as follows:

	Number of Options	Option Prices per Share \$	Weighted Average Exercise Price \$	Weighted Average Remaining Term	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable \$
Options outstanding December 31, 2005	3,300,000		\$0.31	3.8 years	1,533,334	\$0.33
Options granted January 17, 2006	300,000	\$0.38	\$0.38	4.0 years	200,000	\$0.38
Options granted, September 22, 2006	850,000	\$0.30	\$0.30	4.8 years	-	-
Options granted, December 8, 2006	600,000	\$0.26	\$0.26	4.9 years	-	-
Options vested	-	\$0.28	\$0.28	2.7 years	1,116,666	\$0.28
Options exercised	(300,000)	\$0.28	\$0.28	-	(300,000)	\$0.28
Options forfeited	(1,050,000)	\$0.28	\$0.28	-	(850,000)	\$0.28
Options outstanding, December 31, 2006	3,700,000		\$0.31	3.1 years	1,700,000	\$0.35
Options granted April 30, 2007	770,000	\$0.37	\$0.37	4.5 years	-	-
Options vested	-	\$0.38	\$0.38	3.3 years	33,333	\$0.38
Options exercised	(200,000)	\$0.28	\$0.28	-	(200,000)	\$0.28
Options forfeited	(100,000)	\$0.28	\$0.28	-	(100,000)	\$0.28
Options vested	-	\$0.28	-	1.9 years	383,333	\$0.28
Options vested	-	\$0.30	-	4.0 years	283,333	\$0.30
Options outstanding, September 30, 2007	4,170,000		\$0.33	3.4 years	2,099,999	\$0.33

The weighted average contractual life of exercisable options at September 30, 2007 is 2.5 years.

Aston Hill Financial Inc.
Notes to the Consolidated Financial Statements
(Unaudited)

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9. Equity Instruments - continued

(c) Options - continued

On April 30, 2007, the Company granted 770,000 options to employees and directors. The options have an exercise price of \$0.37 per share, vest over three years and expire on April 30, 2012. Also, subsequent to period end, 200,000 options with an exercise price of \$0.28 per share were exercised by a former employee of the Company.

On February 1, 2006 a major shareholder of the Company granted to several employees and directors 3,800,000 options to purchase shares in the Company held by the major shareholder. The options have exercise prices ranging from \$0.28 per share to \$0.60 per share, vest over three years and have a remaining life of 3.8 years. Pursuant to CICA 3870 regarding stock based payments, the Company has recognized stock compensation expense relating to options granted by a major shareholder. Prior affected interim periods have been restated to reflect this accounting treatment resulting in \$122,210 and \$203,684 charges to the prior reported interim three and six month periods ended June 30, 2006, respectively. On May 1, 2007, 1,000,000 options were granted by a major shareholder to an employee to purchase shares held by the major shareholder at an exercise price of \$0.25 per share. The options vest to the employee one-half on June 1, 2007 and one-half on February 1, 2008 and expire on May 1, 2011.

Total compensation expense for the three and nine month periods ended September 30, 2007 of \$90,000 (2006 - \$205,313) and \$370,000 (2006 - \$497,397), respectively, was recorded in the statements of operations and deficit and credited to contributed surplus for options that were granted in 2004, 2005, 2006 and 2007 using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Risk free interest rate	2.83%	2.78-3.13%	2.68-2.78%	3.03%
Expected life of options	4 year	4 year	4 year	4 year
Expected dividend	Nil	Nil	Nil	Nil
Expected share price volatility	91%	82-91%	82-84%	70%

10. Contributed Surplus

	<u>September 30, 2007</u>	<u>December 31, 2006</u>
Balance, beginning of period	\$ 995,463	\$ 460,853
Stock compensation	370,000	472,986
Stock options exercised -fair value portion	(24,936)	(51,307)
Warrants expired unexercised	-	112,931
Balance, end of period	\$ 1,340,527	\$ 995,463

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September 30, 2007 and 2006

11. Related Party Transactions

Except as disclosed elsewhere in the financial statements, the Company had the following related party transactions:

- a) During the three and nine month periods ended September 30, 2007, the Company paid consulting fees to, and reimbursed travel expenses of Basek Consulting Ltd. ("Basek") of \$nil (2006 - \$35,241) and \$nil (2006 - \$102,850), respectively. Basek is owned directly by a director of the Company.
- b) Accounts receivable includes management fees receivable from Catapult Energy Limited Partnership I of \$40,859 (2006 - \$64,978) for services provided by Catapult Financial Management Inc., as general partner and advisor. During the three and nine month periods ended September 30, 2007, \$40,859 (2006 - \$64,978) and \$135,347 (2006 - \$197,815), was recorded as revenue in respect of these management fees, respectively. Catapult Financial Management Inc. is a wholly owned subsidiary of the Company.
- c) Accounts receivable includes management fees receivable from Catapult Energy Small Cap FTS Limited Partnership of \$15,007 (2006 - \$nil) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2007, \$15,007 (2006 - \$nil) and \$51,310 (2006 - \$nil), respectively, was recorded as revenue in respect of these management fees.
- d) Accounts receivable includes management fees receivable from Catapult Energy Small Cap 2007 FTS Limited Partnership of \$25,767 (2006 - \$nil) for services provided by the Company, as administrator. During the three and nine month periods ended September 30, 2007, \$25,767 (2006 - \$nil) and \$39,378 (2006 - \$nil), respectively, was recorded as revenue in respect of these management fees.
- e) The 5,000,000 units (stated in Note 9(b)) were subscribed for by a director of the Company.
- f) In 2005, the Company invested \$1,992,500 in the units of Catapult Energy Limited Partnership I, a limited partnership managed by Catapult Financial Management Inc., a wholly owned subsidiary of the Company and recorded the amount as a long-term investment. During the three and nine month periods ended September 30, 2007, the Company invested a further \$nil and \$71,875, respectively, in Catapult Energy Limited Partnership I.
- g) The Company recovered \$nil (2006 - \$9,000) and \$nil (2006 - \$22,997) during the three and nine months ended September 30, 2007, respectively, in rent and office costs from a company owned and controlled by a director of the Company.
- h) On June 26, 2007, the Company invested \$6,795,361 in Sword Energy Inc. The Company manages Sword, a private company, on behalf of the majority shareholders and is paid a quarterly management fee in accordance with an executed management agreement. Accounts receivable includes \$375,000 as at September 30, 2007, and \$375,000 was recorded as revenue in respect of these management fees during the three and nine month periods ending September 30, 2007.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

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12. Financial Instruments

(a) Fair Value of Financial Instruments

As a result of the adoption of the new financial instrument accounting standards described in Note 2, certain financial instruments are now measured and reported on the consolidated balance sheet at fair value which were previously reported at cost, amortized cost or lower of cost or market.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or ask prices, as appropriate, in the most advantageous active market for that instrument to which the Company has immediate access. Where bid and ask prices are unavailable, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair value is determined based on prevailing market rates for instruments with similar characteristics or internal and external valuation models, such as option pricing models and discounted cash flow analysis, that use observable market based inputs and assumptions.

(b) Carrying Value and Fair Value of Financial Instruments

i. Cash and cash equivalents

Cash and cash equivalents are classified as held-for-trading and are reported at fair value.

ii. Marketable securities

Marketable securities are classified as held-for-trading and are reported at fair value. As at September 30, 2007, the Company reported investments in marketable securities of publicly traded securities at a fair value of \$957,915.

iii. Accounts receivable

Accounts receivable are classified as loans and receivables and are reported at amortized cost. At September 30, 2007 the carrying value of accounts receivable approximated their fair value.

iv. Long-term investments

Parson's Pond has been classified as available-for-sale. The fair value of Parson's Pond as at September 30, 2007 is \$Nil.

Catapult Energy Limited Partnership I units have been classified as held-for-trading. The fair value of the Company's investment in Catapult Limited Partnership I units as at September 30, 2007 is \$951,750.

Wisevest Income Fund is an investment in an investment trust, which classifies its investments as held-for-trading. As such, Wisevest Income Fund is consolidated at fair value pursuant to Accounting Guideline 18 – Investment Companies. The fair value of Wisevest Income Fund as at September 30, 2007 is \$205,460.

Sword Energy Inc. is a 2.28% investment in a private oil and gas production entity and is classified as held-for-trading. The fair value of the Company's interest in Sword as at September 30, 2007 is \$6,795,361.

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Notes to the Consolidated Financial Statements
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September 30, 2007 and 2006

12. Financial Instruments - continued

v. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as other liabilities and are reported at amortized cost. At September 30, 2007, the carrying value of accounts payable and accrued liabilities approximated their fair value.

vi. Warrant Liability

Upon adoption on January 1, 2007, the Company recognized a warrant liability of \$160,122 representing the fair value of the 1,214,912 warrants associated with the investment in Eagle Rock Common shares. The offset was recorded to opening deficit. The warrants are derivatives and as such have been classified as held-for-trading with changes in fair value being recognized in income as change in fair value of warrant liability. As at September 30, 2007, the fair value of the warrant liability reported on the consolidated balance sheet was \$24.

vii. Debentures

The Juno debentures with face value of \$250,000 and 8.4% coupon are classified as other liabilities and are reported at amortized cost. At September 30, 2007, the amortized cost of the debentures was \$249,550.

viii. Bank Loan

The bank loan is classified as other liabilities and is reported at amortized cost. At September 30, 2007, the carrying amount of the bank loan approximated its fair value.

13. Income Taxes

Although the Company shows positive earnings for the period for accounting purposes, the Company does not expect to generate taxable income in the period. The Company also has various future tax assets which are not more likely than not to be used in future years as the Company's ability to generate taxable income in future years is not certain. As such, the Company continues to recognize a valuation allowance for its future tax assets.

14. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

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September 30, 2007 and 2006

15. Commitments

(a) The Company is committed to leased office premises with future base rent payments as follows:

2007	\$ 73,374
2008	\$291,104
2009	\$295,585
2010	<u>\$148,763</u>
	<u>\$808,826</u>

The Company is also required to pay their proportionate share of operating and property tax costs for the premises.