

Aston Hill Financial Inc.

**Consolidated Financial Statements
For the three and six month periods ended
June 30, 2009 and 2008**

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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 period ended June 30, 2009.

Aston Hill Financial Inc.
Consolidated Balance Sheets
(Unaudited)

	June 30, 2009	December 31, 2008
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 464,774	\$ 681,395
Marketable securities	86,355	323,856
Accounts receivable (Note 6)	858,514	559,174
Prepaid expenses	24,097	22,784
Notes receivable (Note 6 (g))	709,809	1,064,031
	\$ 2,143,549	2,651,240
Prepaid deposits	21,298	21,298
Long-term investments	7,775,775	8,842,908
Intangible assets	84,469	84,469
Property and equipment	316,037	356,071
	\$ 10,341,128	\$ 11,955,986
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 67,281	\$ 430,144
	67,281	430,144
Debentures	249,739	249,773
	317,020	679,917
Shareholders' equity		
Equity instruments (Note 4)	16,649,369	16,649,369
Contributed surplus (Note 5)	1,931,178	1,746,178
Deficit	(8,556,439)	(7,119,478)
	10,024,108	11,276,069
	\$ 10,341,128	\$ 11,955,986

Aston Hill Financial Inc.
Consolidated Statements of Operations
and Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2009	2008	2009	2008
Revenue				
Management fees (Note 6)	\$ 697,887	\$ 658,649	\$ 1,439,827	\$ 1,306,508
Interest and dividend income	21,154	15,222	47,226	23,839
Royalty and oil and gas property investment income	1,568	115,885	8,347	115,886
Acquisition fees (Note 6 (d))	-	-	-	1,000,000
	<u>720,609</u>	<u>789,756</u>	<u>1,495,400</u>	<u>2,446,233</u>
Expenses				
General, administrative and other (Note 6 (e))	794,226	921,382	1,636,244	1,880,932
Interest expense	(602)	16,545	1,020	48,579
Stock compensation (Note 4)	100,000	90,000	185,000	190,000
Amortization	20,500	23,700	41,500	45,200
Interest on debenture	5,260	5,260	10,466	10,519
Dealer commissions	-	5,703	3,575	5,703
	<u>919,384</u>	<u>1,062,590</u>	<u>1,877,805</u>	<u>2,180,933</u>
Income (loss) from operations before investing activities	<u>(198,775)</u>	<u>(272,834)</u>	<u>(382,405)</u>	<u>265,300</u>
Investing				
Gain (loss) on sale of marketable securities	(96,506)	137,801	(191,822)	(913,746)
Change in fair value of marketable securities	130,095	(93,376)	204,399	1,174,941
Change in fair value of investment securities held in Wisevest Income Fund	41,452	40,446	38,016	68,601
Change in fair value of long-term investments	(134,113)	1,944,333	(1,105,149)	3,550,686
Income (loss) from investing activities	<u>(59,072)</u>	<u>2,029,204</u>	<u>(1,054,556)</u>	<u>3,880,482</u>
Net income (loss) for the period	<u>(257,847)</u>	<u>1,756,370</u>	<u>(1,436,961)</u>	<u>4,145,782</u>
Weighted average number of shares - basic	59,266,554	53,331,913	59,266,554	52,247,354
Weighted average number of shares - diluted	59,266,554	53,331,913	59,266,554	52,632,839
Income (loss) per share – basic	\$ (0.004)	\$ 0.033	\$ (0.024)	\$ 0.079
Income (loss) per share – diluted	\$ (0.004)	\$ 0.033	\$ (0.024)	\$ 0.079

Consolidated Statements of Deficit
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2009	2008	2009	2008
Deficit, beginning of period	(8,298,592)	(4,394,506)	(7,119,478)	(6,783,918)
Net income for the period	<u>(257,847)</u>	<u>1,756,370</u>	<u>(1,436,961)</u>	<u>4,145,782</u>
Deficit, end of period	<u>(8,556,439)</u>	<u>(2,638,136)</u>	<u>(8,556,439)</u>	<u>(2,638,136)</u>

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

Aston Hill Financial Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months ended June 30		Six Months ended June 30	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income for the period	\$ (257,847)	\$ 1,756,370	\$ (1,436,961)	\$ 4,145,782
Adjustments for:				
Amortization of property and equipment	20,500	23,700	41,500	45,200
Amortization of debenture discount	11	10	(34)	19
Stock compensation	100,000	90,000	185,000	190,000
Change in fair value of marketable securities	(130,095)	93,376	(204,399)	(1,174,941)
Change in fair value of investment securities held in Wisevest Income Fund	(41,452)	(40,446)	(38,016)	(68,601)
Change in fair value of long-term investments	134,113	(1,944,333)	1,105,149	(3,550,686)
(Gain) loss on sale of marketable securities	96,506	(137,801)	191,822	913,746
Cash flow (deficiency) from operations	<u>(78,264)</u>	<u>(159,124)</u>	<u>(155,939)</u>	<u>500,519</u>
Changes in non-cash working capital items				
Accounts receivable	(146,040)	25,201	(299,340)	207,379
Prepaid expenses	20,124	18,835	(1,313)	37,669
Accounts payable and accrued liabilities	(175,986)	(91,678)	(362,863)	(352,304)
Notes receivable	354,222	-	354,222	-
	<u>(25,944)</u>	<u>(206,766)</u>	<u>(465,233)</u>	<u>393,263</u>
Cash flows from investing activities				
Purchase of property and equipment	-	(3,963)	(1,466)	(8,580)
Leasehold improvement inducements	-	-	-	40,000
Acquisition of long-term investments	-	(39,232)	-	(1,854,232)
Proceeds from sale of marketable securities	218,802	1,730,606	273,320	1,730,606
Purchase of marketable securities	-	-	(33,242)	-
Sale of long-term investments	-	-	10,000	-
	<u>218,802</u>	<u>1,687,411</u>	<u>248,612</u>	<u>(92,206)</u>
Cash flows from financing activities				
Bank loan borrowings (repayment)	-	(2,600,000)	-	(1,800,000)
Proceeds from exercise of stock options	-	28,000	-	28,000
Proceeds of private placement of common shares	-	3,309,080	-	3,309,080
Share issue costs	-	(15,473)	-	(15,473)
	<u>-</u>	<u>721,607</u>	<u>-</u>	<u>1,521,607</u>
Increase (decrease) in cash and cash equivalents	192,858	2,202,252	(216,621)	1,822,664
Cash and cash equivalents, beginning of period	<u>271,916</u>	<u>250,701</u>	<u>681,395</u>	<u>630,289</u>
Cash and cash equivalents, end of period	<u>464,774</u>	<u>2,452,953</u>	<u>464,774</u>	<u>2,452,953</u>
Supplementary Information				
Cash paid for interest	\$ 143	\$ 23,467	\$ 1,021	\$ 59,079

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

June 30, 2009 and 2008

1. Summary of Significant Accounting Policies

The interim consolidated financial statements of Aston Hill Financial Inc. ("Aston Hill" or the "Company") 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, 2008. 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, 2008. The disclosures provided below are incremental to those included in the 2008 annual consolidated financial statements of the Company.

2. Changes in Accounting Policies

Future Accounting Changes

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Company will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. Although Canadian generally accepted accounting principles are similar to IFRS, there are some differences that could significantly impact the Company's financial results. The Company is assessing the potential impacts of this change and developing a plan for convergence.

3. Cash and Cash Equivalents

Cash and cash equivalents include restricted cash of \$9,763 held in escrow for Catapult Energy Small Cap FTS Limited Partnership and Catapult Energy Small Cap 2007 FTS Limited Partnership. The restricted cash relates to amounts payable subsequent to the December 31, 2008 rollover of the two funds into the Ark Catapult Energy Class Mutual Fund.

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

June 30, 2009 and 2008

4. Equity Instruments

(a) Authorized
 Unlimited number of Common voting shares

(b) Issued

Common shares	June 30, 2009		December 31, 2008	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	59,266,554	\$ 16,649,369	51,162,792	\$ 13,258,413
Stock options exercised – cash portion (Note 4 (c))	-	-	225,000	63,000
Stock options exercised – fair value portion	-	-	-	34,349
Common shares issued by private placement June 6, 2008 (Note 4 (d))	-	-	7,878,762	3,309,080
Share issue costs (Note 4 (d))	-	-	-	(15,473)
Balance, end of period	59,266,554	\$ 16,649,369	59,266,554	\$ 16,649,369

(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.

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

June 30, 2009 and 2008

4. Equity Instruments - continued

(c) Options - continued

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, 2006	3,700,000		\$0.31	3.8 years	1,700,000	\$0.33
Options granted April 30, 2007	770,000	\$0.37	\$0.37	4.3 years	-	-
Options vested	-	\$0.38	\$0.38	3.0 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	-	1.7 years	383,333	\$0.28
Options vested	-	\$0.30	-	3.8 years	283,333	\$0.30
Options vested	-	\$0.32	-	3.0 years	33,333	\$0.32
Options vested	-	\$0.26	-	4.0 years	200,000	\$0.26
Options outstanding, December 31, 2007	4,170,000		\$0.33	3.1 years	2,333,332	\$0.32
Options exercised	(225,000)	\$0.28	\$0.28	-	(225,000)	\$0.28
Options vested	-	\$0.37	\$0.37	3.8 years	256,663	\$0.37
Options granted May 2, 2008	935,000	\$0.44	\$0.44	4.8 years	-	-
Options vested	-	\$0.30	\$0.30	3.0 years	283,332	\$0.30
Options vested	-	\$0.38	\$0.38	2.3 years	33,334	\$0.38
Options vested	-	\$0.32	\$0.32	2.0 years	33,334	\$0.32
Options granted October 29, 2008	160,000	\$0.30	\$0.30	4.8 years	-	-
Options vested	-	\$0.26	\$0.26	2.9 years	200,000	\$0.26
Options forfeited	(35,000)	\$0.44	\$0.44	-	-	\$0.44
Options forfeited	(400,000)	\$0.48	\$0.48	-	(400,000)	\$0.48
Options forfeited	(200,000)	\$0.38	\$0.38	-	(200,000)	\$0.38
Options outstanding, December 31, 2008	4,405,000		\$0.33	2.8 years	2,314,995	\$0.34
Options granted March 24, 2009	970,000	\$0.32	\$0.32	5.0 years	-	-
Options vested	-	\$0.38	\$0.38	1.8 years	33,334	\$0.38
Options outstanding March 31, 2009	5,375,000		\$0.33	3.0 years	2,348,329	\$0.31
Options vested	-	\$0.37	\$0.37	2.8 years	223,335	\$0.37
Options vested	-	\$0.44	\$0.44	3.8 years	300,008	\$0.44
Options forfeited	(100,000)	\$0.37	\$0.37	-	(33,333)	\$0.37
Options outstanding June 30, 2009	5,275,000		\$0.33	2.7 years	2,838,339	\$0.33

The weighted average contractual life of exercisable options at June 30, 2009 is 1.8 years.

On March 24, 2009, the Company granted 970,000 options to employees, consultants, and directors. The options have an exercise price of \$0.32 per share, vest over three years and expire on March 24, 2014.

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

June 30, 2009 and 2008

4. Equity Instruments - continued

(c) Options - continued

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 3.6 years. Pursuant to CICA 3870 regarding stock based payments, the Company has recognized stock compensation expense relating to options granted by a major shareholder. 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.

A total compensation expense for the three and six months ended June 30, 2009 of \$85,000 (2008 - \$90,000) and \$185,000 (2008 - \$190,000), respectively, was recorded in the statements of operations and comprehensive income and offset in contributed surplus for options that were granted in 2006, 2007, 2008 and 2009 using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Risk free interest rate	2.08%	2.88%	2.83%	2.78-3.13%
Expected life of options	4 year	4 year	4 year	4 year
Expected dividend	Nil	Nil	Nil	Nil
Expected share price volatility	88.9%	91%	91%	82-91%

(d) Private placement

On June 6, 2008, the Company closed a non-brokered private placement by issuing 7,878,762 common shares at a price of \$0.42 per share for gross proceeds of \$3,309,080. The proceeds were used to pay down debt and for general working capital purposes. Share issue costs of \$15,473 were paid to legal counsel in respect of this private placement. Directors and officers of the Company and of the Company's subsidiaries subscribed for 3,719,047 of the shares issued in this private placement, representing \$1,562,000 or approximately 47.2% of the shares issued.

5. Contributed Surplus

	<u>June 30, 2009</u>	December 31, 2008
Balance, beginning of period	\$ 1,746,178	\$ 1,450,527
Stock compensation	185,000	330,000
Stock options exercised -fair value portion	-	(34,349)
Balance, end of period	\$ 1,931,178	\$ 1,746,178

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

June 30, 2009 and 2008

6. Related Party Transactions

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

- a) Management fees were received from Catapult Energy Limited Partnership I for services provided by Catapult Financial Management Inc., as general partner and advisor. During the three and six month periods ended June 30, 2009, related management fees of \$nil (2008 - \$nil) and \$nil (2008 - \$32,027), respectively, were recorded as revenue. Catapult Financial Management Inc. is a wholly owned subsidiary of the Company.
- b) Accounts receivable includes management fees receivable from Catapult Energy Small Cap FTS Limited Partnership of \$nil (2008 - \$22,540) for services provided by the Company, as administrator. During the three and six month periods ended June 30, 2009, related management fees of \$nil (2008 - \$21,467) and \$nil (2008 - \$32,282), respectively, were recorded as revenue.
- c) Accounts receivable includes management fees receivable from Catapult Energy Small Cap 2007 FTS Limited Partnership of \$nil (2008 - \$30,212) for services provided by the Company, as administrator. During the three and six month periods ended June 30, 2009, related management fees of \$nil (2008 - \$28,869) and \$nil (2008 - \$50,077), respectively, were recorded as revenue.
- d) On June 26, 2007, the Company invested \$1,800,000 in Sword Energy Inc. and received an acquisition promote for transaction services which has been valued at \$4,995,361 and recorded as revenue with an offset to long-term investments. The Company manages Sword, a private company, on behalf of the majority shareholders and is paid a quarterly management fee as well as acquisition fees when applicable in accordance with an executed management agreement. Accounts receivable includes \$591,336 (2008 - \$531,563) as at June 30, 2009 in respect of these management fees. For the three and six month periods ended June 30, 2009, \$387,361 (2008 - \$506,250) and \$823,751 (2008 - \$2,012,500; \$1,000,000 acquisition fee and \$1,012,500 in management fees), respectively, was recorded as revenue in respect of these management fees.
- e) Consulting expense for the three and six month periods ended June 30, 2009, includes \$16,500 (2008 - \$16,500) and \$33,000 (2008 - \$33,000), respectively, paid to Ghost Lake Manor Inc. for consulting services provided. Ghost Lake Manor Inc. is controlled by an indirect controlling shareholder of the Company.
- f) On June 6, 2008, the Company closed a non-brokered private placement by issuing 7,878,762 common shares at a price of \$0.42 per share for gross proceeds of \$3,309,080. The proceeds were used to pay down debt and for general working capital purposes. Directors and officers of the Company and of the Company's subsidiaries subscribed for 3,719,047 of the shares issued in this private placement, representing \$1,562,000 or approximately 47.2% of the shares issued.

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

June 30, 2009 and 2008

6. Related Party Transactions - continued

- g) Accounts receivable include management fees receivable from Catapult Energy 2008 FTS Limited Partnership ("2008 FTS") of \$28,209 (2008 - \$nil) for services provided by the Company, as administrator. During the three and six month periods ended June 30, 2009, related management fees of \$26,866 (2008 - \$nil) and \$41,848 (2008 - \$nil), respectively, were recorded as revenue. Catapult Management 2008 Inc., which is a wholly owned subsidiary of the Company, is the General Partner of 2008 FTS. Also, on the balance sheet, notes receivable of \$709,809 (2008 - \$nil) are promissory notes due from 2008 FTS. The notes are receivable on demand and accrue interest revenue at a rate of 6% annually. Interest is calculated from the date the note was issued and is receivable on a monthly basis on the last day of each month. Interest income for the three and six month periods ended June 30, 2009 includes \$13,682 (2008 - \$nil) and \$29,424 (2008 - \$nil), respectively, relating to the notes receivable.

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.

7. Financial Instruments

Fair Value of Financial Instruments

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.

Carrying Value and Fair Value of Financial Instruments

(a) Cash and cash equivalents

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

(b) Marketable securities

Marketable securities are classified as held-for-trading and are reported at fair value. As at June 30, 2009, the Company reported investments in marketable securities of publicly traded securities at a fair value of \$86,355 (June 30, 2008 - \$195,900).

(c) Accounts receivable

Accounts receivable are classified as loans and receivables and are reported at amortized cost. At June 30, 2009 the carrying value of accounts receivable approximated their fair value.

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

June 30, 2009 and 2008

7. Financial Instruments - continued

(d) Long-term investments

Wisevest Income Fund is an investment in an investment trust, which classifies its investments as held-for-trading. The fair value of Wisevest Income Fund as at June 30, 2009 is \$202,676 (June 30, 2008 - \$285,515).

Sword Energy Inc. is a 2.57% 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 June 30, 2009 is \$7,519,913 (June 30, 2008 - \$12,224,962 based on a 2.42% interest). Note that the fair value of the investment in Sword is recalculated quarterly based on internal and external reserve evaluations and estimates. The fair value is also affected significantly by a volatile oil and gas pricing environment. Therefore, changes in unrealized gains and losses from the Sword investment may fluctuate materially from quarter to quarter.

(e) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as other liabilities and are reported at amortized cost. At June 30, 2009, the carrying value of accounts payable and accrued liabilities approximated their fair value.

(f) 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 June 30, 2009, the amortized cost of the debentures was \$249,739 (June 30, 2008 - \$249,635).

8. Comparative Figures

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

9. Subsequent Event

On August 14, 2009, the Company announced the completion of a brokered private placement, issuing 5,117,301 units at a purchase price of \$0.30 per unit for gross proceeds of \$1,535,190.30. Each unit consists of one common share and one-half of a common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share at a price of \$0.45 per common share until February 14, 2011.