Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Foothills Exploration, Inc.
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Westlake Village, CA 91361

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SIC Code: 1311

Annual Report
For the Period Ending: December 31, 2019
(the "Reporting Period")

As of Current Reporting Period, the number of shares outstanding of our Common Stock was:

100,693,521

As of Prior Reporting Period ending September 30, 2019, the number of shares outstanding of our Common Stock was:

35,617,799

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

1,414,219,113

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Foothills Exploration, Inc. (the "Company"): August 4, 2016 - Present
Key Link Assets Corp.: May 13, 2010 – August 4, 2016

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware; Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

2660 Townsgate Road, Suite 800, Westlake Village, CA 91361

The address(es) of the issuer's principal place of business:
Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

None

2) Security Information

Trading symbol:	FTXP	
Exact title and class of securities outstanding:	100,693,521 shares of common stock outstanding at 12/31/2019	
CUSIP:	34512J108	
Par or stated value:	$0.0001	
Total shares authorized:	1,975,000,000	as of date: 12/31/2019
Total shares outstanding:	100,693,521	as of date: 12/31/2019
Number of shares in the Public Float[2]:	63,716,290	as of date: 12/31/2019
Total number of shareholders of record:	76	as of date: 12/31/2019

Transfer Agent

Name: VStock Transfer, LLC
Phone: (212) 828-8436
Email: alisha@vstocktransfer.com
Address: 18 Lafayette Place, Woodmere, NY 11598

[2] "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Is the Transfer Agent registered under the Exchange Act?[3] Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2017 Common: 14,900,627 Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
07/05/2018	New Issuance	150,000	Common	$0.202	No	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Commitment shares per conv. note	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/24/2018	New Issuance	100,000	Common	$0.12	No	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Shares per extension agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/27/2018	New Issuance	409,400	Common	$0.13	No	Elliot G. Freier Revocable Trust U/A 9/6/06	Shares per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/27/2018	New Issuance	534,111	Common	$0.17	No	Alex M. Hemb	Conversion of accrued unpaid salary	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/27/2018	New Issuance	795,333	Common	$0.17	No	Bruno P. Allaire	Conversion of accrued unpaid salary	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act

[3] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

08/27/2018	New Issuance	1,106,667	Common	$0.17	No	Christopher C. Jarvis	Conversion of accrued unpaid salary	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/27/2018	New Issuance	534,111	Common	$0.17	No	Kevin J. Sylla	Conversion of accrued unpaid salary	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/27/2018	New Issuance	350,000	Common	$0.0001	Yes	Berwin Trading Limited (Gloria Liu)	Per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
08/27/2018	New Issuance	400,000	Common	$0.0001	Yes	Profit Well Limited (M. Xifang FANG)	Per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
09/04/2018	New Issuance	865,889	Common	$0.17	No	Kevin J. Sylla	Conversion of accrued unpaid salary	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/01/2018	New Issuance	650,000	Common	$0.082	Yes	Labrys Fund, L.P. (TJ Silverman)	Commitment shares per note	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/28/2018	New Issuance	554,600	Common	$0.08	No	Elliot G. Freier Revocable Trust U/A 9/6/06	Per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/28/2018	New Issuance	360,000	Common	$0.08	No	Zhuge Liang, LLC (Aaron A. Grunfeld)	Per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/28/2018	New Issuance	60,000	Common	$0.08	No	Chengjie Song	Accounting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/28/2018	New Issuance	30,000	Common	$0.08	No	Irina Pestrikova	Accounting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/28/2018	New Issuance	150,000	Common	$0.08	No	Charles R. Cox	Legal services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
11/28/2018	New Issuance	125,000	Common	$0.09	No	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Commitment shares per conv note	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
02/12/2019	New Issuance	100,000	Common	$0.05	No	ChineseInvestors.com, Inc. (Warren Wang)	Marketing services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
02/12/2019	New Issuance	50,000	Common	$0.05	No	JAD Enterprises, LLC (Ralph Mills)	Marketing services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
02/12/2019	New Issuance	50,000	Common	$0.05	No	Investor Leads Network, LLC (Ralph Mills)	Marketing services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act

02/26/2019	New Issuance	875,000	Common	$0.0250	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/04/2019	New Issuance	460,000	Common	$0.025	Yes	Labrys Fund, L.P. (TJ Silverman)	Warrants per conv note dated 3/4/19	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/14/2019	Cancellatio n	(650,000)	Common	$0.0001	Yes	Labrys Fund, L.P. (TJ Silverman)	Cancellation per agreement	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/14/2019	New Issuance	650,000	Common	$0.0001	Yes	Labrys Fund, L.P. (TJ Silverman)	Warrants per conv note dated 3/4/19	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
05/15/2019	Cancellatio n	(1,400,000)	Common	$0.001	No	Kevin J. Sylla	Cancellation per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
06/20/2019	New Issuance	1,400,000	Common	$0.1337	No	Kevin J. Sylla	Reissuance per agreement	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
06/20/2019	New Issuance	125,000	Common	$0.1337	No	John D. Adamson	Geological services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
06/20/2019	New Issuance	200,000	Common	$0.1523	No	ChineseInvestors. com, Inc. (Warren Wang)	Marketing services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
06/21/2019	New Issuance	650,000	Common	$0.09	No	IRTH Communications, LLC (Robert Haag)	Investor relations services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
07/26/2019	New Issuance	233,000	Common	$0.0001	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
07/31/2019	New Issuance	318,396	Common	$0.0001	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
08/20/2019	New Issuance	1,000,000	Common	$0.0001	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
08/30/2019	New Issuance	1,304,000	Common	$0.02545	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/11/2019	New Issuance	15,000	Common	$0.025	No	Ligaya Ocean Ballard	Consulting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
09/11/2019	New Issuance	15,000	Common	$0.025	No	Willson Ng	Consulting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act

09/11/2019	New Issuance	50,000	Common	$0.025	No	Tara Roberts	Consulting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
09/11/2019	New Issuance	15,000	Common	$0.025	No	Ezra Schwarcz	Consulting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
09/11/2019	New Issuance	133,332	Common	$0.025	No	Roger Clinton	Consulting services	Restricted (1)	Exemption: Section 4(a)(2) of the Securities Act
09/23/2019	New Issuance	1,380,706	Common	$0.0075	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/23/2019	New Issuance	1,000,000	Common	$0.009	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/24/2019	New Issuance	1,000,000	Common	$0.001	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Cashless warrants per convertible note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/25/2019	New Issuance	1,505,933	Common	$0.009	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/26/2019	New Issuance	1,512,291	Common	$0.0001	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/26/2019	New Issuance	1,549,403	Common	$0.0075	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
09/30/2019	New Issuance	1,233,535	Common	$0.0075	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/04/2019	New Issuance	1,648,800	Common	$0.005	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/07/2019	New Issuance	1,787,288	Common	$0.005064	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/09/2019	New Issuance	791,542	Common	$0.005	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/10/2019	New Issuance	1,992,330	Common	$0.005064	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/14/2019	New Issuance	2,149,257	Common	$0.00422	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act

10/17/2019	New Issuance	2,193,197	Common	$0.00192	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/18/2019	New Issuance	2,256,505	Common	$0.0024	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/27/2019	New Issuance	2,400,000	Common	$0.00132	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/28/2019	New Issuance	2,478,545	Common	$0.00185	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/31/2019	New Issuance	1,657,350	Common	$0.0015	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
10/31/2019	New Issuance	1,064,635	Common	$0.0015	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/06/2019	New Issuance	2,806,260	Common	$0.001	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/07/2019	New Issuance	2,857,812	Common	$0.00125	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/07/2019	New Issuance	2,000,000	Common	$0.0001	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Cashless warrants per convertible note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/07/2019	New Issuance	2,850,000	Common	$0.000875	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/11/2019	New Issuance	3,287,565	Common	$0.0008	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/12/2019	New Issuance	3,382,464	Common	$0.001	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/12/2019	New Issuance	3,380,000	Common	$0.00063	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/13/2019	New Issuance	3,690,476	Common	$0.00063	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
12/10/2019	New Issuance	4,049,636	Common	$0.00935	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act

12/12/2019	New Issuance	4,002,984	Common	$0.00935	Yes	Odyssey Capital Funding, LLC (Ahron Fraiman	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
12/13/2019	New Issuance	2,200,000	Common	$0.0001	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Cashless warrants per convertible note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
12/13/2019	New Issuance	4,469,941	Common	$0.00085	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
12/16/2019	New Issuance	4,445,600	Common	$0.00085	Yes	GW Holdings Group, LLC (Noah Weinstein])	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
Shares Outstanding on Date of This Report: Ending Balance as of 12/31/2019 Common: 100,693,521 Preferred: 0									

<u>Footnotes:</u>

(1) Shares were restricted at the time of issuance.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
12/30/2016	$6,000,000	$6,000,000	900,000	6/30/2017	n/a	Total Belief Limited (1) (Peter Mak)	Acquisition of oil and gas assets
12/30/2016	$1,250,000	$1,250,000	628,360	6/20/2017	n/a	Berwin Trading Limited (2) (Gloria Liu)	Acquisition of oil and gas assets
5/10/2017	$50,000	$50,000	13,223	5/10/2018	Convertible per terms described in below footnote (3)	Elliot G. Freier Revocable Trust U/A 9/6/06 (5)	Convertible Note
8/9/2017	$1,050,000	$1,050,000	439,765	9/8/2017	n/a	Profit Well Limited (4) (M. Xifang FANG)	Promissory note for repayment of Full Wealth debenture
9/29/2017	$250,000	$250,000	84,375	9/8/2017	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (5)	Promissory Note
11/1/2017	$120,629	$120,629	32,278	2/2/2018	n/a	Law Offices of Aaron A. Grunfeld (6)	Legal services rendered
11/1/2018	$30,000	$380,000	$27,566	5/1/2019	Convertible per terms described in below footnote (7)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
7/19/2018	$38,000	$38,000	–	8/6/2018	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (8)	Promissory Note

8/11/2018	$44,000	$44,000	8,255	2/11/2020	Convertible per terms described in below footnote (9)	Elliot G. Freier Revocable Trust U/A 9/6/06	Convertible Note
9/14/2018	$100,000	$100,000	11,669	12/15/2018	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (10)	Promissory Note
10/22/2018	$50,000	$50,000	4,770	10/22/2019	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (11)	Promissory Note
12/19/2018	$6,291	$58,300	–	9/19/2019	Convertible per terms described in below footnote (12)	Jefferson Street Capital (Brian Goldberg)	Convertible Note
2/5/2019	$209,525	$209,525	128,350	2/5/2020	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (13)	Discounted debenture
3/4/2019	$680,882	$705,882	53,302	9/1/2019	Convertible per terms described in below footnote (14)	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Convertible Note
3/6/2019	$380,000	$380,000	37,511	9/6/2019	Convertible per terms described in below footnote (15)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
3/19/2019	$52,250	$52,250	4,112	12/19/2019	Convertible per terms described in below footnote (16)	Jefferson Street Capital (Brian Goldberg)	Convertible Note
3/20/2019	$35,320	$40,018	3,624	3/28/2020	Convertible per terms described in below footnote (17)	Crown Bridge Partners, LLC (Seth Adhoot)	Convertible Note
5/15/2019	$127,750	$131,250	9,576	5/15/2020	Convertible per terms described in below footnote (18)	Odyssey Capital Funding, LLC (Ahron Fraiman)	Convertible Note
5/29/2019	$57,000	$57,000	3,373	5/29/2020	Convertible per terms described in below footnote (19)	JSJ Investments, Inc. (Sameer Hirji)	Convertible Note
5/31/2019	$83,075	$86,625	5,758	5/31/2020	Convertible per terms described in below footnote (20)	GW Holdings Group, LLC (Noah Weinstein])	Convertible Note
5/31/2019	$56,400	$60,000	3,241	5/31/2020	Convertible per terms described in below footnote (21)	GS Capital Partners, LLC (Gabe Sayegh)	Convertible Note
6/4/2019	$46,200	$46,200	2,126	6/4/2020	Convertible per terms described in below footnote (22)	LG Capital Funding, LLC (Joseph Lerman)	Convertible Note
6/19/2019	$113,000	$113,000	7,244	6/17/2020	Convertible per terms described in below footnote (23)	Power Up Lending Group, Ltd. (Curt Kramer)	Convertible Note
7/11/2019	$236,250	$236,250	$13,437	7/11/2020	Convertible per terms described in below footnote (24)	Odyssey Capital Funding, LLC (Ahron Fraiman)	Convertible Note
7/11/2019	$78,000	$78,000	4,283	7/11/2020	Convertible per terms described in below footnote (25)	Power Up Lending Group, Ltd. (Curt Kramer)	Convertible Note
7/23/2019	$110,000	$110,000	4,852	7/23/2020	Convertible per terms described in below footnote (26)	GS Capital Partners, LLC (Gabe Sayegh)	Convertible Note
9/19/2019	$115,000	$115,000	3,894	9/19/2020	Convertible per terms described in below footnote (27)	Odyssey Capital Funding, LLC (Ahron Fraiman)	Convertible Note
11/4/2019	$90,000	$90,000	$1,897	12/31/2023	Bridge note per terms described in below footnote (28)	Beijing Gas Blue Sky Holdings Limited (Li Weiqi)	Bridge Note
11/12/2019	$50,000	$50,000	$370	12/31/2023	Bridge note per terms described in below footnote (29)	Beijing Gas Blue Sky Holdings Limited (Li Weiqi)	Bridge Note

Footnotes:

(1) On December 30, 2016, the Company issued a promissory note in the principal amount of USD $6,000,000 to Total Belief Limited (TBL), a wholly owned subsidiary of New Time Energy Corporation, in connection with certain oil and gas assets acquired on December 30, 2016. These assets include certain oil and gas wells throughout the Uinta Basin in Utah on acreage with over 30 proved undeveloped drilling locations, additional non-operating interest in other leases, and access to approximately 6,000 acres in the Uinta Basin with proven and probable reserves and existing infrastructure in place. This note bears no interest during its term. The Company recorded $342,804 of imputed interest as debt discount. Starting from July 1, 2018, the note bears 10% annual interest.

(2) On January 5, 2017, Foothills borrowed $1,250,000 from Berwin Trading Limited. This note called for interest at 9% per annum; but because it was not paid when due interest was to have accrued at a default rate of 11% from the due date of the note. The Company used net proceeds of this loan to satisfy certain obligations under a Purchase and Sale Agreement with Total Belief Limited, dated December 30, 2016, for general working capital and to support certain target drilling activities. On May 4, 2017, the Company and Berwin agreed to extend the maturity date of the debenture to June 20, 2017, in return for an annual interest rate increase from 9% to 13.5% per annum for the life of the debenture. On November 3, 2017, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. As partial consideration for the deferment, the Company issued Berwin 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

On February 28, 2018, Berwin and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Berwin with 250,000 shares of restricted common stock valued at $58,375. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”). In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $125,000 shall become due and payable to Berwin by the Company. On June 30, 2018, we recorded $125,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”). The Company and Berwin are in ongoing discussions to extend the term of this Note and the Company believes it will either extend, rework, or repay the obligation to the satisfaction of Berwin. On July 29, 2018, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate Berwin with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

(3) On May 10, 2017, we entered into a convertible note agreement with an unrelated party, pursuant to which we borrowed $50,000 at an annual percentage rate of 10% with a term of 12 months, which is due on May 10, 2018. This note may, at the option of the lender, be converted at any time prior to May 10, 2018, into fully-paid, restricted and non-assessable shares of common stock of the Company at a price equal to 100% of the selling price of such common stock in a private placement to institutional and/or accredited investors initiated by the Company during the term of this convertible note until May 10, 2018. On November 7, 2017, the Company issued 50,000 warrants to purchase 50,000 shares of common stock of the Company at a strike price of $1.00 per share expiring on May 7, 2019. If the Company fails to pay the principal and accrued unpaid interest due and payable to Lender on or before the due date of the convertible note, then the Lender shall be provided the right to convert at either $0.665 per share or upon the same terms offered in FirstFire Global Opportunities Fund, LLC Note’s conversion options. The relative fair value of warrant was determined to be $3,381 on November 7, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 77%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 years. The issuance of the warrants in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

On September 17, 2018, the note holder agreed to defer repayment of this note to December 15, 2018, the Company agreed to compensate the note holder with 50,000 shares of restricted common stock valued at $4,500. On April 4, 2019, note holder confirmed that the Company is not in default with respect to this note. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”). As of December 31, 2019, the note is past due, but not in default.

(4) On August 9, 2017, Foothills borrowed $1,050,000 from Profit Well Limited, a Hong Kong limited liability company. The Company executed a Bridge Note with an annual percentage interest rate of 13.5% and a maturity date of September 8, 2017. Proceeds of this Bridge Note were primarily used to repay Full Wealth for the debenture dated June 1, 2017. On November 3, 2017, Profit Well Limited agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. Profit Well Limited also reaffirmed its belief that the Company will either extend or repay the obligation to the satisfaction of Profit Well. As partial consideration for the deferment, the Company agreed to issue Profit Well Limited 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

On February 28, 2018, Profit Well and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Profit Well with 200,000 shares of restricted common stock valued at $46,700. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”). In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $100,000 shall become due and payable to Profit Well by the Company. On June 30, 2018, we recorded $100,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”). On July 29, 2018, Profit Well Limited agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate Profit Well with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

(5) On September 29, 2017, the Company issued to an unaffiliated investor a promissory note and three tranches of warrants for an aggregate consideration of $250,000. The Note recites that it accrues no interest if paid when due and is due and payable on January 2, 2018. If principal is not paid on or before maturity, interest will accrue at the rate of 15% per year until paid. On November 6, 2017, the Company agreed to compensate the investor with 75,000 shares of the Company's restricted common stock in connection with a more favorable term of a note entered into with FirstFire Global Opportunities Fund, LLC ("FirstFire"). On December 30, 2017, the Company and the investor agreed to extend the maturity date of this Note to January 23, 2018, in return for a payment at maturity of the principal, accrued interest as provided in the Note, plus 30,000 shares of the Company's restricted common stock. Because the fair value of the shares was greater than 10% of the present value of the remaining cash flows under the Note, the issuance of the shares in connection with a more favorable term of a note entered with FirstFire was treated as a debt extinguishment and reissuance of a new debt instrument pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50").

Since January 23, 2018, the Company and the investor have been in ongoing discussions to extend the term of this Note. On March 28, 2018, the investor acknowledged that the Company is not in default regarding this Note and reaffirmed its belief that the Company will either extend the Note's due date or repay its obligation on terms that are mutually satisfactory. The warrants have the following terms:

- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $0.665 per share expiring on September 29, 2019;
- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $1.25 per share expiring on September 29, 2020; and
- 185,000 warrants to purchase 185,000 shares of common stock of the Company at a strike price of $2.00 per share expiring on September 29, 2020.

The aggregate relative fair value of three tranches of warrants was determined to be $105,000 on September 29, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2-3 years. $2,536 imputed interest was recorded as debt discount. $2,536 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.26 year. The aggregate value of the warrants and imputed interest of $107,536 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. During the year ending December 31, 2018, the Company amortized the remaining $2,264 of such discount to interest expense. At December 31, 2018, $250,000 of principal was outstanding under the Note.

Each tranche of warrants is subject to down round adjustment provisions if the Company during the term of that tranche issues additional securities for consideration per share, after giving effect to fees, commission and expenses, that is less, or which on conversion or exercise of the underlying security is less, than $0.665 per share (as adjusted for any change resulting from forward or reverse splits, stock dividends and similar events).

To satisfy most favored nation provisions in previously entered securities purchase agreements that are triggered by the transaction described above, the Company issued 136,015 shares of common stock and warrants to purchase 136,015 shares of common stock, in the aggregate, to certain investors who purchased units from the Company, at a $1.00 per unit, with each unit consisting of one share and one warrant. See the Company's Current Report on the Form 8-K filed with the SEC on June 5, 2017. Of this amount, 100,752 shares and warrants to purchase 100,752 shares of common stock will be issued to Wilshire Energy Partners LLC, an entity controlled by Kevin J. Sylla, our Executive Chairman and Chief Executive Officer of FPI. The exercise price of these investor warrants was adjusted to $0.665 per share. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price of $1.50 and an adjusted exercise price of $0.665 and, as a result, $59,801 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $59,801 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(6) On November 1, 2018, a promissory note in the principal amount of $120,629 was issued for services rendered, bearing an interest rate of 12% per annum and with a maturity date of June 30, 2018. On August 22, 2018, the Note Holder agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. As partial consideration for the deferment, the Company agreed to issue the Note Holder 60,000 shares of its restricted common stock. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50").

(7) On November 1, 2018, the Company closed on a convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated November 1, 2018, in the principal amount of $380,000, with an original issue discount of 10% and received proceeds of $342,000, with original discount of $42,000 including legal fees (the "Labrys Note"). As part of this transaction the Company issued Labrys warrants having a five-year term to purchase 687,500 shares of the Company's restricted common stock, at an exercise price of $0.20 per share, with a cashless exercise feature ("Warrant #1"). The Company also issued Labrys warrants having a five-year term to purchase 2,062,500 shares of the Company's restricted common stock, at an exercise price of $0.20 per share, with a cashless exercise feature ("Warrant #2"). Warrant #2 provides the Company with an option to call the warrant (the "Call Option") for a period of one-hundred eighty (180) calendar days following issuance for a total consideration of Twenty Thousand U.S. Dollars and No/Cents ($20,000.00) (the "Call Payment"). If the Company exercises the Call Option, then the Company shall make the Call Payment within five (5) business days of the date the Company

exercises the Call Option. If the Call Payment is not made withing the required time frame, then the Company shall permanently lose its right to exercise the Call Option with respect to Warrant #2.

The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The Labrys Note accrues interest at 12% per year and is due and payable on May 1, 2019. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. As of December 31, 2019, the note is past due, but not in default.

(8) On July 19, 2018, the Company issued a promissory note in the principal amount of $38,000 from an unaffiliated investor with an original discount of $3,207 (the “Note”). The Note recites that it accrues no interest if paid when due and is due and payable on August 6, 2018. If principal is not paid on or before maturity, interest will accrue at the rate of 10% per year until paid. In connection with the issuance of this note, the Company issued 300,000 shares for late SEC filing, valued at $36,000. $74 imputed interest was recorded as debt discount. $74 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.05 year. The relative aggregate value of the shares and imputed interest was determined to be $32,793 using the allocation of proceed, $32,793 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. Pursuant to this Note, the investor shall be assigned an undivided two percent (2%) overriding royalty of all oil, gas, and other minerals and hydrocarbons produced, saved, and sold from each well now or hereinafter located on certain leases and wells owned by the Company.

On August 23, 2018, the lender agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate the lender with 15,000 shares of restricted common stock valued at $1,950. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

(9) On August 11, 2018, the Company borrowed $44,000 from an unaffiliated investor, bearing an interest rate of 12.5% per annum and with a maturity date of February 11, 2020. As part of this transaction the Company also issued (i) warrants having a 24-month term, to purchase 100,000 shares of the Company’s common stock at an exercise price of $0.665 per share and (ii) 44,000 shares of the Company’s restricted common stock. The Note agreements give the lender the right to convert the loan amounts due into common stock at a fixed conversion price of $0.20. The aggregate relative fair value of the warrant was determined to be $9,035 on August 11, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 221%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2 year. Fair value of 44,000 shares of common stock was determined to be $5,280 using market price. The aggregate value of the warrant and 44,000 shares of common stock of $14,315 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(10) On September 14, 2018, the Company issued a promissory note in the principal amount of $100,000 from an unaffiliated investor, bearing an interest rate of 9% per annum and with a maturity date of December 15, 2018. In connection with the issuance of this note, the Company issued 250,000 shares of its common stock, valued at $22,500, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

(11) On October 22, 2018, the Company issued a promissory note in the principal amount of $50,000 (the “Note”) with a Volumetric Production Payment (“VPP”) equal to 1,250 barrels of oil equivalent (“BOE”). The Note has a maturity date of October 22, 2019, with the Principal and accrued unpaid interest due in full at Maturity. VPP will be made after deduction of 20% royalties due to mineral owners, paid within the term on the Note and at the discretion of the Company as to amount and volume; *provided, however,* that the VPP for any month shall not be less than 5% of the month’s total crude oil sales. Payment may be made “in-kind” at the election of the Investor. If election is made by Investor to be paid “in-kind,” then Investor shall bear responsibility for paying mineral owner royalties due on said “in-kind” payments. All VPP’s to be made from the production of the Company’s operating subsidiaries, Foothills Exploration Operating, Inc. and Tiger Energy Operating, LLC, from the well bores of the Company’s Duck Creek wells, subject to the terms of the Leases covering such wells. Such VPP will continue until paid in full, regardless of payment in full of the Note and shall be secured by the assets. In the event that the West Texas Intermediate (WTI) crude oil market price closes below USD $40.00 per

barrel for 10 consecutive trading days, the Investor shall be allocated a revised VPP equal to 2 times the remaining VPP barrels left over at that time.

Pursuant to this Note, the investor shall be assigned an un undivided one-half percent (0.5%) overriding royalty interest ("ORRI") in all oil, gas and other minerals produced, saved, and marketed from each well now or hereinafter located on wells owned by the Company, subject to the terms of the Leases covering such wells. Upon any default in payment of principal hereunder, the Company shall pay interest on the principal balance of this Note then outstanding and on the accrued but unpaid interest from the date of such default until such default is cured and the Note paid in full at the rate of Fifteen Percent (15%). The Company agreed to issue the investor 200,000 shares of the Company's restricted common stock as additional consideration for entering into the Note with the Company, valued at $16,000, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

Pursuant to this Note, Investor has the right to participate in any future offering by the Company for a period of twelve (12) months for an amount equal to the principal amount detailed in this Term Sheet. So long as the Note is outstanding, if the Company enters into a subsequent financing with another individual or entity (a third party) on terms that are more favorable to that third party, the agreements between the Company and the investor shall be amended to include such better terms.

(12) On December 19, 2018, Foothills Exploration, Inc. (the "Company"), entered into a convertible loan transaction with an unaffiliated investor ("Holder") in the principal amount of $58,300 (the "Note"), which funded and closed on December 21, 2018, before giving effect to certain transactional costs including legal fees yielding a net of $53,000. The Note carries an original issue discount of $5,300 (the "OID"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the negotiation, purchase and sale of the Note, which is included in the principal balance of this Note.

The Note agreements give the Holder, after the 180th calendar day after the issue date, the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note due into fully paid and non-assessable shares of Common Stock at the Conversion Price, which is equal the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of this Note or (ii) 60% multiplied by the lowest trading price for the common stock during the twenty-five (25) trading day period ending on the latest complete trading day prior to the conversion date.

The Note accrues interest at 10% per year. The maturity date for the Note is September 19, 2019 ("Maturity Date"), and is the date upon which the principal sum, as well as any accrued and unpaid interest, shall be due and payable. The Company may prepay any amount outstanding under this Note, during the initial 60 calendar day period after the issuance of this Note, by making a payment to the Holder of an amount in cash equal to 125% multiplied by the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in this Note, the Company may prepay any amount outstanding under each tranche of this Note, during the 61st through 120th calendar day period after the issuance of the respective tranche of this Note, by making a payment to the Holder of an amount in cash equal to 135% multiplied the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in this Note, the Company may prepay any amount outstanding under each tranche of this Note, during the 121st through 180th calendar day period after the issuance of the respective tranche of this Note, by making a payment to the Holder of an amount in cash equal to 140% multiplied the amount that the Company is prepaying. As of December 31, 2019, the note is past due, but not in default.

The Company may not prepay any amount outstanding under each tranche of this Note after the 180th calendar day after the issuance of the respective tranche of this Note. Any amount of principal or interest due pursuant to this Note, which is not paid by the Maturity Date, shall bear interest at the rate of the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum amount permitted by law from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the date that each tranche of the Note is fully paid and shall be computed on the basis of a 360-day year and the actual number of days elapsed. Net proceeds obtained in this transaction will be used for general corporate and working capital purposes. No broker-dealer or placement agent was retained or involved in this transaction.

The Company accounted for the conversion feature, which was recorded as a derivative valued at $102,942, of which $52,942 was expensed immediately to interest expense. $102,942 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 228%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $50,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. On June 24, 2019, we increased the principal balance by 10% in the amount of $5,830 and in exchange the noteholder agreed not to convert the Note into common stock until July 21, 2019. The $5,830 in exchange for not converting was treated as an extinguishment of existing debt pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50").

On July 19, 2019, we increased the principal balance by 10% in the amount of $6,787 and in exchange the noteholder agreed not to convert the Note into common stock until August 19, 2019. The $6,787 in exchange for not converting was treated as an extinguishment of existing debt pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50"). During the year ending December 31, 2019, debt holder converted $21,553 of principal and $1,000 of fee into 2,505,933 shares of common stock.

(13) On February 5, 2019, the Company issued a discounted debenture in the principal amount of $209,525 from an unaffiliated investor with an original issue discount of $33,524 (the "Note"). The Note matured on February 5, 2020 and bears 10% interest. The Company failed to pay $71,000 principal payment, which was due on March 15, 2019. As the result, we incurred $100,000 penalty and interest was increased to 15%.

(14) On March 4, 2019, the Company closed on a loan transaction with FirstFire Global Opportunities Fund, LLC, ("FirstFire") pursuant to which the Company issued FirstFire a senior secured convertible promissory note ("FirstFire Note") in the principal amount of $705,882, and received proceeds of $592,500, with original discount of $113,382. As part of this transaction the Company issued (i) warrants having an 18-month term, to purchase 1,125,000 shares of the Company's common stock at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of Common Stock (upon conversion, exercise or otherwise) (including but not limited to under the FirstFire Note), at an effective price per share less than the then Exercise Price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the exercise price upon issuance.

The FirstFire Note accrues interest of 10% per annum, and matures on September 1, 2019, which is the date upon which the principal sum, the original issue discount, as well as any accrued and unpaid interest and other fees, shall be due and payable. The Company agreed to make payments of $20,000 per month pursuant to a cash management agreement as described in the note agreements. The FirstFire Note is collateralized by the GRB Assets, which principally are being acquired by the Company with the net proceeds of this Note.

FirstFire has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $3,553,635 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $273,735 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. The conversion feature was recorded as a derivative valued at $4,135,070, of which $3,816,305 was expensed immediately to interest expense. $4,135,070 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $318,765 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. During the year ending December 31, 2019, we paid $100,000 towards the principal of the FirstFire Note.

(15) On March 6, 2019, the Company closed on a convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated March 6, 2019, in the principal amount of $380,000, with an original issue discount of 10% and received proceeds of $338,000, with original discount of $42,000 including legal fees (the "Labrys Note"). The Company utilized proceeds in part to pay (i) $110,000 to Labrys as partial repayment of a convertible promissory note issued on November 1, 2018 and (ii) $40,000 to the Company's auditor. As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 608,000 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The Labrys Note accrues interest at 12% per year and is due and payable on September 6, 2019. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. As of December 31, 2019, the note is past due, but not in default.

The aggregate relative fair value of the warrant was determined to be $2,306,364 on March 6, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $158,860 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $2,599,866, of which $179,140 was expensed immediately to interest expense. $2,599,866 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $179,140 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Labrys Note or in full upon the conversion of the Labrys Note.

(16) On March 19, 2019, the Company entered into a securities purchase agreement (the "JSC SPA") with Jefferson Street Capital, LLC, an unaffiliated investor ("JSC"), pursuant to which the Company issued and sold to JSC a convertible promissory note (the "JSC Note") in the principal amount of $52,250 (the "JSC Principal"). The foregoing transaction closed on March 28, 2019 and the Company received $40,000, with original discount of $12,250. As part of this transaction the Company also issued JSC warrants having an 18-month term to purchase 83,078 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the JSC Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The JSC Note accrues interest at 10% per year and carries an original issue discount of $4,750. The maturity date for the JSC Note is December 19, 2019, at which time the JSC principal, and any accrued but unpaid interest, is due and payable. JSC may convert after the 180th calendar day after the issue date of the JSC Note, all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the JSC Note due into shares of common stock of the Company at the conversion price that is equal to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The aggregate relative fair value of the warrant was determined to be $296,143 on March 19, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $18,160 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $356,844, of which $335,004 was expensed immediately to interest expense. $356,844 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the JSC Note or in full upon the conversion of the JSC Note.

(17) On March 20, 2019, the Company, entered into Amendment #1 to the Securities Purchase Agreement dated December 6, 2018, with Crown Bridge Partners, LLC, an unaffiliated investor ("Holder") pursuant to which the Company closed on March 28, 2019 a second tranche under the Note, dated December 6, 2017, with a face value of $40,018 (the "Second Tranche" of the "Note"). The Company received $35,000 with original discount of $5,018 including legal fees. The Note carries an original issue discount of $12,000 (the "OID") to face value prorated to each tranche, to cover the Holder's transaction related costs incurred in connection with the negotiation, purchase and sale of the note. Each tranche of the note funded accrues interest at a rate of 12% per year. The principal amount of each respective tranche, as well as any accrued and unpaid interest and other fees relating to that respective tranche, is due and payable twelve (12) months from the date on which each respective tranche is delivered to the Company. The Company may not prepay any amount outstanding under each tranche of this Note after the 180th calendar day after the issuance of the respective tranche received pursuant to the Note.

As part of this transaction the Company also issued warrants having a 5-year term to purchase 80,036 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The Holder may convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Note due into shares of common stock of the Company at the conversion price that is equal to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The aggregate relative fair value of the warrant was determined to be $106,534 on March 20, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $18,480 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $95,370, of which $78,850 was expensed immediately to interest expense. $16,520 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(18) On May 15, 2019, the Company closed on a loan transaction with Odyssey Capital Funding, LLC ("Odyssey"), pursuant to which the Company issued Odyssey a convertible redeemable promissory note ("Odyssey Note") in the principal amount of $131,250, and received proceeds of $125,000, before giving effect to certain transactional costs. The Odyssey Note accrues interest of 12% per annum and matures on May 15, 2020.

Odyssey is entitled, at its option, at any time after the 180th daily anniversary of the Odyssey Note, to convert all or any amount of the principal face amount of the Odyssey Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received by the Company.

The conversion feature was recorded as a derivative valued at $230,389, of which $105,389 was expensed immediately to interest expense. $230,389 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $125,000 and original debt discount of $6,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Odyssey Note or in full upon the conversion of the Odyssey Note.

(19) On May 29, 2019, the Company closed on a convertible loan transaction with JSJ Investments, Inc. ("JSJ") in the principal amount of $57,000 and received proceeds of $55,000 with an original issue discount of $2,000 (the "Note"). The Note accrues interest of 10% per annum and matures on May 29, 2020.

The conversion feature was recorded as a derivative valued at $88,261, of which $33,261 was expensed immediately to interest expense. $88,261 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $55,000 and original debt discount of $2,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

The exercise price of this Note was adjusted to 75% of the conversion price of the GW Note dated May 31, 2019. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price and an adjusted exercise price and, as a result, $45,638 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $45,638 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(20) On May 31, 2019, the Company closed on a convertible loan transaction with GW Holdings Group, LLC ("GW") in the principal amount of $86,625 with an original issue discount of $11,625, before giving effect to certain transactional costs including legal fees yielding a net of $75,000 (the "Note"). The maturity date for this Note is May 31, 2020 ("Maturity Date").

GW is entitled, at its option, at any time after the 180th daily anniversary of the Note, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock at a price equal to 50% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received,

As part of this transaction the Company also issued warrants having a five-year term to purchase 160,000 shares of the Company's restricted common stock at an exercise price of $0.50 per share with a cashless exercise feature.

The aggregate relative fair value of the warrants was determined to be $159,495 on May 31, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $38,775 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $148,885, of which $112,660 was expensed immediately to interest expense. $148,885 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $36,225 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(21) On May 31, 2019, the Company closed on a convertible loan transaction with GS Capital Partners, LLC ("GS") in the principal amount of $60,000 and received proceeds of $50,000 with an original issue discount of $10,000 (the "Note"). This Note accrues interest of 10% per annum and matures on May 31, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty-five (25) prior trading days including the day upon which a notice of conversion is received,

The conversion feature was recorded as a derivative valued at $92,904, of which $42,904 was expensed immediately to interest expense. $92,904 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $50,000 and original debt discount of $10,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(22) On June 4, 2019, the Company closed on a convertible loan transaction with LG Capital Funding, LLC ("LG"), in the principal amount of $46,200 and received proceeds of $40,000 with an original issue discount of $6,200 (the "Note"). This Note accrues interest of 8%

per annum and matures on June 4, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 60% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $73,627, of which $33,627 was expensed immediately to interest expense. $73,627 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $40,000 and original debt discount of $6,200 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(23) On June 19, 2019, the Company closed on a convertible loan transaction with Power Up Lending Group, Ltd. ("Power Up") in the principal amount of $113,000, before giving effect to certain transactional costs including legal fees yielding a net of $113,000 (the "Note"). The maturity date for this Note is June 17, 2020.

Power Up is entitled, at its option, at any time after the 180th daily anniversary of the Note, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $274,884, of which $164,884 was expensed immediately to interest expense. $274,884 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 274%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(24) On July 11, 2019, the Company closed on a convertible loan transaction with Odyssey Capital Funding, LLC ("Odyssey"), in the principal amount of $236,250 and received proceeds of $225,000 with an original issue discount of $11, 250 (the "Note"). This Note accrues interest of 12% per annum and matures on July 11, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $367,966, of which $142,966 was expensed immediately to interest expense. $367,966 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 257%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $225,000 and original debt discount of $11,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(25) On July 17, 2019, the Company closed on a convertible loan transaction with Power Up Lending Group, Ltd. ("Power Up") in the principal amount of $78,000 and received proceeds of $75,000 with an original issue discount of $3,000 (the "Note"). This Note accrues interest of 12% per annum and matures on July 17, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days excluding the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $154,168, of which $79,168 was expensed immediately to interest expense. $154,168 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $75,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(26) On July 23, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $110,000 and received proceeds of $95,000 with an original issue discount of $15,000 (the "Note"). This Note accrues interest of 10% per annum and matures on July 23, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $242,351, of which $147,351 was expensed immediately to interest expense. $242,351 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 251%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $95,000 and original debt discount of $15,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(27) On September 19, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $115,000 and received proceeds of $110,000 with an original issue discount of $5,000 (the "Note"). This Note accrues interest of 12% per annum and matures on September 19, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $179,617, of which $69,617 was expensed immediately to interest expense. $179,617 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 249%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $5,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(28) On November 4, 2019, the Company closed on a 13.5% interest short-term bridge note transaction with an unaffiliated third party in the principal amount of $90,000.00 (the “Bridge Note”). The lender may not assign, sell, pledge, or otherwise transfer all or any portion of its interest in this Bridge Note at any time without prior notice to or consent of the Company.

(29) On November 12, 2019, the Company closed on a 13.5% interest short-term bridge note transaction with an unaffiliated third party in the principal amount of $50,000.00 (the “Bridge Note”). The lender may not assign, sell, pledge, or otherwise transfer all or any portion of its interest in this Bridge Note at any time without prior notice to or consent of the Company.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[4]:

Name:	David Wells
Title:	Owner, Atlas Bookkeeping, Inc.
Relationship to Issuer:	Contractor for bookkeeping, accounting and compliance services

See Financial Statements and Footnotes attached hereto.

5) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. In answering this item, please include the following:

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Foothills Exploration, Inc. (the “Company”) was incorporated in the State of Delaware on May 13, 2010, under the name “Key Link Assets Corp.” for the purpose of acquiring a portfolio of heavily discounted real estate properties in the Chicago metropolitan area. The Company changed its focus and planned to acquire small and medium sized grocery stores in non-urban locales that are not directly served by large national supermarket chains.

On May 2, 2016, Foothills Petroleum Inc., a Nevada corporation (“FPI”) acquired approximately 14.1 million pre-split (56.4 million post-split) shares of the Company’s common stock constituting approximately 96% of our then issued and outstanding shares (“FPI Acquired Shares”). As of May 16, 2016, we effected a 4:1 forward split of our shares of common stock.

On May 27, 2016, the Company entered into a Share Exchange Agreement with shareholders of FPI whereby we acquired all of the outstanding shares of FPI in exchange for 4,500,000 shares of our common stock and also issued 1,503,759 shares of our common stock on automatic conversion of debt (please see discussion below under Overview) for an aggregate of 6,003,759 shares of our common stock (the “Share Exchange”). As a result of the Share Exchange, FPI became our wholly owned subsidiary and the FPI Acquired Shares were returned to treasury and deemed cancelled. For accounting purposes, this transaction is being accounted for as a reverse acquisition and has been treated as a recapitalization of the Company with FPI considered the accounting acquirer, and the financial statements of the accounting acquirer became the financial statements of the registrant. The completion of the Share Exchange resulted in a change of control. The FPI Shareholders obtained approximately 96% of voting control on the date of Share Exchange. FPI was the acquirer for financial reporting purposes and the Company was the acquired company. The consolidated financial statements after the acquisition include the balance sheets of both companies at historical cost, the historical results of FPI

[4] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

and the results of the Company from the acquisition date. All share and per share information in the accompanying consolidated financial statements and footnotes have been retroactively restated to reflect the recapitalization.

Prior to the Share Exchange, the Company had minimal assets and recognized no revenues from operations and were accordingly classified as a shell company. On June 24, 2016, the Company filed an Amendment No. 1 to its Current Report on Form 8-K originally filed on June 10, 2016, indicating that they were no longer a shell company as defined by Rule12b-2 of the Exchange Act. In light of the closing of the Share Exchange, the Company became actively engaged in oil and gas operations.

On August 4, 2016, the Financial Industry Regulatory Association ("FINRA") approved our name change from Key Link Assets Corp. to Foothills Exploration, Inc., and a change of trading symbol from KYLK to FTXP.

On June 17, 2019, the Company filed a Certificate of Amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware, increasing the authorized capital of the Company. The total number of shares of all classes of stock which the Company is authorized to issue was increased to 500,000,000 shares, consisting of 475,000,000 shares of common stock, $0.0001 par value, and 25,000,000 shares of preferred stock, $0.0001 par value.

On October 23, 2019, the Company filed a Certificate of Amendment of its Certificate of Incorporation with the Secretary of State of the State of Delaware, increasing the authorized capital of the Company. The total number of shares of all classes of stock which the Company is authorized to issue was increased to 2,000,000,000 shares, consisting of 1,975,000,000 shares of common stock, $0.0001 par value, and 25,000,000 shares of preferred stock, $0.0001 par value.

Employees

As of December 31, 2019, the Company had 5 employees, including our executive officers.

Our Strategy

Our strategic objective is to build a portfolio of producing properties that have low operating costs, long lived reserves, and upside development potential. Our goal is to build a land bank of over 200,000 net acres of proved, probable, and prospective reserves during this period of relatively low commodity pricing. We intend to accomplish this by acquiring oil and gas properties with attractive valuation metrics and attractive geological risk/reward profiles that are better positioned to benefit from an improvement in commodity prices. Our primary focus is the U.S. Rocky Mountain region, where our consultants and technical staff have conducted successful oil and gas operations. Our geographical focus, regional experience, and strategic industry relationships advantageously position the Company to acquire high quality oil and gas assets at attractive valuations in the current environment.

The Company's acquisitions and roll up strategy is based on identifying high-quality, non-core, stranded, and distressed assets in the U.S. Rocky Mountain region, which are selling at a discount to intrinsic value. The Company is primarily focused on acquiring oil and gas assets that come with current production, existing infrastructure in place, and future developmental potential. Acquired assets are subsequently optimized to maximize production and create shareholder value. Our strategy includes targeting adjacent oil and gas properties with similar characteristics for bolt on acquisitions to increase total acreage in a concentrated geographical area, enabling us to optimize the profitable operation of those assets. Our business involves:

- Identifying, evaluating, and making strategic acquisitions of producing oil and gas properties;
- Integrating, optimizing, and operating the assets acquired;
- Developing the properties to grow proved reserves; and
- Consolidating additional acreage nearby existing controlled acreage.

The Company seeks to acquire high quality oil and gas assets that have been underexplored and underdeveloped. The industry's flight to the Permian and Delaware Basins has encouraged major exploration and production companies to divest of quality non-core assets in other (secondary) basins in other regions, such as the Rocky Mountains, in order to generate cash for reinvestment into their core (primary) target investment basins like the Permian or Delaware Basins. The Company aims to achieve a lower cost of entry and generate an overall better return on invested capital by acquiring assets at a discount to inherent value, optimizing and developing those assets, and then operating those assets profitably, even at current energy prices. Management believes that accomplishing of these objectives will create and maximize shareholder value in the long term.

Our Properties

	Unproved Acreage		Proved Acreage		Total Acreage	
	Gross	Net	Gross	Net	Gross	Net
Wyoming	34,601	34,601			34,601	34,601
Utah	—	—	7,842	7,842	7,842	7,842
Total	34,601	34,601	7,842	7,842	42,443	42,443

Wyoming Properties

On March 6, 2019, the Company, through its indirect wholly-owned subsidiary, Foothills Exploration, LLC, acquired 22 natural gas wells and approximately 18,214 gross acres (14,584 core), 78% held by production, located in the Greater Green River Basin in Wyoming (the "GRB Assets"). Some of the underlying leases come with certain depth restrictions and roughly 80% of the acreage remains undeveloped. The GRB assets were purchased for approximately $700,000, in an all-cash transaction, which was financed through Company borrowings. For additional details, please refer to the Company's current report filed on Form 8-K with the SEC on March 12, 2019.

The Company's Wind River Basin oil and natural gas prospective resources were evaluated by an independent third-party engineering firm on January 6, 2020, for the Company's interest in 16,387 acres located in an area known as the Beaver Creek East Project. The report indicates Prospective Resources of approximately 21 million barrels of undiscovered oil, with a PV-10 value of $372 million (after risk). For additional details, please refer to the Company's Current Report Form 8-K filed with the SEC on January 21, 2020.

Utah Properties

The Utah properties, located in Uintah and Duchesne Counties, comprise of operated and non-operated working interests as well as rights and interests in a project for future development. The Company is researching strategic alternatives to retain six oil and gas wells in the Duck Creek area of the Altamont Bluebell field located in Uintah County, Utah, in which the Company has a 100% working interest with an 80% net revenue interest.

The Company intends to continue its Bureau of Indian Affairs ("BIA") Administrative Appeal to assert its rights and interests in the oil and gas leases on the Ute Indian Uintah and Ouray Reservation. The Company owns all rights and interests acquired in the Purchase and Sale Agreements between TEPI and Mountain Oil & Gas, Inc., dated April 16, 2012, and December 18, 2012. The Company decided to move forward with the BIA Administrative Appeal instead of the revised Global Settlement Agreement in order to obtain a more attractive settlement price reflecting current commodity prices.

The Company owns a small (under 1%) non-operated working interest in certain leases located in Duchesne County, Utah. On August 28, 2017, the Company acquired a 21.6% non-operated working interest with a 17.1% net revenue interest in two horizontal wells in the Uinta Basin. The initial production from the two wells commenced in December 2017, and the wells were completed in April 2018. The Company has realized natural gas sales, and associated hydrocarbon revenue from the two wells since December 2017.

The Company recognized approximately $1,677,372 in total net revenues during 2019 from both non-operated working interests.

Plan of Operations

As of December 31, 2019, the Company's current business operations consisted of its 21.6% non-operated working interest in two (2) horizontal gas wells operated by EOG Resources, Inc. As of December 31, 2019, the Company's natural gas wells in the Green River Basin ("GRB") remained shut-in and in need of a new compressor to resume production. The Company was working on project financing for its next phase of its GRB optimization and development program.

On March 28, 2019, the Company, through its indirect wholly owned subsidiary, Foothills Exploration, LLC, entered into a letter agreement with an affiliate of American Shale Energy, LLC, to acquire approximately 16,387 net acres located in Wyoming's Wind River Basin (the "WRB Assets") for an undisclosed sum and a reservation of overriding royalty interest in the leases. For additional details, please refer to the Company's current report filed on Form 8-K with the SEC on March 29, 2019.

The Company's major initiative moving forward is to add natural gas weighted assets to its portfolio at attractive valuations, to accelerate cash flow generation, and improve the Company's overall reserve inventory profile. Over the near-term the Company believes that it is well positioned to capitalize on the short- and long-term demand for natural gas. However, global energy demand in 2019 was lower than expected. The International Energy Agency ("IEA") reported that in 2019 global energy demand increased by less than half the rate of growth in 2018, well below the average rate since 2010. This deceleration was due mainly to slower global economic growth and the impact of milder weather on heating and cooling.

WTI crude futures posted their best annual performance since 2016, rallying 13% in Q4 and nearly 35% in 2019. This increase is a result of reduced inventories, a stronger outlook on demand due to anticipation of Phase 1 of the US-China trade agreement, and the recent escalation in Middle East tensions. Additionally, OPEC cut production at its December meeting, which helped stabilize the price of crude oil in the interim, although the impact of OPEC cuts has been largely offset by continued increases in US shale production.

We intend to acquire dislocated oil and gas assets as well as non-core assets from larger exploration and production companies seeking to divest assets in secondary basins as the industry continues its migration to the Permian and Delaware Basins. In addition to a favorable macroeconomic environment for acquiring attractive oil and gas assets, management intends to leverage our geographical focus in the Rocky Mountain region. We are focused on acquiring and rolling up smaller operators in a considerably fragmented oil and gas market; and, through consolidation, management believes the Company can effectively scale its production and acreage position and collectively unlock value in the acquired oil and gas assets to create shareholder value.

Acquiring Additional Assets

The Company is currently targeting several prospective acquisitions in a tightly defined geographical area of interest that meet certain metrics and future development potential. Management's current focus has shifted to natural gas-weighted projects. The IEA is forecasting the global natural gas market will pass the 4 trillion cubic meters mark by 2022, with an expected average annual growth rate of 1.6% throughout the forecast period. Emerging Asian markets, led by China, account for more than half of the growth in global natural gas consumption to 2023. The Company anticipates that future acquisitions will be funded through the sale of common stock, debt and cash generated from the Company's financing activities, including public, private, and institutional offerings in capital market transactions and future reserve-based lending activities. Subject to the securing of additional capital, the Company anticipates the expenditure of up to $25 million to fund additional bolt-on acquisitions of producing properties, which can potentially be leveraged and optimized by applying its technical capabilities and improving operational efficiencies. Although the Company is currently evaluating several prospective acquisitions, which meet its criteria and anticipates making an announcement regarding its next acquisition in the near term, no assurance can be given that it will be successful in any of these endeavors.

Retain Operational Control and Significant Working Interest

In its principal acquisition and development targets, the Company aims to preserve operational control of its development and drilling activities. As the operator for its projects, the Company retains more control over the timing, selection and process of drilling prospects and completion design, which enhances its ability to maximize the return on invested capital and gives greater control over the timing, allocation and amounts of capital expenditures. However, the Company will always evaluate and consider making strategic acquisitions of non-operated working interest in certain projects with world-class operators that are located within our geographical areas of interest.

Principal Office

The Company's principal office is located at 2660 Townsgate Road, Suite 800, Westlake Village, CA 91361. Its telephone number is (800) 204-5510, and the website address is www.foothillspetro.com.

B. Please list any subsidiaries, parents, or affiliated companies.

Subsidiaries of Foothills Exploration, Inc.:

Foothills Petroleum, Inc., a Nevada corporation*

Subsidiaries of Foothills Petroleum, Inc.:

Foothills Petroleum Operating, Inc., a Nevada corporation
Foothills Exploration Operating, Inc., a Nevada corporation*

Foothills Exploration LLC, a Wyoming limited liability company*

Subsidiaries of Foothills Exploration Operating, Inc.:

Clear Elite Holdings Limited, a British Virgin Islands limited liability company*
Prominent Sino Holdings Limited, a British Virgin Islands limited liability company
Value Train Investments Limited, a British Virgin Islands limited liability company
Tiger Energy Partners International, LLC, a Nevada limited liability company – 25% total equity ownership

Subsidiaries of Foothills Exploration, LLC:

Foothills Production I, LLC, a Wyoming limited liability company
Foothills Production II, LLC, a Wyoming limited liability company

Subsidiaries of Clear Elite Holdings Limited:

Golden Giants Limited, a British Virgin Islands limited liability company*

Subsidiaries of Golden Giants Limited:

NTE-Utah, LLC, a Delaware limited liability company*
Tiger Energy Partners International, LLC, a Nevada limited liability company – 75% total equity ownership

Subsidiaries of NTE-Utah, LLC:

Tiger Energy Operating, LLC, a Nevada limited liability company*

Subsidiaries of Tiger Energy Operating, LLC:

Tiger Energy Mineral Leasing, LLC, a Nevada limited liability company

**Indicates that it is a parent of one or more entities.*

C. Describe the issuers' principal products or services.

The Company is a development stage company engaged in the acquisition and development of oil and natural gas properties. The Company is focused on acquiring producing and developmental properties in the U.S. Rocky Mountain region. The Company seeks to acquire non-core, dislocated, underdeveloped, and under explored oil and gas assets and maximize those assets to create shareholder value.

The consolidated balance sheets include the accounts of the Company, and its wholly-owned direct and indirect subsidiaries, Foothills Exploration, Inc. ("FTXP"), Foothills Petroleum, Inc. ("FPI"), Foothills Exploration, LLC ("FEL"), Foothills Petroleum Operating, Inc. ("FPOI"), Foothills Exploration Operating, Inc. ("FEOI"), Tiger Energy Partners International, LLC ("TEPI"), Tiger Energy Operating, LLC ("TEO"), and Tiger Energy Mineral Leasing, LLC ("TEML").

The Company's oil and gas operations are conducted by its wholly owned indirect subsidiaries. FEL is a qualified oil and gas operator in the state of Wyoming, and TEO is a qualified oil and gas operator in the state of Utah. The Company's operating entities have historically employed, and will continue in the future to employ, on an as-needed basis, the services of drilling contractors, other drilling related vendors, field service companies and professional petroleum engineers, geologists, and landmen as required in connection with future drilling and production operations.

The Company's results of operations and financial condition are significantly affected by oil and natural gas commodity prices, which can fluctuate dramatically. Commodity prices are beyond our control and are difficult to predict. Many factors enter into the price of oil, both domestic and foreign.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties, or facilities, clearly describe them as above and the terms of their leases.

Leases

Effective March 4, 2019, the Company entered into a sublease agreement, expiring November 30, 2020, for approximately 3,236 square feet of office space in Los Angeles, California, at a monthly rental amount of $9,500.

Title to Oil and Gas Properties

Foothills owns the interest in its oil and gas properties and at times also relies on contracts with the owner or operator of the property, pursuant to which, among other things, the Company has the right to have its interest placed of record. As is customary in the oil and gas industry, we anticipate that a preliminary title examination will be conducted at the time unproved properties or interests are acquired by us. Prior to commencement of drilling operations on such acreage and prior to the acquisition of proved properties, Foothills will conduct a title examination and attempt to cure materially significant defects before proceeding with operations or the acquisition of proved properties, as it may deem appropriate.

Foothills properties are subject to royalty, overriding royalty and other interests customary in the industry, liens incident to agreements, current taxes and other burdens, minor encumbrances, easements, and restrictions. Foothills' Utah properties, which were acquired from Total Belief Limited on December 30, 2016, are subject to a certain Bureau of Indian Affairs ("BIA") Administrative Appeal and a Ute Indian Tribe Global Settlement Agreement, each of which does or may affect title to some, all or none of the properties acquired. Foothills is currently attempting to cure title on these properties, subject to the outcome of the BIA Administrative Appeal, which is still ongoing as of the date of this annual report filing. To the extent that such defects or disputes exist and cannot be cured, Foothills would suffer title failures, which could result in property valuation impairments and other material adverse consequences to the operations of the Company.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this Report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding*	Note
Kevin J. Sylla	Executive Chairman / Director	Woodland Hills, CA	3,405,000	Common	3.382%*	Restricted stock for services and in lieu of accrued unpaid salary
Bruno P. Allaire	CEO / Interim CFO / Director	Santa Fe, NM	945,333	Common	0.939%*	Restricted stock for services and in lieu of accrued unpaid salary
Christopher C. Jarvis	EVP Finance / Director	Frederick, MD	1,231,667	Common	1.223%*	Restricted stock for services and in lieu of accrued unpaid salary

Alex M. Hemb	Director	Kamas, UT	534,111	Common	0.530%*	Restricted stock for services and in lieu of accrued unpaid salary

*Ownership percentage based on a total of 100,693,521 shares of Common Stock outstanding as of December 31, 2019.

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

Not Applicable

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

Not Applicable

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

Not Applicable

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

Not Applicable

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

Legal Proceedings

The Company has determined that judgments rendered in the second quarter of 2018 in connection with all but four of the following legal proceedings against the Company are Type 1 subsequent events that provide additional evidence with respect to conditions that existed at the date of the balance sheet. Therefore, the financial statements reflect the effects of prejudgment judgments awards to plaintiffs through December 31, 2019, noted below in accordance with Auditing Standard 2801.03.

Wyoming Wells

GMT Exploration Company, LLC vs. Foothills Exploration, Inc. and Foothills Exploration, LLC, Case No.19-569-L, District Court Third Judicial District, Sweetwater County, Wyoming.

This civil suit, filed by GMT Exploration Company, LLC ("GMT Exploration") on November 8, 2019, concerns Foothills Exploration, LLC's ("Foothills") alleged breach of an acquisition agreement to purchase certain oil and gas properties located in Sweetwater County, Wyoming, seeks specific performance of the purchase agreement (primarily Foothills' posting the required bonds) and alleges certain damages that are as yet undefined. The Company filed its answer to the complaint with the court on December 18, 2019. On December 26, 2019, Plaintiff GMT Exploration filed with the court a Motion for Immediate Appointment of a Receiver Pending Litigation.

Utah Wells

Graco Fishing & Rental Tools, Inc. vs. Tiger Energy Operating LLC (Case No. 160800005 8th Judicial District Court, Duchesne County, State of Utah)

Plaintiff Graco Fishing & Rental Tools, Inc. ("Graco") in this case sought collection of unpaid debt incurred by Tiger Energy Operating LLC ("TEO") for services rendered in connection with its workover of wells in Duchesne County, Utah. On June 1, 2016, a default judgment of $159,965 was obtained against TEO by Plaintiff. Graco filed a writ of execution against the A Rust 2, Dye-Hall 2-21 A1, Wilkins 1-24 A5 and Rust 3-22A-4 wells located in Duchesne County executing on properties not owned by us. A Motion to Set Aside the Sheriff's Sale of these properties was filed with the court based on the fact that TEO was not the owner of these properties. A hearing for this matter was held on May 1, 2017, in Duchesne County, Utah, at which time a Company representative was present to comply with the Court's order to produce documents. Prior to the hearing, TEO made an initial settlement offer, which was eventually rejected by Graco. A Writ of Execution was issued to seize the property subject of litigation on March 8, 2018.

Graco had scheduled certain foreclosure sales of TEO's interests in various oil and gas wells to take place on May 3, 2018 (the "Sales"). On April 27, 2018, the parties reached a settlement and release agreement whereby TEO agreed to make five (5) payments totaling $163,964.59 to Graco. The first payment due on May 9, 2018, has been made to the judgment holder. The second payment of $32,792.92 was due on July 9, 2018; the third payment of $32,792.92 was due on September 9, 2018; the fourth payment of $32,792.92 was due on November 9, 2018; and the fifth and final payment of $32,792.92 was due on January 9, 2019. If any of the above payments are not made when due, Grace will have the right to immediately execute the Sales. Graco will maintain and apply liens and notices of its judgment until the total payment has been paid in full by TEO. TEO shall be provided with a 10-day period within which to cure any default under the settlement agreement, other than making the first payment described above. TEO made its second payment of $32,793 on July 19, 2018, within the 10-day cure period provided in the settlement agreement. TEO made its third payment of $32,793 on September 11, 2018, within the 10-day cure period provided in the settlement agreement. TEO also made its fourth payment of $32,793 on November 15, 2018. On January 25, 2019, the Plaintiff issued a Writ of Execution Notice. A Notice of Sheriff Sale was filed on February 1, 2019.

Regarding the Company's Utah properties, there was a settlement agreement between Graco and TEO, an indirect subsidiary of the Company and the Operator of the Duck Creek wells. Graco obtained a default judgment of $159,965 against TEO, subsequent to which they were also issued Writs of Execution against the certain TEO wells, located in Uintah and Duchesne County, Utah.

Graco had scheduled foreclosure sales of TEO's interests in four wells (A Rust 2, Dye-Hall 2-21-A1, Wilkins 1-24A5, and Rust 3-22A4), which was to take place on May 3, 2018 (the "Sales"). On April 27, 2018, the parties reached a settlement and release agreement whereby TEO agreed to make five (5) payments totaling $163,965 to Graco. If any of the above payments were not made when due, Graco had the right to immediately execute the Sales. Graco also had the right to maintain and apply liens and notices of its judgment until the total payment has been paid in full by TEO. On June 27, 2018, Finley Resources, Inc. ("Finley"), acquired all of Graco's right, title and interest in the settlement agreement.

The first four settlement payments to the judgment holder were made timely but the last and final payment was made late, and the judgment holder (i.e. Finley) rejected TEO's final payment. The Company disputes this because the final date of the 10-day cure period was on a Saturday, which is not considered a business day and therefore, the payment was made on the following business day. On January 25, 2019, Finley issued a Writ of Execution Notice and a Notice of Sheriff Sale was filed on February 1, 2019, for the four wells: A Rust 2, Dye-Hall 2-21-A1, Wilkins 1-24A5, and Rust 3-22A4. While it believes it could prevail should it protest Finley's actions, the Company believes that the production value of the affected properties is limited. There appear to be no further collection actions taken by the Plaintiff and no deficiency judgement following the scheduled Sheriff sale was obtained.

Conquest Well Servicing, LLC vs. Foothills Exploration Operating, Inc. (Case No. 179800421 8th Judicial District Court in and for Uintah County, State of Utah)

Conquest Well Servicing, LLC ("Conquest") filed this action on September 11, 2017, for collection of unpaid services and materials in the amount of $49,689 in connection with a workover of wells in Uintah County, Utah. A Settlement Agreement and Stipulation to Entry of Judgment was agreed to by the parties and filed with the court on October 10, 2017. Judgment in the amount of $54,937.10 including $5,248.10 in pre-judgement interest was filed on December 18, 2017. An order requesting company asset inquiry was issued on February 20, 2018. As of September 30, 2019, we recorded $14,862 of prejudgment interest expense. A hearing on contempt by Foothills Exploration Operating, Inc. ("FEOI") for failure to appear and an answer as to assets was set for September 13, 2018. A stipulation was filed with the court to continue the hearing to October 22, 2018. FEOI inadvertently failed to appear at this hearing, resulting in a contempt of court citation being issued. Currently, FEOI is seeking to reschedule this hearing and intends to purge any contempt by compliance with the court's order.

BIA Administrative Appeal – Tiger Energy Partners International, LLC

Notice of Appeal:	Dated May 8, 2013
Appellant:	Tiger Energy Partners International, LLC
Appellee:	Superintendent Uintah and Ouray Agency
Decision	April 12, 2013
Concerning:	Notice of Expiration of Oil and Gas Leases

This Administrative appeal concerns the ownership and validity of Northern Ute (the "Tribe") Tribal leases acquired by Tiger Energy Partners International, LLC ("TEPI") in a transaction with Mountain Oil and Gas and its affiliated companies. Pursuant to the Global Settlement Agreement ("GSA") negotiated between the Tribe and TEPI, the Company proposes to resolve any issues regarding the ownership of the subject leases and other lands thus acquired. The status of the appeal by TEPI remained unchanged as of the date of this Annual Report, awaiting decision by the Regional Director of the BIA on the merits of the appeal. The decision of the Regional Director is stayed by the parties having entered into the GSA. The Tribe and Tiger remain in discussion regarding approval of the Global Settlement Agreement by the Regional Director. There has been no change in the status of this matter as of the date of this Annual Report.

Labokay Well – Parish of Calcasieu, State of Louisiana

R.W. Delaney Construction Company vs. Foothills Petroleum Operating, Inc. (Cause No. 2017-CV-0330 – County Court of Adams County, Mississippi)

This case was filed on September 18, 2017 and concerns the collection of amounts incurred by Foothills Petroleum Operating, Inc. ("FPOI") for services performed by plaintiff in the amount of $72,495 in connection with drilling the Labokay test well in Calcasieu Parish, Louisiana.

Judgment was granted to Plaintiff on January 22, 2018, in the County Court of Adams County, Mississippi in the principal amount of $72,495, plus pre-judgement interest in the amount of $12,763, plus attorney's fees in the amount of $18,124, plus costs in the amount of $196, for a total amount of $103,578, plus post-judgment interest at the rate of 8% per annum. On May 9, 2018, District Court for the City and County of Denver, Colorado, granted plaintiff with an order granting their petition to domesticate this foreign judgment with the Denver District Court, which now has the same effect and is subject to the same procedures, defenses, and proceedings for reopening, vacating, or staying as a judgment from the Denver District Court, and may be enforced or satisfied in like manner. No further action has been filed in this matter as of the date of this Annual Report

Performance Drilling Company, LLC vs. Foothills Petroleum Operating, Inc. (Case No. 2017-3916 DIV G 14th Judicial District Court in Parish of Calcasieu, State of Louisiana)

This case was filed on September 25, 2017, for payment of services performed by plaintiff in the amount of $205,251 for unpaid accounts in connection with its drilling of the Labokay test well. On January 16, 2018, a default judgment was entered against FPOI, in the amount of $205,251.24; together with accrued interest of $29,861 from March 18, 2017, through December 31, 2017; plus, additional interest from January 1, 2018, at the rate of one and one-half percent (1.5%) per month until paid (a per diem rate of $103.69); plus, an additional sum for reasonable attorney's fees of $2,500, and all costs of the court proceedings. FPOI was cited to appear through its authorized representative, B.P. Allaire, in open Court, on 27th of July at 9:00 a.m. to be examined as a Judgment Debtor. FPOI was ordered to produce at the above time and place all the books, papers and other documents so requested in the petition. FPOI inadvertently failed to appear at this hearing and is currently seeking to reschedule this hearing. No further action has been taken as of the date of this Annual report.

Monster Rentals, LLC dba Deepwell Equipment Rentals vs. Foothills Petroleum Operating, Inc. (Case No. 2017-11013 DIV E – 15th Judicial District Court in Parish of Acadia, State of Louisiana)

This case was filed on October 24, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $53,943.53 in connection with the Labokay test well in Calcasieu Parish, Louisiana. On December 5, 2017, a default judgement was entered against FPOI in favor of Monster Rentals, LLC dba Deepwell Equipment Rentals ("Deepwell") in the amount of $53,943.53, plus attorneys' fees of $3,483 and court costs and expenses in the amount of $476.84, plus judicial interest from the date of the judicial demand, until paid, and for all costs of these proceedings. No further action has been filed in this matter as of the date of this Annual Report.

Canal Petroleum Products, Inc. vs. Foothills Petroleum Operating, Inc. (Case No. 2017-6574; DIV. C – 15th Judicial District Court, Lafayette Parish, Louisiana)

This case was filed on November 14, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $35,981 for unpaid accounts in connection with its drilling of the Labokay test well.

On January 25, 2018, a default judgment was entered against FPOI in the amount of $35,981 inclusive of interest as of September 6, 2017; plus, finance charges to accrue after September 6, 2017, of one and one-half percent per month (18% per annum) until paid on the unpaid principal amount of $32,956; plus, legal fees of $8,239 together with related court costs. No further action filed in this matter as of the date of this Annual Report.

Smith International, Inc. vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004617; DIV. E – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $30,244 in connection with its drilling of the Labokay test well.

On March 23, 2018, the court issued a preliminary judgement in favor of Smith International, Inc. ("Smith") in the amount of $30,244, plus interest in the contractual amount of 18% per annum from the date the payment was originally due until the judgment date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorneys' fees. On April 3, 2018, a final judgment was entered in favor of Smith. No further action filed in this matter as of the date of this Annual Report.

M-I, L.L.C. d/b/a MI-SWACO vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004616; DIV. G – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $51,275 in connection with the Labokay test well.

On March 23, 2018, the court issued a preliminary judgment in favor of plaintiff in the amount of $51,275, plus interest in the contractual amount of 1.5% per month from the date the payment was originally due until the judgement date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorney's fees expended in the prosecution and collection of debt. On April 3, 2018, a final judgment was entered in favor of plaintiff. No further action has been filed in this matter as of the date of this Annual Report.

Schlumberger Technology Corporation vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004618; DIV. E – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $28,904 for unpaid accounts in connection with its drilling of the Labokay test well in Calcasieu Parish, Louisiana.

On March 23, 2018, the court issued a preliminary judgment in favor of plaintiff in the amount of $28,904, plus interest in the contractual amount of 1.5% per month from the date the payment was originally due until the judgment date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorney's fees expended in the prosecution and collection of debt. On April 3, 2018, a final judgment was entered in favor of plaintiff. No further action has been filed in this matter as of the date of this Annual Report.

Zealous Energy Services, LLC vs. Foothills Petroleum Operating, Inc. (Docket No. 086708 Div. C 16th Judicial District Court, Parish of St. Martin, Louisiana)

On September 28, 2018, the Court after reviewing the record of these proceedings, found the law and evidence supported Plaintiff's demands and, without holding a hearing, ruled as follows: the Court ordered, adjudged and decreed that a money judgement be rendered in favor of Zealous Energy Services, LLC and against Foothills Petroleum Operating, Inc. in the full and true amount of $53,026.58, plus interest at the judicial interest rate of 5% per annum from January 24, 2018, the date of judicial demand, until finally paid, plus attorney's fees of $1,260.00 and all costs. On March 1, 2019, a Motion to Examine Judgment Debtor was filed with the court.

633 17th Street Operating Company LLC v. Foothills Exploration, Inc. (Case No. 2019CV30189, District Court, City and County of Denver, Colorado)

This case was filed on January 16, 2019, seeking unpaid leasehold obligations in the amount of $75,107 from Foothills. On June 25, 2019 a judgement was granted to 633 17th Street Operating Company LLC in the amount of $139,793.42. A Writ of Garnishment was filed against Foothills debtor, Bank of America on July 16, 2019.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name:	Jonathan Shechter
Firm:	Foley Shechter Ablovatskiy LLP
Address 1:	1359 Broadway, Ste. 2001
Address 2:	New York, NY 10018
Phone:	(212) 335-0465
Email:	js@foleyshechter.com

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name:	David Wells
Firm:	Atlas Bookkeeping, Inc.
Nature of Services:	Bookkeeping, accounting, and compliance
Address 1:	18653 Ventura Blvd #103
Address 2:	Tarzana, CA 91356
Phone:	(310) 800-7175
Email:	drwells@atlasbook.co

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, B.P. Allaire certify that:

1. I have reviewed this annual disclosure statement of Foothills Exploration, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 22, 2021

/s/ B.P. Allaire, CEO

Principal Financial Officer:

I, B.P. Allaire certify that:

1. I have reviewed this annual disclosure statement of Foothills Exploration, Inc.

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 22, 2021

/s/ B.P. Allaire, Interim CFO

Financial Statements and Supplementary Data for Foothills Exploration, Inc. (FTXP)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	2019	2018
Revenue	$ 1,677,372	$ 2,567,438
Operating expenses		
Lease operating expense	1,144,315	1,648,155
Selling, general and administrative expense	3,568,587	2,719,863
Depreciation, depletion, amortization and accretion expense	712,550	434,073
Impairment of oil and gas properties	–	2,474,714
Total operating expenses	5,425,452	7,276,805
Loss from operations	(3,748,080)	(4,709,367)
Other income (expenses):		
Financing expense	(11,295,966)	(2,247,011)
Other income	18,905	45,407
Change in fair value of derivative instruments	(7,216,505)	50,619
Gain on settlement of debt and contingent liabilities	1,944,652	274,846
Total other expenses	(16,548,914)	(1,876,139)
Net loss	$ (20,296,994)	$ (6,585,506)
Net loss per share – basic and diluted	(0.56)	(0.39)
Weighted average common shares – basic and diluted	35,959,509	16,992,461

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

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31,

	Preferred stock		Common stock		Additional Paid in	Stocks	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	to be Issued	Deficit	Equity
Balance as of December 31, 2017	**–**	**$ –**	**14,900,627**	**$ 1,490**	**$ 8,847,394**	**$ 93,900**	**(8,468,465)**	**$ 474,319**
Shares issued for inducement of note payable	–	–	2,739,000	274	412,481	(93,900)	–	318,855
Common stock issued for services	–	–	600,000	60	61,740	–	–	61,800
Common stock issued for services (Director)	–	–	3,836,111	384	774,353	–	–	774,737
Options issued for services	–	–	–	–	970,329	–	–	970,329
Fair value of warrants issued with note payable	–	–	–	–	106,823	–	–	106,823
Net loss	–	–	–	–	–	–	(6,585,506)	(6,585,506)
Balance as of December 31, 2018	**–**	**–**	**22,075,738**	**2,208**	**11,173,120**	**–**	**(15,053,971)**	**(3,878,643)**
Opening balance equity	–	–	–	–	100	–	–	100
Common stocks issued for services	–	–	1,175,000	117	179,730	–	–	179,847
Options and warrants issued for services	–	–	–	–	731,229	–	–	731,229
Restricted Stock Units (RSU)	–	–	228,332	23	40,894	15,933	–	56,850
Conversion of notes payable	–	–	33,463,330	3,347	100,835	–	–	104,182
Conversion of interest related to notes payable	–	–	728,167	73	585	–	–	658
Conversion of fees related to notes payable	–	–	5,199,772	520	4,730	–	–	5,250
Fair value of warrants issued with note payable	–	–	–	–	508,010	–	–	508,010
Deemed dividend on warrant repricing	–	–	–	–	4,995,975	–	(4,995,975)	–
Shares returned	–	–	(650,000)	(65)	65	–	–	–
Warrant exercises	–	–	38,473,182	3,847	(3,847)	–	–	–
Net loss	–	–	–	–	–	–	(20,296,994)	(20,296,994)
Balance as of December 31, 2019	**–**	**$ –**	**100,693,521**	**$ 10,070**	**$ 17,731,426**	**$ 15,933**	**$ (40,346,940)**	**$ (22,589,511)**

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

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

		2019		2018
Cash Flows from Operating Activities				
Net loss	$	(20,296,994)	$	(6,585,506)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation, depletion, amortization, and accretion		712,550		434,073
Impairment of assets		–		2,474,714
Amortization of debt discount		2,091,298		572,386
Interest		–		459,923
Common stock issued for financing charges		5,250		–
Additional notes payable issued for the extension of original notes		75,000		–
Warrant and conversion feature exceeded notes		7,839,024		–
Change in fair value of derivative instruments		7,216,505		(50,619)
Common stock and warrants issued for inducement of note extensions		–		153,775
Equity instruments issued for services		967,926		1,032,129
Rent related		3,052		(14,487)
Gain on settlement of debt and contingent liabilities		(1,944,652)		(274,846)
Changes in operating assets and liabilities:				
Accounts receivable		10,090		(9,343)
Surety and performance bonds		–		150,000
Prepaid expenses		(97,661)		8,635
Other receivables		(10,000)		–
Accounts payable and accrued liabilities		2,243,010		(325,649)
Accounts payable and accrued liabilities - related party		(24,088)		1,591,865
Other liabilities		131,106		9,534
Net cash used in operating activities		(1,078,584)		(373,416)
Cash Flows from Investing Activities				
Payments for acquisition of oil and gas property		(96,203)		–
Net cash used investing activities		(96,203)		–
Cash Flows from Financing Activities				
Proceeds from notes payable		140,000		102,000
Proceeds from convertible note payable		536,491		472,000
Repayment to convertible note payable		–		(320,000)
Proceeds from issuance of common stock		508,110		–
Net cash provided by financing activities		1,184,601		254,000
Net increase (decrease) in cash, cash equivalents and restricted cash		9,814		(119,416)
Cash, Cash Equivalents and Restricted Cash, beginning of period		121,139		240,555
Cash, Cash Equivalents and Restricted Cash, end of period	$	130,953	$	121,139
Reconciliation of Cash and Cash Equivalents and Restricted Cash:				
Cash and cash equivalents at beginning of period	$	1,139	$	555
Restricted cash at beginning of period		120,000		240,000

Cash and cash equivalents and restricted cash at beginning of period	$	121,139	$	240,555
Cash and cash equivalents at end of period	$	953	$	1,139
Restricted cash at end of period		130,000		120,000
Cash and cash equivalents and restricted cash at end of period	$	130,953	$	121,139
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	$	–	$	–
Cash paid for income taxes	$	–	$	–
Supplemental disclosures of cash flow information:				
Accrued salary paid in shares	$	–	$	774,737
Asset retirement obligation	$	222,194	$	23,709
Debt discount	$	–	$	595,580
Note paid by issuance of note	$	–	$	(50,000)
Unpaid liabilities in acquisition of oil and gas property	$	–	$	2,038,135
Fair value of warrants issued with note payable	$	–	$	106,823
Notes payable issued in settlement of contingent liability	$	–	$	32,793

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

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

Note 1 – Organization

Business

Foothills Exploration, Inc., ("Company", "Foothills Exploration", or "Foothills") was incorporated in the State of Delaware on May 13, 2010, under the name Key Link Assets Corp.

On May 2, 2016, Foothills Petroleum Inc., a Nevada corporation ("FPI"), acquired over 14.1 million pre-split (56.4 million post-split) shares of the Company's common stock, $0.0001 par value per share (the "Common Stock") constituting approximately 96% of our then issued and outstanding shares ("FPI Acquired Shares"). As of May 16, 2016, we effected a 4:1 forward split of our shares of Common Stock. Prior to the Share Exchange, the Company had minimal assets and recognized no revenues from operations and was accordingly classified as a shell company. In light of closing the Share Exchange transaction with the shareholders of FPI, the Company became actively engaged in oil and gas operations and was no longer a shell company.

The consolidated balance sheets include the accounts of the Company, and its wholly owned direct and indirect subsidiaries, Foothills Exploration, Inc. ("FTXP"), Foothills Petroleum, Inc. ("FPI"), Foothills Exploration, LLC ("FEL"), Foothills Petroleum Operating, Inc. ("FPOI"), Foothills Exploration Operating, Inc. ("FEOI"), Tiger Energy Partners International, LLC ("TEPI"), Tiger Energy Operating, LLC ("TEO"), and Tiger Energy Mineral Leasing, LLC ("TEML").

The Company's oil and gas operations are conducted by its wholly owned indirect subsidiaries. FEL is a qualified oil and gas operator in the states of Wyoming and Colorado, and TEO is a qualified oil and gas operator in the state of Utah.

The Company's operating entities have historically employed, and will continue in the future to employ, on an as-needed basis, the services of drilling contractors, other drilling related vendors, field service companies and professional petroleum engineers, geologists, and landmen as required in connection with future drilling and production operations.

On May 23, 2019, Foothills Exploration, Inc., through its indirect wholly owned subsidiary, FEL, entered into a letter agreement for the purchase and sale of oil and gas assets (the "Agreement") with an unrelated third party (the "Seller"), concerning the acquisition of a total of 87 wells and associated acreage located in Montana (the "Assets").

The Assets consist of 29 natural gas wells, 10 producing and 19 shut-in, plus associated acreage, additional miscellaneous leases, associated pipelines, gathering systems, compression and processing facilities, and related yards and equipment, located in Sweet Grass and Stillwater counties, Montana – comprising of the Rapelje, Lake Basin and Six Shooter Fields. The Assets also include oil properties consisting of 58 oil and injection wells with associated acreage located in Musselshell and Rosebud Counties, Montana – 12 proved developed producing wells, 25 proved developed non-producing wells, and 21 injection wells – comprising of the Sumatra and Big Wall / Little Wall fields.

Closing of this transaction is subject to the approval of transfer from the Montana Board of Oil and Gas Conservation. Furthermore, no assurances can be made that the Closing will occur based on financing and other market conditions. For further details on this pending acquisition, please refer to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on May 30, 2019.

On June 17, 2019, the Company received from the Secretary of State of the State of Delaware confirmation of the effective filing of its Certificate of Amendment to its Certificate of Incorporation, increasing the number of shares of Common Stock the Company is authorized to issue from One Hundred Million (100,000,000) to Four Hundred Seventy-Five Million (475,000,000).

On June 26, 2019, the Company, through its indirect wholly owned subsidiary, FEL, entered into a letter agreement (the "Agreement") with an unrelated third party seller (the "Seller"), with respect to a proposed transaction (the "Transaction") to acquire a total of 12 shut-in wells and approximately 5,769 acres located in Montana (the "Assets"). The Assets consist of four natural gas wells, associated acreage, additional miscellaneous leases, associated pipelines, gathering systems, compression and processing facilities, and related yards and equipment, located in Stillwater and Golden Valley counties, Montana.

The transaction documents contain additional terms and provisions, representations and warranties, including further provisions covering effective time of transfer, venue, and governing law. Closing of the Transaction is subject to the approval of transfer from the Montana Board of Oil and Gas Conservation. No assurances can be given that the Company will complete the acquisition. For further details on this pending acquisition, please refer to the Company's Current Report on Form 8-K filed with the SEC on July 1, 2019.

On October 1, 2019, the Company received from the Secretary of State of the State of Delaware confirmation of the effective filing of the Company's Certificate of Amendment to its Certificate of Incorporation, increasing the number of shares of Common Stock the Company is authorized to issue from Four Hundred Seventy-Five Million (475,000,000) to Two Billion (2,000,000,000).

Going Concern

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has incurred recurring losses from inception through December 31, 2019, has a working capital deficit at December 31, 2019, of $23,188,905 and has limited sources of revenue. These conditions have raised substantial doubt as to the Company's ability to continue as a going concern for one year from the issuance of the financial statements. These financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

To address these matters, the Company is actively meeting with investors for possible equity investments, including business combinations; investigating other possible sources to refinance our existing debt; and in continuing discussions with various individuals and groups that could be willing to provide capital to fund operations and growth of the Company.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The financial statements include the accounts of the Company and all of its direct and indirect wholly-owned subsidiaries including FPI, FPOI, FEOI, FEL, TEPI, TEO and TEML. Intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation and Functional Currency

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States of America and are expressed in United States dollars (USD).

Use of Estimates

The preparation of financial statements in conformity with GAAP 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(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s). Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience, and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates include those related to assumptions used in impairment testing of long-term assets, accruals for potential liabilities and valuing equity instruments issued for services. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to amounts in prior year to conform to the current year presentation. All reclassifications have been applied consistently to the periods presented and had no effects on previously reported results of operations.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments with maturity of three months or less.

Restricted Cash

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements are recorded in restricted cash in the current assets section of our consolidated balance sheet. At December 31, 2019 and December 31, 2018, the Company had restricted cash of $130,000 and $120,000, respectively. This amount is being held in escrow for the benefit of the State of Utah for certain properties located in Utah, covered under a certain Modification to Stipulated Order between the Utah Division of Oil, Gas and Mining and TEPI dated August 1, 2014 (Case No. SI/TA-102). These funds held in escrow, will be released to the Company once the Company finishes its reclamation of the various wells in question.

Accounts receivable and allowance for doubtful accounts

Accounts receivables are stated at the historical carrying amount net of an allowance for uncollectible accounts. The carrying amount of the Company's accounts receivable approximates fair value because of the short-term nature of the instruments. The Company routinely assesses the collectability of all material trade and other receivables.

Trade accounts receivable comprise receivables from joint interest owners which are recorded when the Company incurs expenses on behalf of the non-operator interest owners of the properties the Company operates.

The Company's oil and gas revenues receivable comprise receivables from purchasers of the Company's production of oil and gas and other hydrocarbons and from operators of properties in which the Company has a non-operated interest, as well as from joint interest owners of properties the Company operates. During the year ended December 31, 2019, the Company has collected all oil and gas revenues receivables. See Note 4 – Property and Equipment. EOG Resources, Inc. ("EOG"), is the operator of two wells in which the Company has a 21.62% working interest. The Company has been informed that EOG will apply to unpaid invoices of the Company's share of costs to drill two wells until EOG has recovered those costs. During the year ended December 31, 2019, those costs were $302,055, of which $230,603 were capitalized. See Note 4 – Property and Equipment.

The Company's reported balance of accounts receivable, net of allowance for doubtful accounts, represents management's estimate of the amount that ultimately will be realized in cash or used in the future to offset an operator's joint interest billings.

The Company reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical payment trends, the age of the receivables and knowledge of the individual customers or joint interest owners. When the analysis indicates, management increases or decreases the allowance accordingly. However, if the financial condition of our customers were to deteriorate, additional allowances might be required.

Oil and Gas Properties

The Company follows the full cost method of accounting for its investments in oil and gas properties. Under the full cost method, all costs associated with the exploration of properties are capitalized into appropriate cost centers within the full cost pool. Internal costs that are capitalized are limited to those costs that can be directly identified with acquisition, exploration, and development activities undertaken and do not include any costs related to production, general corporate overhead, or similar activities. Cost centers are established on a country-by-country basis.

Capitalized costs within the cost centers are amortized on the unit-of-production basis using proved oil and gas reserves. The cost of investments in unevaluated properties and major development projects are excluded from capitalized costs to be amortized until it is determined whether or not proved reserves can be assigned to the properties. Until such a determination is made, the properties are assessed annually to ascertain whether impairment has occurred. The costs of drilling exploratory dry holes are included in the amortization base immediately upon determination that the well is dry.

For each cost center, capitalized costs are subject to an annual ceiling test, in which the costs shall not exceed the cost center ceiling. The cost center ceiling is equal to: (i) the present value of estimated future net revenues computed by applying current prices of oil and gas reserves (with consideration of price changes only to the extent provided by contractual arrangements) to estimated future production of proved oil and gas reserves as of the date of the latest balance sheet presented, less estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves computed using a discount factor of ten percent and assuming continuation of existing economic conditions; plus (ii) the cost of properties not being amortized; plus (iii) the lower of cost or estimated fair value of unproved properties included in the costs being amortized; and less (iv) income tax effects related to differences between the book and tax basis of the properties. If unamortized costs capitalized within a cost center, less related deferred income taxes, exceed the cost center ceiling, the excess is charged to expense and separately disclosed during the period in which the excess occurs.

Support Facilities and Equipment

Our support facilities and equipment are generally located in proximity to certain of our principal fields. Depreciation of these support facilities is calculated on a units-of-production basis.

Maintenance and repair costs that do not extend the useful lives of property and equipment are charged to expense as incurred.

Proved Reserves

Estimates of the Company's proved reserves included in this report are prepared in accordance with US GAAP and guidelines from the SEC. The Company's engineering estimates of proved oil and natural gas reserves directly impact financial accounting estimates, including depreciation, depletion, and amortization expense and impairment. Proved oil and natural gas reserves are the estimated quantities of oil and natural gas reserves that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under period-end economic and operating conditions. The process of estimating quantities of proved reserves is very complex, requiring significant subjective decisions in the evaluation of all geological, engineering and economic data for each reservoir. The accuracy of a reserves estimate is a function of: (i) the quality and quantity of available data; (ii) the interpretation of that data; (iii) the accuracy of various mandated economic assumptions, and (iv) the judgment of the persons preparing the estimate. The data for a given reservoir may change substantially over time as a result of numerous factors, including additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions. Changes in oil and natural gas prices, operating costs, and expected performance from a given reservoir also will result in revisions to the amount of the Company's estimated proved reserves. The Company engages independent reserve engineers to estimate its proved reserves.

Fixed Assets

The Company capitalizes expenditures related to property and equipment not directly associated with our production of oil and gas, subject to a minimum rule, that have a useful life greater than one year for: (1) assets purchased; (2) existing assets that are replaced, improved or the useful lives have been extended; or (3) all land, regardless of cost, acquisitions of new assets, additions, replacements and improvements (other than land) costing less than the minimum rule in addition to maintenance and repair costs, including any planned major maintenance activities, are expensed as incurred.

Asset Retirement Obligations

The Company follows the provisions of the Accounting Standards Codification ASC 410 - Asset Retirement and Environmental Obligations. The fair value of an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement costs is capitalized as part of the carrying amount of the long-lived asset. The Company's asset retirement obligations relate to the abandonment of oil and gas producing facilities and facilities that support the production of oil and gas. The amounts recognized are based upon numerous estimates and assumptions, including future retirement costs, future inflation rates and the credit-adjusted risk-free interest rate. After recording these amounts, the ARO will be accreted to its future estimated value using the same assumed cost of funds, and the capitalized costs are depreciated on a unit-of-production basis. Both the accretion and the depreciation will be included in depreciation, depletion and amortization expense on our consolidated statements of operations.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. This category includes those derivative instruments that the Company values using observable market data. Substantially all of these inputs are observable in the marketplace throughout the term of the derivative instruments, can be derived from observable data, or supported by observable levels at which transactions are executed in the marketplace.

- Level 3: Measured based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources (i.e. supported by little or no market activity). Level 3 instruments include derivative warrant instruments. The Company does not have sufficient corroborating evidence to support classifying these assets and liabilities as Level 1 or Level 2.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815. The carrying amounts of the Company's financial assets and liabilities, including cash, prepaid expenses, accounts payable, accrued expenses, and other current liabilities, approximate their fair values because of the short maturity of these instruments. The fair value of notes payable and convertible notes approximates their fair values since the current interest rates and terms on these obligations are the same as prevailing market rates.

Certain of the Company's debt and equity instruments include embedded derivatives that require bifurcation from the host contract under the provisions of ASC 815-40, Derivatives and Hedging. The estimated fair value of the derivative warrant instruments was calculated using a Black Scholes valuation model.

The following table sets forth by level within the fair value hierarchy our financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2019 and December 31, 2018:

	Carrying	**Fair Value Measurement at**

	Value	December 31, 2019		
		Level 1	Level 2	Level 3
Derivative assets, debt, and equity instruments	$ —	$ —	$ —	$ —
Derivative liabilities, debt, and equity instruments	15,191,362	—	—	15,191,362

	Carrying Value	Fair Value Measurement at December 31, 2018		
		Level 1	Level 2	Level 3
Derivative assets, debt, and equity instruments	$ —	$ —	$ —	$ —
Derivative liabilities, debt, and equity instruments	661,320	—	—	661,320

The Company did not identify any other assets and liabilities that are required to be presented on the consolidated balance sheet at fair value.

Revenue Recognition

The Company recognizes revenue in accordance with the requirements of ASC 606, which directs that it should recognize revenue when a customer obtains control of promised goods or services for an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. All of our revenue is attributable to sales of oil, gas, and other hydrocarbons which are sold daily, with sales aggregated on a monthly basis. In the case of revenue received for a non-operated working interest, we are paid by the operator, which is a joint interest partner and not the purchaser of the product. In the case of revenue received for an operated working interest, we are paid by the marketer to whom we sell the commodities directly pursuant to contractual arrangements.

Debt Issuance Costs, Debt Discount and Detachable Debt-Related Warrants

Costs incurred to issue debt are deferred and recorded as a reduction to the debt balance in our consolidated balance sheets. We amortize debt issuance costs over the expected term of the related debt using the effective interest method. Debt discounts relate to the relative fair value of warrants issued in conjunction with the debt and are also recorded as a reduction to the debt balance and accreted over the expected term of the debt to interest expense using the effective interest method.

Net Earnings (Loss) Per Common Share

We use ASC 260, "*Earnings Per Share*" for calculating the basic and diluted earnings (loss) per share. We compute basic earnings (loss) per share by dividing net income (loss) by the weighted average number of common shares outstanding. Diluted earnings (loss) per share is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options and warrants and stock awards. For periods with a net loss, basic and diluted loss per share are the same, in that any potential common stock equivalents would have the effect of being anti-dilutive in the computation of net loss per share.

Income Taxes

The Company accounts for income taxes using the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Stock-Based Compensation

All share-based payments, including grants of stock to employees, directors and consultants, are recognized in the consolidated financial statements based upon their estimated fair values.

The Company accounts for stock, stock options, and stock warrants issued for services and compensation by employees under the fair value method. For non-employees, the fair market value of the Company's stock is measured on the date of stock issuance or the date an option/warrant is granted as appropriate under ASC 718 "Compensation – Stock Compensation". The Company determined the fair market value of the warrants/options issued under the Black-Scholes Pricing Model. Under the provisions ASC 718, share-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity grant).

The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows ASC Topic 718. As such, the value of the applicable stock-based compensation is periodically re-measured, and income or expense is recognized during their vesting terms. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is primarily recognized over the term of the consulting agreement. In accordance with FASB guidance, an asset acquired in exchange for the issuance of fully vested, non-forfeitable equity instruments should not be presented or classified as an offset to equity on the grantor's balance sheet once the equity instrument is granted for accounting purposes.

Recent Accounting Pronouncements

Changes to accounting principles are established by the FASB in the form of ASUs to the FASB's Codification. We consider the applicability and impact of all ASUs on our financial position, results of operations, cash flows, or presentation thereof. Described below are ASUs that are not yet effective, but may be applicable to our financial position, results of operations, cash flows, or presentation thereof. ASUs not listed below were assessed and determined to not be applicable to our financial position, results of operations, cash flows, or presentation thereof.

In December 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes." This guidance, among other provisions, eliminates certain exceptions to existing guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This guidance also requires an entity to reflect the effect of an enacted change in tax laws or rates in its effective income tax rate in the first interim period that includes the enactment date of the new legislation, aligning the timing of recognition of the effects from enacted tax law changes on the effective income tax rate with the effects on deferred income tax assets and liabilities. Under existing guidance, an entity recognizes the effects of the enacted tax law change on the effective income tax rate in the period that includes the effective date of the tax law. ASU 2019-12 is effective for interim and annual periods beginning after December 15, 2020, with early adoption permitted. We are currently evaluating the impact of this guidance.

Note 4 – Property and Equipment

Oil and Gas Properties

The Company's oil and gas properties as of December 31, 2019 and 2018 are located in the United States of America.

The following table provides the details of oil and gas properties, net of depletion, depreciation, amortization, and impairment as of December 31:

Oil and gas properties, full cost accounting	**2019**	**2018**
Unproved leasehold (1)	$ 106,299	$ 106,299
Proved leasehold and Properties subject to depletion, net of depletion	12,559,109	12,036,804
Exploratory wells – construction-in-progress (1)	–	–

Total		12,665,408		12,143,103
Support facilities and equipment, net		293,589		284,157
Net oil and gas properties	$	12,958,997	$	12,427,260

(1) Not subject to depletion;

Year Incurred	Acquisition Costs	Exploration and Development Costs	Disposition of Assets	Depreciation, Depletion, Amortization, and Impairment	Total
2016 and prior	$ 10,252,568	$ 1,181,421	$ –	$ –	$ 11,433,989
2017	–	3,223,931	–	(1,525,784)	1,698,147
2018	–	1,897,502	–	(2,886,535)	(989,033)
2019	657,304	537,052	–	(672,051)	522,305
Total	$ 10,909,872	$ 6,839,906	$ –	$ (5,084,370)	$ 12,665,408

● On March 6, 2019, the Company, through its indirect wholly-owned subsidiary, Foothills Exploration, LLC, closed on the acquisition of 22 natural gas wells and approximately 18,214 gross acres (14,584 core), 78% held by production, located in the Greater Green River Basin in Wyoming (the "GRB Assets"). Some of the underlying leases come with certain depth restrictions and roughly 80% of the acreage remains undeveloped. The GRB Assets were purchased for $671,481, in an all-cash transaction, which was financed through Company borrowings. The Company's optimization program targeting the first several wells has already generated an 11% increase in production rates and as such the Company is continuing to optimize additional wells to further increase production. $657,304 were recorded in oil and gas and property and $14,177 were allocated to Support Facilities and Equipment. We recorded $222,194 as asset retirement cost related to these wells. During the year ended December 31, 2019, we incurred costs of $34,532 exploration and development efforts associated with these properties.

Note 5 – Asset Retirement Obligation

The following table provides a reconciliation of the changes in the estimated present value of asset retirement obligations as of December 31:

	2019	2018
Beginning asset retirement obligations	$ 340,117	$ 303,327
Liabilities established	222,194	23,709
Accretion expense	30,959	13,081
Ending asset retirement obligations	$ 593,270	$ 340,117

Accretion expense for the year ended December 31, 2019 and 2018 was $30,959 and $13,081, respectively.

Note 6 – Notes Payable

The following table summarizes the outstanding amounts of our notes payable as of December 31:

	2019	2018
13.5% unsecured note payable due September 8, 2017 (1)	$ 1,050,000	$ 1,050,000
0% unsecured note payable due January 2, 2018 (2)	250,000	250,000
12% unsecured note payable June 30, 2019 (3)	120,629	120,629
0% unsecured note payable due August 6, 2018 (4)	38,000	38,000

9% unsecured note payable due December 15, 2018(5)		100,000		100,000
8% unsecured note payable due October 22, 2018(6)		50,000		50,000
15% unsecured note payable due February 5, 2020(7)		209,525		–
Less: unamortized discount		(3,306)		(12,932)
Total debt	$	1,814,848	$	1,595,697
Less: current maturities		1,814,848		1,595,697
Long-term debt, net of current maturities	$	–	$	–

(1)Effective August 9, 2017, the Company borrowed $1,050,000 from Profit Well Limited, a Hong Kong limited liability company. The Company executed a Bridge Note (the "Note") with an annual percentage interest rate of 13.5% and a maturity date of September 8, 2017. Proceeds of the Note were primarily used to repay Full Wealth for the debenture dated June 1, 2017. On November 3, 2017, Profit Well Limited agreed to defer repayment of the Note to a later date and acknowledged that the Company is not in default regarding the Note. Profit Well Limited also reaffirmed its belief that the Company will either extend or repay the obligation to the satisfaction of Profit Well. As partial consideration for the deferment, the Company agreed to issue Profit Well Limited 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50"). On February 28, 2018, Profit Well and the Company agreed to extend the maturity date of the Note to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Profit Well with 200,000 shares of restricted common stock valued at $46,700. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $100,000 shall become due and payable to Profit Well by the Company. On June 30, 2018, we recorded $100,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. On July 29, 2018, Profit Well Limited agreed to defer repayment of the Note to a later date and acknowledged that the Company is not in default regarding the Note, and as consideration for the extension, the Company agreed to compensate Profit Well with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

(2)On September 29, 2017, the Company issued to an unaffiliated investor a promissory note and three tranches of warrants for an aggregate consideration of $250,000. The Note recites that it accrues no interest if paid when due and is due and payable on January 2, 2018. If principal is not paid on or before maturity, interest will accrue at the rate of 15% per year until paid. On November 6, 2017, the Company agreed to compensate the investor with 75,000 shares of the Company's restricted common stock in connection with a more favorable term of a note entered into with FirstFire Global Opportunities Fund, LLC ("FirstFire"). On December 30, 2017, the Company and the investor agreed to extend the maturity date of the Note to January 23, 2018, in return for a payment at maturity of the principal, accrued interest as provided in the Note, plus 30,000 shares of the Company's restricted common stock. Because the fair value of the shares was greater than 10% of the present value of the remaining cash flows under the Note, the issuance of the shares in connection with a more favorable term of a note entered with FirstFire was treated as a debt extinguishment and reissuance of a new debt instrument pursuant to the guidance of ASC 470-50.

Since January 23, 2018, the Company and the investor have been in ongoing discussions to extend the term of the Note. On March 28, 2018, the investor acknowledged that the Company is not in default regarding the Note and reaffirmed its belief that the Company will either extend the Note's due date or repay its obligation on terms that are mutually satisfactory. The warrants have the following terms:

- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $0.665 per share expiring on September 29, 2019;
- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $1.25 per share expiring on September 29, 2020; and
- 185,000 warrants to purchase 185,000 shares of common stock of the Company at a strike price of $2.00 per share expiring on September 29, 2020.

The aggregate relative fair value of three tranches of warrants was determined to be $105,000 on September 29, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2-3 years. $2,536 imputed interest was recorded as debt discount. $2,536 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.26 year. The aggregate value of the warrants and imputed interest of $107,536 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. At December 31, 2019, $250,000 of principal was outstanding under the Note.

Each tranche of warrants is subject to down round adjustment provisions if the Company during the term of that tranche issues additional securities for consideration per share, after giving effect to fees, commission and expenses, that is less, or which on conversion or exercise of the underlying security is less, than $0.665 per share (as adjusted for any change resulting from forward or reverse splits, stock dividends and similar events).

To satisfy most favored nation provisions in previously entered securities purchase agreements that are triggered by the transaction described above, the Company issued 136,015 shares of common stock and warrants to purchase 136,015 shares of common stock, in the aggregate, to certain investors who purchased units from the Company, at a $1.00 per unit, with each unit consisting of one share and one warrant. See the Company's Current Report on the Form 8-K filed with the SEC on June 5, 2017. Of this amount, 100,752 shares and warrants to purchase 100,752 shares of common stock will be issued to Wilshire Energy Partners LLC, an entity controlled by Kevin J. Sylla, our Executive Chairman and Chief Executive Officer of FPI. The exercise price of these investor warrants was adjusted to $0.665 per share. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price of $1.50 and an adjusted exercise price of $0.665 and, as a result, $59,801 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $59,801 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(3)A promissory note was issued on November 1, 2017, for services rendered, bearing an interest rate of 12% per annum and with a maturity date of June 30, 2018. On August 22, 2018, the Note Holder agreed to defer repayment of the note to a later date and acknowledged that the Company is not in default regarding the note. As partial consideration for the deferment, the Company agreed to issue the Note Holder 60,000 shares of its restricted common stock. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

(4)On July 19, 2018, the Company borrowed $38,000 from an unaffiliated investor with an original discount of $3,207. The Note recites that it accrues no interest if paid when due and is due and payable on August 6, 2018. If principal is not paid on or before maturity, August 6, 2018. interest will accrue at the rate of 10% per year until paid. In connection with the issuance of the note, the Company issued 300,000 shares for late SEC filing, valued at $36,000. $74 imputed interest was recorded as debt discount. $74 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.05 year. The relative aggregate value of the shares and imputed interest was determined to be $32,793 using the allocation of proceeds, $32,793 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. Pursuant to the Note, the investor shall be assigned an undivided two percent (2%) overriding royalty of all oil, gas, and other minerals and hydrocarbons produced, saved, and sold from each well now or hereinafter located on certain leases and wells owned by the Company. On August 23, 2018, the lender agreed to defer repayment of the note to a later date and acknowledged that the Company is not in default regarding the note, and as consideration for the extension, the Company agreed to compensate the lender with 15,000 shares of restricted common stock valued at $1,950. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. At December 31, 2019, $38,000 of principal was outstanding under the Note.

(5)On September 14, 2018, the Company borrowed $100,000 from an unaffiliated investor, bearing an interest rate of 9% per annum and with a maturity date of December 15, 2018. In connection with the issuance of this note (the "Note"), the Company issued 250,000 shares of its common stock, valued at $22,500, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. At December 31, 2019, $100,000 of principal was outstanding under the Note.

(6)On October 22, 2018, the Company issued a term sheet to an unaffiliated investor for a promissory note (the "Note") in the principal amount of $50,000 with a Volumetric Production Payment ("VPP") equal to 1,250 barrels of oil equivalent ("BOE"). The Note has a maturity date of October 22, 2019, with the Principal and accrued unpaid interest due in full at Maturity. VPP will be made after deduction of 20% royalties due to mineral owners, paid within the term on the Note and at the discretion of the Company as to amount and volume; *provided, however,* that the VPP for any month shall not be less than 5% of the month's total crude oil sales. Payment may be made "in-kind" at the election of the Investor. If election is made by Investor to be paid "in-kind," then Investor shall bear responsibility for paying mineral owner royalties due on said "in-kind" payments. All VPP's to be made from the production of the Company's operating subsidiaries, Foothills Exploration Operating, Inc. and Tiger Energy Operating, LLC, from the well bores of the Company's Duck Creek wells, subject to the terms of the Leases covering such wells. Such VPP will continue until paid in full, regardless of payment in full of the Note and shall be secured by the assets. In the event that the West Texas Intermediate (WTI) crude oil market price closes below USD $40.00 per barrel for 10 consecutive trading days, the Investor shall be allocated a revised VPP equal to 2 times the remaining VPP barrels left over at that time.

Pursuant to the Note, the investor shall be assigned an un undivided one-half percent (0.5%) overriding royalty interest ("ORRI") in all oil, gas and other minerals produced, saved, and marketed from each well now or hereinafter located on wells owned by the Company, subject to the terms of the Leases covering such wells. Upon any default in payment of principal hereunder, the Company shall pay interest on the principal balance of the Note then outstanding and on the accrued but unpaid interest from the date of such default until such default is cured and the Note paid in full at the rate of Fifteen Percent (15%). The Company agreed to issue the investor 200,000 shares of the Company's restricted common stock as additional consideration for entering into the Note with the Company, valued at $16,000, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

Pursuant to the Note, Investor has the right to participate in any future offering by the Company for a period of twelve (12) months for an amount equal to the principal amount detailed in the Term Sheet. So long as the Note is outstanding, if the Company enters into a subsequent financing with another individual or entity (a third party) on terms that are more favorable to that third party, the agreements between the Company and the investor shall be amended to include such better terms. During the year ended December 31, 2019, the Company amortized $12,932 of such discount to interest expense. At December 31, 2019, unamortized debt discount was $0 and $50,000 of principal was outstanding under the Note.

(7)On February 5, 2019, the Company borrowed $209,525 from an unaffiliated investor with an original discount of $33,524. The Note has a maturity date of February 5, 2020 and bears 10% interest. The Company failed to pay $71,000 principal payment, which was due on March 15, 2019. As the result, we incurred $100,000 penalty and interest were increased to 15%. During the year ended December 31, 2019, the Company amortized $30,218 of such discount to interest expense. As of December 31, 2019, unamortized debt discount was $3,306 and $209,525 of principal was outstanding under the Note.

During the year ended December 31, 2019 and 2018, respectively, we incurred $487,717 and $433,550 of interest expense, including amortization of discount of $43,150 and $67,113 and shares issued for extension of $0 and $68,376 and penalty of $100,000 and $100,000, respectively.

Note 7 – Notes Payable - Related Party

	December 31, 2019	December 31, 2018
13.5% unsecured note payable due June 30, 2018 (1)	$ 1,250,000	$ 1,250,000
10% unsecured note payable due December 31, 2018 (2)	6,000,000	6,000,000
13.5% unsecured note payable due December 31,2023 (3)	140,000	–
Less: unamortized discount of imputed interest of 4% (2)	–	–

Total debt		7,390,000		7,250,000
Less: current maturities		7,390,000		7,250,000
Long-term debt, net of current maturities	$	–	$	–

(1)Effective January 5, 2017, Foothills borrowed $1,250,000 from Berwin Trading Limited ("Berwin") that, due to its 20% beneficial ownership in the Company, is a related party. This note called for interest at 9% per annum; but because it was not paid when due interest was to be accrued at a default rate of 11% from the due date of the note. The Company used net proceeds of this loan to satisfy certain obligations under a Purchase and Sale Agreement with Total Belief Limited, dated December 30, 2016, for general working capital and to support certain target drilling activities.

On May 4, 2017, the Company and Berwin agreed to extend the maturity date of the debenture to June 20, 2017, in return for an annual interest rate increase from 9% to 13.5% per annum for the life of the debenture. On November 3, 2017, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding the note. As partial consideration for the deferment, the Company issued Berwin 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50"). On February 28, 2018, Berwin and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Berwin with 250,000 shares of restricted common stock valued at $58,375. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $125,000 shall become due and payable to Berwin by the Company. On June 30, 2018, we recorded $125,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. The Company and Berwin are in ongoing discussions to extend the term of the Note and the Company believes it will either extend, rework, or repay the obligation to the satisfaction of Berwin. On July 29, 2018, Berwin agreed to defer repayment of the note to a later date and acknowledged that the Company is not in default regarding the note, and as consideration for the extension, the Company agreed to compensate Berwin with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

(2)On December 30, 2016, in connection with the TBL acquisition, the Company entered into a promissory note in the amount of $6,000,000. This note bears no interest during its term. The Company calculated and recorded $342,804 of imputed interest as debt discount. Starting from July 1, 2018, the note bears 10% annual interest.

(3)The Company entered into a deed of novation and assignment as the assignee to various bonds with total principal, interest, and penalties of $5,476,505. The assigners novate to the Company all their obligations and liabilities in relation to the Bonds with a term ending on December 31, 2023 and an interest rate of 13.5%. On November 04, 2019 and December 11, 2019, Foothills received $90,000 and $50,000, respectively, in relation to the notes.

During the year ended December 31, 2019 and 2018, respectively, we incurred $770,439 and $778,393 of interest expense, including amortization of discount of $0 and $114,268 and shares issued for extension of $0 and $70,375, and penalty of $0 and $125,000, respectively.

Note 8 – Convertible Note Payable

		December 31, 2019		December 31, 2018
10% convertible note payable due May 10, 2018 (1)	$	50,000	$	50,000
13.5% convertible note payable due February 11, 2020 (2)		44,000		44,000
12% convertible note payable due May 1, 2019 (3)		30,000		380,000
12% convertible note payable due December 6, 2019 (4)		–		45,000
10% convertible note payable due September 19, 2019 (5)		6,291		58,300
10% convertible note payable due September 1, 2019 (6)		680,882		–

12% convertible note payable due September 6, 2019 (7)	380,000	–
10% convertible note payable due December 19, 2019 (8)	52,250	–
12% convertible note payable due March 20, 2020 (9)	35,320	–
12% convertible note payable due May 15, 2020 (10)	127,750	–
10% convertible note payable due May 29, 2020 (11)	57,000	–
12% convertible note payable due May 31, 2020 (12)	83,075	–
10% convertible note payable due May 31, 2020 (13)	56,400	–
8% convertible note payable due June 4, 2020 (14)	46,200	–
12% convertible note payable due June 19, 2020 (15)	113,000	–
12% convertible note payable due July 11, 2020 (16)	236,250	
12% convertible note payable due July 17, 2020 (17)	78,000	–
10% convertible note payable due July 23, 2020 (18)	110,000	–
12% convertible note payable due September 19, 2020 (19)	115,000	–
Less: unamortized debt discount on convertible notes	(526,592)	(363,265)
Total debt	1,774,826	214,535
Less: current maturities	1,774,826	181,637
Long-term debt, net of current maturities	$ –	$ 32,898

(1) On May 10, 2017, we entered into a convertible note agreement with an unrelated party, pursuant to which we borrowed $50,000 at an annual percentage rate of 10% with a term of 12 months, which is due on May 10, 2018. This note may, at the option of the lender, be converted at any time prior to May 10, 2018, into fully-paid, restricted and non-assessable shares of common stock of the Company at a price equal to 100% of the selling price of such common stock in a private placement to institutional and/or accredited investors initiated by the Company during the term of this convertible note until May 10, 2018. On November 7, 2017, the Company issued 50,000 warrants to purchase 50,000 shares of common stock of the Company at a strike price of $1.00 per share expiring on May 7, 2019. If the Company fails to pay the principal and accrued unpaid interest due and payable to Lender on or before the due date of the convertible note, then the Lender shall be provided the right to convert at either $0.665 per share or upon the same terms offered in FirstFire Global Opportunities Fund, LLC Note's conversion options. The relative fair value of warrant was determined to be $3,381 on November 7, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 77%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 years. The issuance of the warrants in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. On September 17, 2018, the note holder agreed to defer repayment of the note to December 15, 2018, the Company agreed to compensate the note holder with 50,000 shares of restricted common stock valued at $4,500. On April 4, 2019, note holder confirmed that the Company is not in default with respect to the note. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. As of December 31, 2019, the note is past due, but not in default.

(2) On August 11, 2018, the Company borrowed $44,000 from an unaffiliated investor, bearing an interest rate of 12.5% per annum and with a maturity date of February 11, 2020. As part of this transaction the Company also issued (i) warrants having a 24-month term, to purchase 100,000 shares of the Company's common stock at an exercise price of $0.665 per share and (ii) 44,000 shares of the Company's restricted common stock. The Note agreements give the lender the right to convert the loan amounts due into common stock at a fixed conversion price of $0.20. The aggregate relative fair value of the warrant was determined to be $9,035 on August 11, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 221%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2 year. Fair value of 44,000 shares of common stock was determined to be $5,280 using market price. The aggregate value of the warrant and 44,000 shares of common stock of $14,315 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2019, the Company amortized the $10,006 of such discount to interest expense. At December 31, 2019, unamortized debt discount was $1,095 and $44,000 of principal was outstanding under the Note.

(3) On November 1, 2018, the Company entered into a loan transaction with an unaffiliated investor ("Holder"), which funded and closed on November 5, 2018. The Company issued the lender a convertible promissory note ("Note") dated November 1, 2018, in the principal amount of $380,000 with an original issue discount of 10% and received proceeds of $342,000, before giving effect to certain transactional costs including legal fees on November 5, 2018. As part of this transaction the Company also issued 650,000 shares of the Company's restricted

common stock and two tranches of warrants: (ii) tranche 1 are warrants having a 5-year term to purchase 687,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with cashless exercise option and (ii) tranche 2 are warrants having a 5-year term to purchase 2,062,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with cashless exercise option. Tranche 2 warrants may be redeemed by the Company for $20,000 ("Call Payment") beginning on the date of issuance, November 1, 2018, and ending on the date which is 180 calendar days following the issuance date (the "Call"). If Company exercises the Call, then the Company shall make the Call Payment to the Holder within five business days of the date that the Company exercises the Call. If the Call Payment is not made within the required time frame, then the Company will lose its right to exercise the Call for the tranche 2 warrants.

The Note accrues interest at 12% per year and is due and payable on May 1, 2019 ("Maturity Date"). The Company may prepay the Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The Note agreements give the lender the right to convert the loan amounts due into common stock at a conversion price equal to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading day period ending on the latest complete trading day prior to the date of the Note and (ii) 50% multiplied by the twenty (20) trading day period ending on the latest complete trading day prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $89,908 on November 1, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 226%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. Fair value of 650,000 shares of common stock was determined to be $53,300 using allocation of proceeds. The Company accounted for the conversion feature, which was recorded as a derivative valued at $558,923, of which $364,131 was expensed immediately to interest expense. $194,792 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 226%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The aggregate value of the original debt discount, warrant, conversion feature and 650,000 shares of common stock of $380,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2019, we paid $350,000. As of December 31, 2019, $30,000 in principal was outstanding under the Note. As of December 31, 2019, the note is past due, but not in default.

(4) On December 6, 2018, the Company entered into a convertible loan transaction with an unaffiliated investor ("Holder") in the principal amount of $136,500 (the "Note"). The Note is divided into three tranches, the first tranche of which, in the face amount of $45,500, funded and closed on December 7, 2018, before giving effect to certain transactional costs including legal fees yielding a net of $41,500. The Note carries an original issue discount of $12,000 (the "OID") prorated to each tranche, to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the negotiation, purchase and sale of the Note, which is included in the principal balance of the Note.

For each tranche funded under the Note, the Company agreed to issue warrants having a 5-year term to purchase up to 227,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with a cashless exercise option. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

The Note agreements give the Holder, after the 180th calendar day after the issue date, the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note due into fully paid and non-assessable shares of Common Stock at 50% multiplied by the lowest trading Price for the Common Stock during the twenty (20) Trading Day period prior to the Conversion Date.

Each tranche of the Note funded accrues interest at 12% per year. The maturity date for each tranche funded shall be twelve (12) months from the effective date of each payment (each a "Maturity Date"), and is the date upon which the principal sum of each respective tranche, as well as any accrued and unpaid interest and other fees relating to that respective tranche, shall be due and payable. The Company may prepay any amount outstanding under each tranche of the Note, during the initial 60 calendar day period after the issuance of the respective tranche of the Note, by making a payment to the Holder of an amount in cash equal to 125% multiplied the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in the Note, the Company may prepay any amount outstanding under each tranche of the Note, during the 61st through 120 calendar day period after the issuance of the respective tranche of the Note, by making a payment to the Holder of an amount in cash equal to 135% multiplied the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in the Note, the Company may prepay any amount outstanding under each tranche of the Note, during the 121st through 180 calendar day period after the issuance of the respective tranche of the Note, by making a payment to the Holder of an amount in cash equal to 145% multiplied the amount that the Company is prepaying.

The Company may not prepay any amount outstanding under each tranche of the Note after the 180th calendar day after the issuance of the respective tranche of the Note. Any amount of principal or interest due pursuant to the Note, which is not paid by the Maturity Date, shall bear interest at the rate of the lesser of (i) fifteen percent (15%) per annum or (ii) the maximum amount permitted by law from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the date that each tranche of the Note is fully paid and shall be computed on the basis of a 365-day year and the actual number of days elapsed. Net proceeds obtained in this transaction will be used for general corporate and working capital purposes. No assurance can be given that any other tranche of the Note will be funded or that any amount due there under will be prepaid. No broker-dealer or placement agent was retained or involved in this transaction.

The aggregate relative fair value of the warrant was determined to be $7,880 on December 6, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 225%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. The Company accounted for the conversion feature, which was recorded as a derivative valued at $74,970, of which $42,850 was expensed immediately to interest expense. $74,970 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 225%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.00 year. The aggregate value of the original debt discount, warrant and conversion feature of $45,500 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. On June 5, 2019, we paid an additional $5,000 for an extension and in exchange the Holder agreed not to convert the Note into common stock until July 6, 2019. The $5,000 paid in exchange for not converting was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. During year ended December 31, 2019, we paid off the remaining balance of $45,500 and additional $34,500 for accrued interest and fees.

(5) On December 19, 2018, the Company entered into a convertible loan transaction with an unaffiliated investor ("Holder") in the principal amount of $58,300 (the "Note"), which funded and closed on December 21, 2018, before giving effect to certain transactional costs including legal fees yielding a net of $53,000. The Note carries an original issue discount of $5,300 (the "OID"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the negotiation, purchase and sale of the Note, which is included in the principal balance of the Note.

The Note agreements give the Holder, after the 180th calendar day after the issue date, the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Note due into fully paid and non-assessable shares of Common Stock at the Conversion Price, which is equal the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the Note or (ii) 60% multiplied by the lowest trading price for the common stock during the twenty-five (25) trading day period ending on the latest complete trading day prior to the conversion date.

The Note accrues interest at 10% per year. The maturity date for the Note is September 19, 2019 ("Maturity Date"), and is the date upon which the principal sum, as well as any accrued and unpaid interest, shall be due and payable. The Company may prepay any amount outstanding under the Note, during the initial 60 calendar day period after the issuance of the Note, by making a payment to the Holder of an amount in cash equal to 125% multiplied by the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in the Note, the Company may prepay any amount outstanding under each tranche of the Note, during the 61st through 120th calendar day period after the issuance of the respective tranche of the Note, by making a payment to the Holder of an amount in cash equal to 135% multiplied the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in the Note, the Company may prepay any amount outstanding under each tranche of the Note, during the 121st through 180th calendar day period after the issuance of the respective tranche of the Note, by making a payment to the Holder of an amount in cash equal to 140% multiplied the amount that the Company is prepaying. As of December 31, 2019, the note is past due, but not in default.

The Company may not prepay any amount outstanding under each tranche of the Note after the 180th calendar day after the issuance of the respective tranche of the Note. Any amount of principal or interest due pursuant to the Note, which is not paid by the Maturity Date, shall bear interest at the rate of the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum amount permitted by law from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the date that each tranche of the Note is fully paid and shall be computed on the basis of a 360-day year and the actual number of days elapsed. Net proceeds obtained in this transaction will be used for general corporate and working capital purposes. No broker-dealer or placement agent was retained or involved in this transaction.

The Company accounted for the conversion feature, which was recorded as a derivative valued at $102,942, of which $52,942 was expensed immediately to interest expense. $102,942 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 228%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $50,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. On June 24, 2019, we increased the principal balance by 10% in the amount of $5,830 and in exchange the noteholder agreed not to convert the Note into common stock until July 21, 2019. The $5,830 in exchange for not converting was treated as an extinguishment of existing debt pursuant to the guidance of ASC 470-50. On July 19, 2019, we increased the principal balance by 10% in the amount of $6,787 and in exchange the noteholder agreed not to convert the Note into common stock until August 19, 2019. The $6,787 in exchange for not converting was treated as an extinguishment of existing debt pursuant to the guidance of ASC 470-50. During the year ended December 31, 2019, debt holder converted $21,553 of principal and $1,000 of fee into 2,505,933 shares of common stock. During year ended December 31, 2019, the company paid $53,955, of which $46,812 toward outstanding principal balance and $7,143 applied to prepayment penalty. As of December 31, 2019, $6,291 was outstanding under the Note.

(6) On March 4, 2019, the Company closed on a loan transaction with FirstFire Global Opportunities Fund, LLC, ("FirstFire") pursuant to which the Company issued FirstFire a senior secured convertible promissory note ("FirstFire Note") in the principal amount of $705,882, and received proceeds of $592,500, with original discount of $113,382. As part of this transaction the Company issued (i) warrants having an 18-month term, to purchase 1,125,000 shares of the Company's common stock at an exercise price of $0.50 per share, with a cashless exercise feature (the "Warrant"). The exercise price subject to adjustment if the Company at any time while the Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of Common Stock (upon conversion, exercise or otherwise) (including but not limited to under the FirstFire Note), at an effective price per share less than the then Exercise Price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the exercise price upon issuance.

The FirstFire Note accrues interest of 10% per annum, and matures on September 1, 2019, which is the date upon which the principal sum, the original issue discount, as well as any accrued and unpaid interest and other fees, shall be due and payable. The Company agreed to make payments of $20,000 per month pursuant to a cash management agreement as described in the note agreements. The FirstFire Note is collateralized by the GRB Assets, which principally are being acquired by the Company with the net proceeds of the FirstFire Note.

FirstFire has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the FirstFire Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $3,553,635 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $273,735 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. The conversion feature was recorded as a derivative valued at $4,135,070, of which $3,816,305 was expensed immediately to interest expense. $4,135,070 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $318,765 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. During the year ended December 31, 2019, we paid $100,000 towards the principal of the FirstFire Note. As of December 31, 2019, $680,882 was outstanding under the FirstFire Note. As of December 31, 2019, the note is past due, but not in default.

(7) On March 6, 2019, the Company closed on a loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated March 6, 2019, in the principal amount of $380,000, with an original issue discount of 10% and received proceeds of $338,000, with original discount of $42,000 including legal fees (the "Labrys Note"). The Company utilized proceeds in part to pay (i) $110,000 to Labrys as partial repayment of a convertible promissory note issued on November 1, 2018 and (ii) $40,000 to the Company's auditor. As part of this transaction the Company also issued Labrys warrants (the "Labrys Warrants") having a five-year term to purchase 608,000 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while the Labrys Warrants are outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the Labrys Warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The Labrys Note accrues interest at 12% per year and is due and payable on September 6, 2019. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The Labrys Warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. As of December 31, 2019, the note is past due, but not in default.

The aggregate relative fair value of the warrant was determined to be $2,306,364 on March 6, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $158,860 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $2,599,866, of which $179,140 was expensed immediately to interest expense. $2,599,866 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $179,140 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Labrys Note or in full upon the conversion of the Labrys Note.

(8) On March 19, 2019, the Company entered into a securities purchase agreement (the "JSC SPA") with Jefferson Street Capital, LLC, an unaffiliated investor ("JSC"), pursuant to which the Company issued and sold to JSC a convertible promissory note (the "JSC Note") in the principal amount of $52,250 (the "JSC Principal"). The foregoing transaction closed on March 28, 2019 and the Company received $40,000, with original discount of $12,250. As part of this transaction the Company also issued JSC warrants (the "JSC Warrants") having an 18-month term to purchase 83,078 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the JSC Warrants are outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the JSC Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the JSC Warrants was reset to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The JSC Note accrues interest at 10% per year and carries an original issue discount of $4,750. The maturity date for the JSC Note is December 19, 2019, at which time the JSC principal, and any accrued but unpaid interest, is due and payable. JSC may convert after the 180th calendar day after the issue date of the JSC Note, all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the JSC Note due into shares of common stock of the Company at the conversion price that is equal to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The aggregate relative fair value of the warrant was determined to be $296,143 on March 19, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $18,160 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $356,844, of which $335,004 was expensed immediately to interest expense. $356,844 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the JSC Note or in full upon the conversion of the JSC Note.

(9) On March 20, 2019, the Company, entered into Amendment #1 to the Securities Purchase Agreement dated December 6, 2018, with Crown Bridge Partners, LLC, an unaffiliated investor ("Holder") pursuant to which the Company closed on March 28, 2019 a second tranche under the Note, dated December 6, 2017, with a face value of $40,018 (the "Second Tranche" of the "Note"). The Company received $35,000 with original discount of $5,018 including legal fees. The Note carries an original issue discount of $12,000 (the "OID") to face value prorated to each tranche, to cover the Holder's transaction related costs incurred in connection with the negotiation, purchase and sale of the note. Each tranche of the note funded accrues interest at a rate of 12% per year. The principal amount of each respective tranche, as well as any accrued and unpaid interest and other fees relating to that respective tranche, is due and payable twelve (12) months from the date on which each respective tranche is delivered to the Company. The Company may not prepay any amount outstanding under each tranche of the Note after the 180th calendar day after the issuance of the respective tranche received pursuant to the Note. As part of this transaction the Company also issued warrants (the "Crown Bridge Warrants") having a 5 year term to purchase 80,036 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the Crown Bridge Warrants are outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the Crown Bridge Warrants

was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The Holder may convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Note due into shares of common stock of the Company at the conversion price that is equal to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The aggregate relative fair value of the warrant was determined to be $106,534 on March 20, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $18,480 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $95,370, of which $78,850 was expensed immediately to interest expense. $16,520 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(10)On May 15, 2019, the Company closed on a loan transaction with Odyssey Capital Funding, LLC ("Odyssey"), pursuant to which the Company issued Odyssey a convertible redeemable promissory note ("Odyssey Note") in the principal amount of $131,250, and received proceeds of $125,000, before giving effect to certain transactional costs. The Odyssey Note accrues interest of 12% per annum and matures on May 15, 2020.

Odyssey is entitled, at its option, at any time after the 180th daily anniversary of the Odyssey Note, to convert all or any amount of the principal face amount of the Odyssey Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received by the Company.

The conversion feature was recorded as a derivative valued at $230,389, of which $105,389 was expensed immediately to interest expense. $230,389 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $125,000 and original debt discount of $6,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Odyssey Note or in full upon the conversion of the Odyssey Note.

(11)On May 29, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $57,000 and received proceeds of $55,000 with an original issue discount of $2,000 (the "Note"). The Note accrues interest of 10% per annum and matures on May 29, 2020.

The conversion feature was recorded as a derivative valued at $88,261, of which $33,261 was expensed immediately to interest expense. $88,261 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $55,000 and original debt discount of $2,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

The exercise price of the Note was adjusted to 75% of the conversion price of the GW Note dated May 31, 2019. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price and an adjusted exercise price and, as a result, $45,638 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $45,638 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(12)On May 31, 2019, the Company closed on a convertible loan transaction with GW Holdings Group, LLC ("GW") in the principal amount of $86,625 with an original issue discount of $11,625, before giving effect to certain transactional costs including legal fees yielding a net of $75,000 (the "Note"). The maturity date for the Note is May 31, 2020 ("Maturity Date").

GW is entitled, at its option, at any time after the 180^{th} daily anniversary of the Note, to convert all or any amount of the principal face amount of the Note then outstanding into shares of the Company's common stock at a price equal to 50% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received,

As part of this transaction the Company also issued warrants having a five-year term to purchase 160,000 shares of the Company's restricted common stock at an exercise price of $0.50 per share with a cashless exercise feature.

The aggregate relative fair value of the warrants was determined to be $159,495 on May 31, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $38,775 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $148,885, of which $112,660 was expensed immediately to interest expense. $148,885 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $36,225 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(13)On May 31, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $60,000 and received proceeds of $50,000 with an original issue discount of $10,000 (the "Note"). The Note accrues interest of 10% per annum and matures on May 31, 2020. The Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty-five (25) prior trading days including the day upon which a notice of conversion is received,

The conversion feature was recorded as a derivative valued at $92,904, of which $42,904 was expensed immediately to interest expense. $92,904 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $50,000 and original debt discount of $10,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(14)On June 4, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $46,200 and received proceeds of $40,000 with an original issue discount of $6,200 (the "Note"). The Note accrues interest of 8% per annum and matures on June 4, 2020. The Note is convertible into shares of the Company's common stock at a price equal to 60% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $73,627, of which $33,627 was expensed immediately to interest expense. $73,627 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $40,000 and original debt discount of $6,200 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(15)On June 19, 2019, the Company closed on a convertible loan transaction with an unaffiliated lending entity ("Holder") in the principal amount of $113,000, before giving effect to certain transactional costs including legal fees yielding a net of $113,000 (the "Note"). The maturity date for the Note is June 17, 2020.

The Holder is entitled, at its option, at any time after the 180^{th} daily anniversary of the Note, to convert all or any amount of the principal face amount of the Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $274,884, of which $164,884 was expensed immediately to interest expense. $274,884 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 274%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(16)On July 11, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $236,250 and received proceeds of $225,000 with an original issue discount of $11, 250 (the "Note"). The Note accrues interest of 12% per annum and matures on July 11, 2020. The Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $367,966, of which $142,966 was expensed immediately to interest expense. $367,966 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 257%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $225,000 and original debt discount of $11,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(17)On July 17, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $78,000 and received proceeds of $75,000 with an original issue discount of $3,000 (the "Note"). The Note accrues interest of 12% per annum and matures on July 17, 2020. The Note is convertible into shares of the Company's common stock at a price equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days excluding the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $154,168, of which $79,168 was expensed immediately to interest expense. $154,168 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $75,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(18)On July 23, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $110,000 and received proceeds of $95,000 with an original issue discount of $15,000 (the "Note"). The Note accrues interest of 10% per annum and matures on July 23, 2020. The Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $242,351, of which $147,351 was expensed immediately to interest expense. $242,351 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 251%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $95,000 and original debt discount of $15,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(19)On September 19, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $115,000 and received proceeds of $110,000 with an original issue discount of $5,000 (the "Note"). The Note accrues interest of 12% per annum and matures on September 19, 2020. The Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $179,617, of which $69,617 was expensed immediately to interest expense. $179,617 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 249%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $5,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

During the year ended December 31, 2019 and 2018, the Company incurred $2,282,314 and $529,121 of interest expense, respectively, including amortization of discount of $2,048,148 and $389,078, respectively, and shares issued for note extension of $0 and $24,750, respectively. As of December 31, 2019, and 2018, the unamortized discount was $526,592 and $363,265, respectively.

The following table reconciles, for the period ended December 31, 2019 and 2018, the beginning and ending balances for financial instruments that are recognized at fair value in the consolidated financial statements:

	2019	2018
Balance of embedded derivative beginning of period	$ 661,320	$ 458,387
Additions related to embedded conversion features of convertible debt issued	9,264,651	736,835
Change in fair value of conversion features	7,216,505	(50,619)
Reductions in fair value due to principal repayments and conversion	(1,951,114)	(483,283)
Balance of embedded derivatives end of period	$ 15,191,362	$ 661,320

Derivative liabilities were determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248 - 326%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.08 – 1.00 year.

Note 9 – Common Stock

On June 5, 2018, the Company issued to FirstFire 150,000 shares of restricted common stock for an extension of their note originally issued November 17, 2017 in the amount of $267,500 (see Note 8). These shares were valued at $30,000.

From June 21, 2018 to June 23, 2018 four (4) officers and directors of the Company agreed to convert $566,300 of accrued wages and fees into 3,836,111 shares of restricted common stock, valued at $774,737. We recorded $208,437 as loss on extinguishment of debt.

During the year ended December 31, 2018, the Company agreed to issue Berwin an aggregate 350,000 shares of restricted common stock for an extension of their note originally issued January 5, 2017 in the amount of $1,250,000 (see Note 7). These shares were valued at $70,375.

During the year ended December 31, 2018, the Company issued Profit Well 400,000 shares of restricted common stock for an extension of their note originally issued August 10, 2017 in the amount of $1,050,000 (see Note 6). These shares were valued at $106,700. 100,000 of these shares were authorized during 2017.

During the year ended December 31, 2018, the Company agreed to issue a third party an aggregate of 659,000 shares of restricted common stock in connect with new notes and extensions of their notes (see Note 6 and 8). These shares were valued at $70,230. 105,000 shares of common stock were authorized but not issued as of December 31, 2017. All 964,000 shares of common stock, valued at $132,130, were issued during year ended December 31, 2018. 0 and 105,000 shares of common stock, valued at $0 and $45,900 were authorized but not issued as of December 31, 2018 and 2017, respectively.

On August 22, 2018, the Company agreed to issue a third party 60,000 shares of restricted common stock to extend maturity date of a promissory note issued on November 1, 2017, valued at $7,800.

On September 13, 2018, the Company agreed to issue 125,000 shares of restricted common stock to FirstFire to defer the expiration date of their notes, valued at $11,250. These shares were issued on November 28, 2018.

On October 9, 2018, the Board of Directors of the Company approved and authorized an aggregate of 540,000 shares of common stock to various service providers for their continued service and additional attention rendered to the Company. These shares were valued at $54,000.

On November 1, 2018, in connection with a convertible note, the Company issued 650,000 shares of the Company's restricted common stock, valued at $53,300 to Labrys Fund, L.P.

As of December 31, 2018, the Company had 22,075,738 shares of common stock issued and outstanding.
During the year ended December 31, 2019, the Company issued 1,175,000 shares to various consultants for services rendered, valued at $179,847.

During the year ended December 31, 2019, the Company issued 228,332 shares of common stock to various employees, valued at $40,917 and 50,000 shares of restricted common stock were authorized not issued, valued at $2,600 (these shares were recorded as common stock payable as of December 31, 2019).

During the year ended December 31, 2019, the Company issued 33,463,330 shares for the conversion of principal notes payable, 728,167 shares for the conversion of interest on notes payable, and 5,199,772 shares for the financing fees related to the notes converted.

During the year ended December 31, 2019, several debt holder cashless exercised 38,473,182 shares of warrants to purchase common stock.

During the year ended December 31, 2019, 650,000 shares were returned in connection with partial repayment made to debt holder.

As of December 31, 2019, the Company had 100,693,521 shares of common stock issued and outstanding.

Warrants

On August 11, 2018, the Company issued an unaffiliated investor warrants to purchase 100,000 shares of common stock at a strike price of $0.665 per share expiring in 24 months, in connection with a convertible promissory note in the principal amount of $44,000. The aggregate relative fair value of the warrant was determined to be $9,035 on August 11, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 221%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2 year.

On November 1, 2018, the Company issued an unaffiliated investor two tranches of warrants in connection with a convertible promissory note in the principal amount of $380,000: (i) tranche 1 are warrants having a 5-year term to purchase 687,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with cashless exercise option and (ii) tranche 2 are warrants having a 5-year term to purchase 2,062,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with cashless exercise option. Tranche 2 warrants may be redeemed by the Company for $20,000 ("Call Payment") beginning on the date of issuance, November 1, 2018, and ending on the date which is 180 calendar days following the issuance date (the "Call"). The aggregate relative fair value of the warrant was determined to be $89,908 on November 1, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 226%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. The exercise price subject to adjustment if the Company at any time while the warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to March 4, 2019, which is $0.025. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. The fair value of the warrant was determined to be $3,421,241 on March 4, 2019, using the Black-

Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 4.7 year. The same was considered as deemed dividend.

On December 6, 2018, the Company issued an unaffiliated investor warrants to purchase 227,500 shares of common stock at a strike price of $0.20 per share expiring in 5 years, in connection with a convertible promissory note in the principal amount of $45,500. The relative fair value of the warrant was determined to be $7,880 on December 6, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 225%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to March 4, 2019, which is $0.025. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. The fair value of the warrant was determined to be $299,594 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 4.8 year. The same was considered as deemed dividend.

On March 4, 2019, the Company issued warrants having an 18-month term, to purchase 1,125,000 shares of the Company's common stock at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) $0.5 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the exercise price upon issuance. The fair value of the warrant was determined to be $3,553,635 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year.

On March 6, 2019, the Company issued Labrys warrants having a five-year term to purchase 608,000 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. The fair value of the warrant was determined to be $2,306,364 on March 6, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years.

On March 19, 2019, the Company issued warrants having an 18-month term to purchase 83,078 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the Note or (ii) 60% multiplied by the market price. The fair value of the warrant was determined to be $296,143 on March 19, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year.

On March 20, 2019, the Company also issued warrants having a 5 years term to purchase 80,036 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion. The fair value of the warrant was determined to be $106,534 on March 20, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years.

On May 31, 2019, the Company issued warrants having a five-year term to purchase 160,000 shares of the Company's restricted common stock at an exercise price of $0.50 per share with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while the warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to the note or notice of conversion. The fair value of the warrant was determined to be $159,495 on May 31, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $38,775 was considered as debt discount upon issuance.

On July 3, 2019, the Company issued warrants having a three-year term to purchase 100,000 shares of the Company's restricted common stock at an exercise price of $0.275 per share with a cashless exercise feature. The fair value of the warrant was determined to be $20,280 on July 3, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 255%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $20,280 was considered as stock compensation to consultant.

The following table summarizes all stock warrant activity for the year ended December 31, 2019 and 2018:

	Number of Warrants	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term**
Balance outstanding, December 31, 2018	5,761,015	0.82	3.30
Granted	2,156,114	0.49	2.12
Exercised	(1,072,908)	0.33	3.12
Cancelled or expired	(486,124)	0.74	(0.34)
Balance outstanding, December 31, 2019	6,358,097	$ 0.80	2.30

Exercisable, December 31, 2019	6,358,097	$ 0.80	2.30

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2017	2,683,515	1.56	2.65
Granted	3,077,500	0.22	4.74
Exercised	–	–	–
Cancelled or expired	–	–	–
Balance outstanding, December 31, 2018	5,761,015	$ 0.82	3.30
Exercisable, December 31, 2018	5,761,015	$ 0.82	3.30

Options

During the year ended December 31, 2019 and 2018, we recorded $711,248 and $970,329 option expense. As of December 31, 2019, and 2018, the unamortized option expense was $105,242 and $816,490, respectively.

The following table summarizes all stock option activity for the year ended December 31, 2019 and 2018:

	Number of Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2018	2,050,000	2.21	5.26
Granted	–	–	–
Exercised	–	–	–
Cancelled or expired	–	–	–
Balance outstanding, December 31, 2019	2,050,000	$ 2.21	4.26
Exercisable, December 31, 2019	1,950,000	$ 2.22	4. 26

	Number of Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2017	2,050,000	2.21	6.26
Granted	–	–	–
Exercised	–	–	–
Cancelled or expired	–	–	–
Balance outstanding, December 31, 2018	2,050,000	$ 2.21	5.26
Exercisable, December 31, 2018	1,500,000	$ 2.29	5.36

Note 10– Other Related Party Transactions

Wilshire Energy Partners, LLC

Wilshire Energy Partners, LLC, is controlled by Kevin J. Sylla, our Executive Chairman and Chief Executive Officer of FPI, and has been determined to be a Related Party. During the year ended December 31, 2019 and 2018, Wilshire advanced the Company $0 and $181,083 for operating purposes and the Company repaid $66,323 and $74,324, respectively.

As of December 31, 2019, and December 31, 2018, total amount due to officers and directors were $1,366,757 and $687,770.

Note 11 – Commitments and Contingencies

A vendor for whom the Company has recorded $50,000 in accounts payable, has disputed the amount due to them as being greater than the amount recorded by the Company. The Company believes that this invoice is legally disputable, as follows:

1. The invoice was only prepared and submitted after the request for a confirmation letter. No demand has ever been made to the Company for payment either orally, invoice or letter.

2. The invoice fails to reflect any payments made to the account, although Company records show that certain amounts were paid to this account.

3. The invoice includes a bonus fee for services rendered in connection with a lease transfer. This fee was not earned in that the milestone for the bonus was a lease transfer which remains in litigation and the terms of the oral modification of the written contract between the parties required the successful completion of the transfer as the milestone.

4. The contract between the parties was terminated in May, 2018.

The Company believes that the invoice is completely irregular and does not represent any legitimate debt of the Company to this vendor.

Contractual Obligations

Leases

Effective March 4, 2019, the Company entered into a sublease agreement, expiring November 30, 2020, for approximately 3,236 square feet of office space in Los Angeles, California, at a monthly rental amount of $9,500, and subsequently moved its corporate headquarters to the new location.

The Company records the lease asset and lease liability at the present value of lease payments over the lease term. The leases typically do not provide an implicit rate; therefore, the Company uses its estimated incremental borrowing rate at the time of lease commencement to discount the present value of lease payments. The Company's discount rate for operating leases at December 31, 2019 was 12%. Lease expense is recognized on a straight-line basis over the lease term. Our weighted-average remaining lease term is 1.67 years.

As of December 31, 2019, the maturities of operating leases liabilities are as follows:

		Operating Leases
Remaining 2019	$	–
2020		107,350
Total		107,350
Less: amount representing interest		(6,185)
Present value of future minimum lease payments		101,165
Less: current obligations under leases		101,165
Long-term lease obligations	$	–

Rent expense is recognized on a straight-line basis over the life of the lease. Rent expense consists of the following:

		Year ended December 31, 2019
Operating lease costs	$	104,300
Variable rent costs		–
Total rent expense	$	104,300

Other information related to leases is as follows:

		Year ended December 31, 2019
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	53,750
Weighted-average remaining lease term - operating leases		1.09 yr.
Weighted-average discount rate - operating leases		12%

Legal proceedings

The Company has determined that judgments rendered in the second quarter of 2018 in connection with all but four of the following legal proceedings against the Company are Type 1 subsequent events that provide additional evidence with respect to conditions that existed at the date of the balance sheet. Therefore, the financial statements reflect the effects of prejudgment judgments awards to plaintiffs through December 31, 2019, noted below in accordance with Auditing Standard 2801.03.

Utah Wells

Graco Fishing & Rental Tools, Inc. vs. Tiger Energy Operating LLC (Case No. 160800005 8th Judicial District Court, Duchesne County, State of Utah)

Plaintiff Graco Fishing & Rental Tools, Inc. ("Graco") in this case sought collection of unpaid debt incurred by Tiger Energy Operating LLC ("TEO") for services rendered in connection with its workover of wells in Duchesne County, Utah. On June 1, 2016, a default judgment of $159,965 was obtained against TEO by Plaintiff. Graco filed a writ of execution against the A Rust 2, Dye-Hall 2-21 A1, Wilkins 1-24 A5 and Rust 3-22A-4 wells located in Duchesne County executing on properties not owned by us. A Motion to Set Aside the Sheriff's Sale of these properties was filed with the court based on the fact that TEO was not the owner of these properties. A hearing for this matter was held on May 1, 2017, in Duchesne County, Utah, at which time a Company representative was present to comply with the Court's order to produce documents. Prior to the hearing, TEO made an initial settlement offer, which was eventually rejected by Graco. A Writ of Execution was issued to seize the property subject of litigation on March 8, 2018.

Graco had scheduled certain foreclosure sales of TEO's interests in various oil and gas wells to take place on May 3, 2018 (the "Sales"). On April 27, 2018, the parties reached a settlement and release agreement whereby TEO agreed to make five (5) payments totaling $163,964.59 to Graco. The first payment due on May 9, 2018, has been made to the judgment holder. The second payment of $32,792.92 was due on July 9, 2018; the third payment of $32,792.92 was due on September 9, 2018; the fourth payment of $32,792.92 was due on November 9, 2018; and the fifth and final payment of $32,792.92 was due on January 9, 2019. If any of the above payments are not made when due, Grace will have the right to immediately execute the Sales. Graco will maintain and apply liens and notices of its judgment until the total payment has been paid in full by TEO. TEO shall be provided with a 10-day period within which to cure any default under the settlement agreement, other than making the first payment described above. TEO made its second payment of $32,793 on July 19, 2018, within the 10-day cure period provided in the settlement agreement. TEO made its third payment of $32,793 on September 11, 2018, within the 10-day cure period provided in the settlement agreement. TEO also made its fourth payment of $32,793 on November 15, 2018. On January 25, 2019, the Plaintiff issued a Writ of Execution Notice. A Notice of Sheriff Sale was filed on February 1, 2019.

Regarding the Company's Utah properties, there was a settlement agreement between Graco and TEO, an indirect subsidiary of the Company and the Operator of the Duck Creek wells. Graco obtained a default judgment of $159,965 against TEO, subsequent to which they were also issued Writs of Execution against the certain TEO wells, located in Uintah and Duchesne County, Utah.

Graco had scheduled foreclosure sales of TEO's interests in four wells (A Rust 2, Dye-Hall 2-21-A1, Wilkins 1-24A5, and Rust 3-22A4), which was to take place on May 3, 2018 (the "Sales"). On April 27, 2018, the parties reached a settlement and release agreement whereby TEO agreed to make five (5) payments totaling $163,965 to Graco. If any of the above payments were not made when due, Graco had the right to immediately execute the Sales. Graco also had the right to maintain and apply liens and notices of its judgment until the total payment has been paid in full by TEO. On June 27, 2018, Finley Resources, Inc. ("Finley"), acquired all of Graco's right, title and interest in the settlement agreement.

The first four settlement payments to the judgment holder were made timely but the last and final payment was made late, and the judgment holder (i.e. Finley) rejected TEO's final payment. The Company disputes this because the final date of the 10-day cure period was on a Saturday, which is not considered a business day and therefore, the payment was made on the following business day. On January 25, 2019, Finley issued a Writ of Execution Notice and a Notice of Sheriff Sale was filed on February 1, 2019, for the four wells: A Rust 2, Dye-Hall 2-21-A1, Wilkins 1-24A5, and Rust 3-22A4. While it believes it could prevail should it protest Finley's actions, the Company believes that the production value of the affected properties is limited. There appear to be no further collection actions taken by the Plaintiff and no deficiency judgement following the scheduled Sheriff sale was obtained.

Conquest Well Servicing, LLC vs. Foothills Exploration Operating, Inc. (Case No. 179800421 8th Judicial District Court in and for Uintah County, State of Utah)

Conquest Well Servicing, LLC ("Conquest") filed this action on September 11, 2017, for collection of unpaid services and materials in the amount of $49,689 in connection with a workover of wells in Uintah County, Utah. A Settlement Agreement and Stipulation to Entry of Judgment was agreed to by the parties and filed with the court on October 10, 2017. Judgment in the amount of $54,937.10 including $5,248.10 in pre-judgement interest was filed on December 18, 2017. An order requesting company asset inquiry was issued on February 20, 2018. As of September 30, 2019, we recorded $14,862 of prejudgment interest expense. A hearing on contempt by Foothills Exploration Operating, Inc. ("FEOI") for failure to appear and an answer as to assets was set for September 13, 2018. A stipulation was filed with the court to continue the hearing to October 22, 2018. FEOI inadvertently failed to appear at this hearing, resulting in a contempt of court citation being issued. Currently, FEOI is seeking to reschedule this hearing and intends to purge any contempt by compliance with the court's order.

BIA Administrative Appeal – Tiger Energy Partners International, LLC

Notice of Appeal:	Dated May 8, 2013
Appellant:	Tiger Energy Partners International, LLC
Appellee:	Superintendent Uintah and Ouray Agency
Decision	April 12, 2013
Concerning:	Notice of Expiration of Oil and Gas Leases

This Administrative appeal concerns the ownership and validity of Northern Ute (the "Tribe") Tribal leases acquired by Tiger Energy Partners International, LLC ("TEPI") in a transaction with Mountain Oil and Gas and its affiliated companies. Pursuant to the Global Settlement Agreement ("GSA") negotiated between the Tribe and TEPI, the Company proposes to resolve any issues regarding the ownership of the subject leases and other lands thus acquired. The status of the appeal by TEPI remained unchanged as of the date of this Annual Report, awaiting decision by the Regional Director of the BIA on the merits of the appeal. The decision of the Regional Director is stayed by the parties having entered into the GSA. The Tribe and Tiger remain in discussion regarding approval of the Global Settlement Agreement by the Regional Director. There has been no change in the status of this matter as of the date of this Annual Report.

Labokay Well – Parish of Calcasieu, State of Louisiana

R.W. Delaney Construction Company vs. Foothills Petroleum Operating, Inc. (Cause No. 2017-CV-0330 – County Court of Adams County, Mississippi)

This case was filed on September 18, 2017 and concerns the collection of amounts incurred by Foothills Petroleum Operating, Inc. ("FPOI") for services performed by plaintiff in the amount of $72,495 in connection with drilling the Labokay test well in Calcasieu Parish, Louisiana.

Judgment was granted to Plaintiff on January 22, 2018, in the County Court of Adams County, Mississippi in the principal amount of $72,495, plus pre-judgement interest in the amount of $12,763, plus attorney's fees in the amount of $18,124, plus costs in the amount of $196, for a total amount of $103,578, plus post-judgment interest at the rate of 8% per annum. On May 9, 2018, District Court for the City and County of Denver, Colorado, granted plaintiff with an order granting their petition to domesticate this foreign judgment with the Denver District Court, which now has the same effect and is subject to the same procedures, defenses, and proceedings for reopening, vacating, or staying as a judgment from the Denver District Court, and may be enforced or satisfied in like manner. No further action has been filed in this matter as of the date of this Annual Report

<u>Performance Drilling Company, LLC vs. Foothills Petroleum Operating, Inc. (Case No. 2017-3916 DIV G 14th Judicial District Court in Parish of Calcasieu, State of Louisiana)</u>

This case was filed on September 25, 2017, for payment of services performed by plaintiff in the amount of $205,251 for unpaid accounts in connection with its drilling of the Labokay test well. On January 16, 2018, a default judgment was entered against FPOI, in the amount of $205,251.24; together with accrued interest of $29,861 from March 18, 2017, through December 31, 2017; plus, additional interest from January 1, 2018, at the rate of one and one-half percent (1.5%) per month until paid (a per diem rate of $103.69); plus, an additional sum for reasonable attorney's fees of $2,500, and all costs of the court proceedings. FPOI was cited to appear through its authorized representative, B.P. Allaire, in open Court, on 27th of July at 9:00 a.m. to be examined as a Judgment Debtor. FPOI was ordered to produce at the above time and place all the books, papers and other documents so requested in the petition. FPOI inadvertently failed to appear at this hearing and is currently seeking to reschedule this hearing. No further action has been taken as of the date of this Annual report.

<u>Monster Rentals, LLC dba Deepwell Equipment Rentals vs. Foothills Petroleum Operating, Inc. (Case No. 2017-11013 DIV E – 15th Judicial District Court in Parish of Acadia, State of Louisiana)</u>

This case was filed on October 24, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $53,943.53 in connection with the Labokay test well in Calcasieu Parish, Louisiana. On December 5, 2017, a default judgement was entered against FPOI in favor of Monster Rentals, LLC dba Deepwell Equipment Rentals ("Deepwell") in the amount of $53,943.53, plus attorneys' fees of $3,483 and court costs and expenses in the amount of $476.84, plus judicial interest from the date of the judicial demand, until paid, and for all costs of these proceedings. No further action has been filed in this matter as of the date of this Annual Report.

<u>Canal Petroleum Products, Inc. vs. Foothills Petroleum Operating, Inc. (Case No. 2017-6574; DIV. C – 15th Judicial District Court, Lafayette Parish, Louisiana)</u>

This case was filed on November 14, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $35,981 for unpaid accounts in connection with its drilling of the Labokay test well.

On January 25, 2018, a default judgment was entered against FPOI in the amount of $35,981 inclusive of interest as of September 6, 2017; plus, finance charges to accrue after September 6, 2017, of one and one-half percent per month (18% per annum) until paid on the unpaid principal amount of $32,956; plus, legal fees of $8,239 together with related court costs. No further action filed in this matter as of the date of this Annual Report.

<u>Smith International, Inc. vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004617; DIV. E – 14th Judicial District Court, Calcasieu Parish, Louisiana)</u>

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $30,244 in connection with its drilling of the Labokay test well.

On March 23, 2018, the court issued a preliminary judgement in favor of Smith International, Inc. ("Smith") in the amount of $30,244, plus interest in the contractual amount of 18% per annum from the date the payment was originally due until the judgment date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorneys' fees. On April 3, 2018, a final judgment was entered in favor of Smith. No further action filed in this matter as of the date of this Annual Report.

M-I, L.L.C. d/b/a MI-SWACO vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004616; DIV. G – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $51,275 in connection with the Labokay test well.

On March 23, 2018, the court issued a preliminary judgment in favor of plaintiff in the amount of $51,275, plus interest in the contractual amount of 1.5% per month from the date the payment was originally due until the judgement date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorney's fees expended in the prosecution and collection of debt. On April 3, 2018, a final judgment was entered in favor of plaintiff. No further action has been filed in this matter as of the date of this Annual Report.

Schlumberger Technology Corporation vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004618; DIV. E – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $28,904 for unpaid accounts in connection with its drilling of the Labokay test well in Calcasieu Parish, Louisiana.

On March 23, 2018, the court issued a preliminary judgment in favor of plaintiff in the amount of $28,904, plus interest in the contractual amount of 1.5% per month from the date the payment was originally due until the judgment date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorney's fees expended in the prosecution and collection of debt. On April 3, 2018, a final judgment was entered in favor of plaintiff. No further action has been filed in this matter as of the date of this Annual Report.

Zealous Energy Services, LLC vs. Foothills Petroleum Operating, Inc. (Docket No. 086708 Div. C 16th Judicial District Court, Parish of St. Martin, Louisiana)

On September 28, 2018, the Court after reviewing the record of these proceedings, found the law and evidence supported Plaintiff's demands and, without holding a hearing, ruled as follows: the Court ordered, adjudged and decreed that a money judgement be rendered in favor of Zealous Energy Services, LLC and against Foothills Petroleum Operating, Inc. in the full and true amount of $53,026.58, plus interest at the judicial interest rate of 5% per annum from January 24, 2018, the date of judicial demand, until finally paid, plus attorney's fees of $1,260.00 and all costs. On March 1, 2019, a Motion to Examine Judgment Debtor was filed with the court.

633 17th Street Operating Company LLC v. Foothills Exploration, Inc. (Case No. 2019CV30189, District Court, City and County of Denver, Colorado)

This case was filed on January 16, 2019, seeking unpaid leasehold obligations in the amount of $75,107 from Foothills. On June 25, 2019 a judgement was granted to 633 17th Street Operating Company LLC in the amount of $139,793.42. A Writ of Garnishment was filed against Foothills debtor, Bank of America on July 16, 2019.

Note 12 – Subsequent Events

Extension of Debt – 12.5% promissory note due on April 17, 2020

On January 17, 2020, an indirect subsidiary of the Company closed on a short-term bridge note transaction with an unrelated third party, Beijing Gas Blue Sky Holdings Limited ("BGBS") in the principal amount of $220,000, with an original issue discount of $20,000, providing net proceeds of $200,000 in cash to the Company (the "STB Note"). The STB Note accrues interest at the rate of 12.5% per annum and matures on April 17, 2020, upon which date the principal sum, the original issue discount, as well as any accrued and unpaid interest and other fees, shall be due and payable. The Company may prepay the STB Note prior to maturity without penalty. The summary of the transaction described in this paragraph is qualified in its entirety by reference to the Bridge Note dated January 17, 2020, which is filed as Exhibit 10.22 to this report.

Entry into a Material Definitive Agreement and Extension of Debt

Deed of Novation and Assignment dated January 18, 2020 by and between Berwin Trading Limited ("Berwin"), Profit Well Limited ("Profit Well"), Foothills Exploration, Inc. ("Foothills") and Beijing Gas Blue Sky Holdings Limited ("BGBS").

On January 18, 2020, Foothills entered into a Deed of Novation and Assignment between existing noteholders, Berwin and Profit Well, whereby these noteholders respectively assigned sums due to each, pursuant to their respective debenture and bridge note to BGBS and Foothills simultaneously issued a new 13.5% promissory note to BGBS for an aggregate combined amount of $5,476,505 (the "January BGBS Note").

The January BGBS Note includes principal, interest, default interest and penalties due under: (a) Berwin's debenture dated December 30, 2016, in the principal amount of $1,250,000; (b) Profit Well's bridge note dated August 9, 2017, in the principal amount of $1,050,000; and (c) two bridge loans funded by BGBS to an indirect subsidiary of Foothills in the amounts of $90,000 on November 4, 2019, and $50,000 on December 11, 2019. The maturity date of the January BGBS Note is December 31, 2023. Foothills has agreed to make a principal payment in the amount of $500,000 on December 31, 2020 and another principal payment of $500,000 on December 31, 2021. Foothills further agreed to commence quarterly interest payments in the approximate amount of $184,832, beginning as of January 30, 2022. Foothills pledged its interests in the Ute Tribal North properties located in the Uinta Basin, Utah, as security to collateralize January BGBS Note. This transaction summary is qualified in its entirety by reference to the Deed of Novation and Assignment and Pledge of Collateral, both dated January 18, 2020, which are filed as Exhibits 10.23 and 10.24, to this report.

Entry into a Material Definitive Agreement

Amendment #1 to Senior Secured Convertible Promissory Note and Net Profits Interest Agreement dated March 4, 2019 (the "FirstFire Amendment")

The amendment made effective January 21, 2020, between the Company and FirstFire Global Opportunities Fund, LLC (the "Holder"), and provides the Company with an extension of time to pay. The parties have acknowledged that the total outstanding balance owed under the Note as of the effective date is $800,000. The net profits interest agreement was amended so that it now expires on March 1, 2026. The Company made a payment of $25,000 at the time of signing this amendment with the remaining balance of $775,000 due on or before February 28, 2020. This transaction summary is qualified in its entirety by reference to the FirstFire Amendment, which is filed as Exhibit 10.25, to this report.

Contingent Liabilities – Legal Proceedings

GMT Exploration Company, LLC vs. Foothills Exploration, Inc. and Foothills Exploration, LLC, Case No.19-556-L, District Court Third Judicial District, Sweetwater County, Wyoming.

This civil suit, filed November 8, 2019, concerns Foothill's alleged breach of an acquisition agreement to purchase certain oil and gas properties located in Sweetwater County, Wyoming, seeks specific performance of the purchase agreement (primarily our posting the required bonds) and alleges certain damages that are as yet undefined. The Company filed its answer to the complaint with the court on December 18, 2019. On December 26, 2019, Plaintiff GMT Exploration filed with the court a Motion for Immediate Appointment of a Receiver Pending Litigation. On January 14, 2020, the parties agreed to a stipulated receivership for the properties and to appoint GMT Exploration as the receiver pending litigation. The parties are currently in settlement discussions and the Company currently believes that a settlement with the plaintiff to resolve this dispute can occur during Q1 2020. The Company must post the required surety bonds in order to finalize the transfer of operations from the seller, which it anticipates doing before the end of February 2020.

Common Stock Issuance

- Subsequent to December 31, 2019, several of the Company's variable-rate convertible noteholders, by cashless exercise of warrants issued pursuant to note agreements, acquired a total of 26,956,851 shares common stock.

- Subsequent to December 31, 2019, several of the Company's variable-rate convertible noteholders converted sums due under their respective note agreements as a result of which we issued a total of 36,885,336 shares of common stock for these conversions. The Company retired $44,403 in notes, which were used as consideration for the conversions.