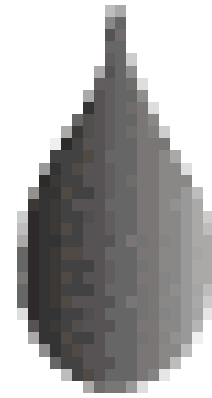


TUSCANY

ENERGY LTD.



Financial Statements

For the Three Months Ended

March 31, 2009

TUSCANY ENERGY LTD.


BALANCE SHEETS

As at (Unaudited)	March 31 2009	December 31 2008
ASSETS		
Current Assets		
Cash	\$ -	\$ 5,124
Accounts Receivable	238,763	555,743
Prepaid Expenses and deposits	24,612	36,492
	263,375	597,359
Property, plant and equipment (Note 5)	12,531,840	12,445,611
Accumulated depletion and depreciation	(4,227,700)	(3,954,055)
	8,304,140	8,491,556
Future tax asset	311,665	243,927
Total Assets	\$ 8,879,180	\$ 9,332,842
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,003,809	\$ 1,756,950
Bank debt (Note 4)	2,295,000	1,645,000
	3,298,809	3,401,950
Other Liabilities		
Asset retirement obligation (Note 7)	488,661	635,165
Total Other Liabilities	488,661	635,165
	3,787,470	4,037,115
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	5,585,696	5,686,428
Contributed surplus	308,321	265,870
Deficit	(802,307)	(656,571)
	5,091,710	5,295,727
Total Liabilities and Shareholders' Equity	\$ 8,879,180	\$ 9,332,842

See Note 1 - Going Concern

Approved by the Board:


John G.F. McLeod, Director


Charles A. Teare, Director
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TUSCANY ENERGY LTD.

STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME (LOSS) AND DEFICIT

<i>(Unaudited)</i>	Three Months Ended	
	2009	March 31 2008
Revenue		(restated see note 11)
Petroleum and natural gas sales	\$ 572,064	\$ 953,266
Royalties	(116,780)	(112,318)
	455,284	840,948
Expenses		
Operating and transportation	283,572	315,161
General and administrative	78,300	116,506
Interest	20,539	35,221
Depletion, depreciation and accretion	286,348	278,620
Stock based compensation	-	518
	668,759	746,026
Earnings (loss) before income tax	(213,475)	94,922
Income tax		
Future tax expense (recovery)	(67,740)	25,627
Total income tax	(67,740)	25,627
Earnings (loss) and comprehensive earnings for the period	(145,735)	69,295
Deficit, beginning of period	(656,571)	(900,817)
Deficit, end of period	\$ (802,306)	\$ (831,522)
Earnings (loss) per share, basic and diluted	\$ 0.00	\$ 0.00

TUSCANY ENERGY LTD.

STATEMENTS OF CASH FLOWS

<i>(Unaudited)</i>	Three Months Ended	
	2009	March 31, 2008
Cash provided by (used for):		(restated see note 12)
Operating Activities		
Earnings (loss) and comprehensive earnings for the period	\$ (145,735)	\$ 69,295
Non-cash items:		
Depletion, depreciation and accretion	286,348	264,419
Stock based compensation	-	14,201
Future tax expense (recovery)	(67,740)	26,898
	-	518
	72,873	375,331
Change in non-cash working capital	227,989	(391,312)
	300,862	(15,981)
Investing Activities		
Property, plant & equipment - additions	(245,436)	(105,216)
Change in non-cash working capital	(652,269)	-
	(897,705)	(105,216)
Financing Activities		
Bank loan advance	650,000	130,000
Common Shares		
Issued for cash on exercise of options	-	-
Issued for cash on a flow-through basis	-	-
Share issue costs	-	-
Repurchased for cancellation	(58,281)	-
	591,719	130,000
Increase (decrease) in cash	(5,124)	8,803
Cash, beginning of period	5,124	598
Cash, end of period	\$ -	\$ 9,401
Supplementary information regarding cash payments:		
Interest received	\$ -	\$ -
Interest paid	\$ 20,539	\$ 35,221

NOTES TO THE FINANCIAL STATEMENTS

For the three months ended March 31, 2009 (unaudited)

1. Going Concern

The Corporation's principal business activity is the exploration, development and operation of oil and natural gas properties in Canada. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation has reported net loss and comprehensive loss in the last two quarters. The Corporation has also had negative working capital for successive years. Management's assessment of the Corporation, based on its current cash flow forecast and financial model, is that there is doubt as to whether it is a going concern because of the following factors:

- a) Continued weak petroleum prices and natural gas prices will affect the ability of the Corporation to generate cash flows from its operations at satisfactory levels.
- b) The current recession and resulting equity market decline has hampered the Corporation's ability to raise funds for its drilling programs.
- c) As at March 31, 2009, the Company has a \$3.3 million secured loan with a Canadian financial institution that is under review. There is no assurance that the loan will be renewed at the current level or that the financial institution will maintain the current interest rate premium.

Management's plan for addressing the above factors are as follows:

- a) Operating cash flows are projected to be positive in the current oil and gas price environment but are not sufficient to support significant investment in the development of the Corporation's properties during the 2009 year. The Company has restricted capital projects for the 2009 year to closely match the cash flows generated from operations.
- b) The Corporation has made significant steps in reducing overhead expenses.
- c) The company plans to explore plans for additional equity or other forms of financing during the balance of 2009.

There can be no assurance that the steps management is taking will be successful and any adjustments necessary to the financial statements if the Corporation ceases to be a going concern could be material.

2. Accounting Policies

The financial statements include the accounts of the Company. Management has made the necessary estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses in the preparation of the financial statements. Accordingly, actual results may differ from estimated amounts but management does not believe such differences will materially affect Tuscan's financial position or results of operations.

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

Property, Plant and Equipment

The Company follows the full cost method of accounting for petroleum and natural gas operations. Under this method, all costs of exploration for and development of petroleum and natural gas reserves are capitalized by cost centre. Costs include lease acquisition costs, geological and geophysical expense, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells and overhead charges directly related to exploration activities.

Proceeds on disposal of properties are normally applied as a reduction of the capitalized costs without recognition of a gain or loss, except where such a disposal would alter the depletion and depreciation rate by 20% or more.

Depletion and depreciation of capitalized costs are provided by using the unit of production method based on the Company's total estimated gross proven reserves, as determined by independent engineers. Natural gas reserves and production are converted to equivalent barrels of oil based on the relevant energy content. In determining the depletion base, the Company includes future costs to be incurred in developing proven reserves and excludes the costs of unproven land.

Depreciation is provided on furniture and fixtures at annual rates of 20%, and computer equipment at an annual rate of 30%, each on a declining balance basis.

An impairment loss is recognized in net earnings when the carrying amount of a cost centre is not recoverable and the carrying amount of the cost centre exceeds its fair value. The carrying amount of the cost centre is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows from proved reserves. If the sum of the cash flows is less than carrying amount, the impairment loss is limited to the amount by which the carrying amount exceeds the sum of:

- the fair value of proved and probable reserves; and
- the costs of unproved properties that have been subject to a separate impairment test and contain no probable reserves.

In determining the depletion and depreciation provisions for crude oil and natural gas assets, the Company includes any excess of the net book value of those crude oil and natural gas assets over the fair value.

Asset Retirement Obligation

The Company recognizes the fair value of an Asset Retirement Obligation ("ARO") as a liability in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated ARO is capitalized as part of the net capitalized asset base and the depletion of the capitalized asset retirement cost is determined on a basis consistent with

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

depletion of the Company's other assets. With time, accretion will increase the carrying amount of the obligation. Accretion is expensed.

Cash and Cash Equivalents

Cash includes cash and cash-like short-term investments that can be liquidated into cash on less than 90-days notice. Short-term investments are comprised of low risk, interest bearing securities.

Joint Ventures

The Company's activities are conducted jointly with others. These financial statements reflect the Company's proportionate interest in such activities.

Share Based Compensation Plan

The Company has a stock based compensation plan, which is described in Note 5. The Company has adopted the fair value method for accounting for stock based compensation. Using the fair value method, compensation costs of stock based compensation are estimated and charged to earnings initially in the period of the option grant and during the subsequent vesting period of the options.

Foreign Currency Translation

Foreign currency balances are expressed in Canadian dollars on the following basis:

- Monetary assets and liabilities – at the year end rate of exchange;
- Other assets and liabilities – at historical rates of exchange; and
- Revenues and expenses – at average rates of exchange for the period, except provisions for depreciation and depletion, which are translated on the same basis as the related assets.

Flow-Through Shares

Share capital is reduced by the future tax effect of renouncing income tax cost to the purchaser of flow-through shares when the tax pools are renounced. The tax effect is calculated using the expected rate of tax.

Revenue Recognition

Revenue associated with the sale of crude oil, natural gas and natural gas liquids owned by the Company is recognized when title passes from the Company to its customers and collectability is reasonably assured.

Use of Accounting Estimates

The amounts recorded for depletion, depreciation and amortization of petroleum and natural gas properties and equipment and the provision for asset retirement obligation are based on estimates. The ceiling test is based on estimates of proved reserves, production rates, oil and gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading," "available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities" as defined by the standard.

3. Future Accounting Standards

International Financial Reporting Standards (IFRS)

During 2008, the CICA Accounting Standards Board ("ACSB") confirmed the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. The changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and operations.

The International Accounting Standards Board has issued an exposure draft relating to certain amendments and exemptions to IFRS in order to make it more useful to Canadian entities adopting IFRS for the first time. One such exemption relating to full cost accounting is expected to reduce the administrative burden in the transition from current Canadian Accounting Guideline 16 to IFRS. It is anticipated that this exposure draft will not result in an amended IFRS 1 standard until late 2009. The amendment will potentially permit the Company to apply IFRS prospectively to their full cost pool, rather than the retrospective assessment of capitalized exploration and development expenses, with the requirement that an impairment test, under IFRS standards be carried out at the transition date.

To date, the CFO, the primary sponsor for the project, has prepared a summary level changeover plan for IFRS conversion that has been presented to the Audit Committee of the Board of Directors. Hallmarks of the change over plan include, initial definition of the tasks required for conversion, a timeline for the completion of the tasks, an estimate of the effort and duration associated with the conversion, prioritization of tasks, and the assignment of key personnel within the organization.

4. Bank Debt

The bank loan is a revolving non-reducing operating demand loan with a maximum amount available of \$3,300,000 (2008 - \$3,000,000). Amounts drawn down under the facility bear interest at the bank's prime rate plus 1%, resulting in an effective rate of 3.5% at March 31, 2009; there is a standby fee of 0.2 percent on undrawn amounts. At March 31, 2009, the amount drawn on the operating demand loan is \$2,295,000.

The loan is secured by an interest over all property, a general assignment of book debts and a floating charge on all lands. The facility is subject to both an annual review by May 31, 2009 and certain affirmative financial covenants. As at March 31, 2009 the Company was in compliance with the covenants.

The line is currently under review by the Company's bank and Tuscany expects the line to be reduced and the rates to be increased.

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

5. Property, Plant and Equipment

As at	March 31, 2009	December 31, 2008
Petroleum and natural gas properties	\$ 12,490,914	\$ 12,404,684
Accumulated depletion and impairment	(4,204,803)	(3,932,240)
	8,286,111	8,472,444
Furniture, fixtures and other assets	40,927	40,927
Accumulated depreciation	(22,898)	(21,815)
	18,029	19,112
	\$ 8,304,140	\$ 8,491,556

At March 31, 2009, unproven property costs of \$204,348 were excluded from the depletable cost base (2008 - \$178,351). No administrative expenses related to exploration and development activities were capitalized as part of property, plant and equipment.

For the calculation of depletion expense, estimated future costs to develop the proved reserves were added to property, plant and equipment. Future costs were \$210,000 (2008 - \$62,500).

At March 31, 2009 the Company reviewed the carrying value of the oil and gas properties for potential impairment. Impairment is indicated if the carrying value of the long-lived asset or oil and gas cost centre is not recoverable from the future undiscounted cash flows. If impairment is indicated, the amount by which the carrying value exceeds the estimated fair value of the long-lived asset is charged to earnings. For the three months ended March 31, 2009, no impairment of the properties was indicated.

The Company based its estimates on the future price quotes for natural gas at AECO to the end of 2011 and escalated at 2% thereafter. Oil prices used were WTI adjusted for quality differentials.

Price Estimates Used for Ceiling Test			
	Gas	Oil	NGL
	(\$Cdn/Mcf)	(\$Cdn/Bbl)	(\$Cdn/Bbl)
2009 Q2	\$ 3.89	\$ 63.98	\$ 63.98
2009 Q3	\$ 4.16	\$ 68.65	\$ 68.65
2009 Q4	\$ 5.24	\$ 72.08	\$ 72.08
2010	\$ 6.16	\$ 77.75	\$ 77.75
2011	\$ 6.93	\$ 83.68	\$ 83.68

+2% per year thereafter

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

6. Share Capital

Authorized

An unlimited number of common voting shares;
Unlimited number of first preferred shares; and
Unlimited number of second preferred shares.

The preferred shares may be issued from time to time in one or more series, each series consisting of a number of preferred shares as determined by the Board of Directors of the Company who may also fix the designations, rights, privileges, restrictions and conditions attaching to each series of preferred shares. There are no preferred shares issued.

	Number of Shares	Amount
Common Shares - Issued		
Balance, December 31, 2008	35,394,836	\$ 5,686,428
Repurchased for cancellation	(627,000)	(100,732)
Balance at March 31, 2009	34,767,836	\$ 5,585,696

	Amount (thousands)
Contributed Surplus	
Balance, December 31, 2008	\$ 265,870
Excess of paid up capital over cost on share repurchases	42,451
Balance, March 31, 2009	\$ 308,321

Earnings (Loss) Per share

The treasury stock method is used to determine the dilutive effect of stock options, warrants and other dilutive instruments. Under the treasury stock method, only "in the money" dilutive instruments impact the dilution calculations. The diluted weighted average shares outstanding for March 31, 2009, does not include the conversion of any of the outstanding options into 220,000 common shares, as the conversion would be anti-dilutive.

Basic earnings (loss) per share are calculated by dividing the weighted average number of the aggregate outstanding shares during the period into earnings (loss) attributable to the shareholders.

Diluted earnings (loss) per share are calculated by dividing the basic weighted average aggregate outstanding shares into the earnings (loss) for the period using the diluted weighted average number of shares.

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

Shares Outstanding	Three Months Ended	
	2009	March 31, 2008
Weighted average shares outstanding	35,015,903	36,550,836
Dilutive effect of stock options	-	-
Diluted weighted average shares outstanding	35,015,903	36,550,836

In October 2008 the Company filed and received approval to acquire and cancel up to 5% of the outstanding shares of the company over a one-year period pursuant to a normal course issuer bid. In the first quarter of 2009 the Company acquired and cancelled 627,000 shares at an average price of \$0.09 per share (2008 -1,156,000 shares at an average cost of \$0.07 per share).

Issuer Bid	Three months Ended March 31 2009	Year ended December 31 2008
Common Shares		
Shares repurchased	627,000	1,156,000
Weighted average price, per share	\$ 0.09	\$ 0.07

Stock Option Plan

As at March 31, 2009, there are a total of 220,000 options granted and outstanding under the stock option plan with a weighted average exercise price of \$0.26 per share, all of which are exercisable.

The following summarizes information about fixed stock options outstanding:

Fixed Options	Three months ended March 31, 2009		2008	
	Weighted Average		Weighted Average	
	Shares	Exercise Price	Shares	Exercise Price
Outstanding, beginning of period	220,000	\$ 0.260	220,000	\$ 0.260
Expired / cancelled	-	-	-	-
Outstanding, end of period	220,000	\$ 0.260	220,000	\$ 0.260
Options exercisable, end of period	220,000	\$ 0.260	220,000	\$ 0.260

The Company accounts for its stock based compensation plan using the fair value method whereby compensation costs have been recognized in the financial statements for share options granted to employees and directors. The impact on compensation costs of using the fair value method increased compensation costs for the twelve months ended March 31, 2009 by \$nil (2008 - \$508).

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

7. Asset Retirement Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of oil and gas properties:

As at	March 31, 2009	December 31, 2008
Asset Retirement Obligation, beginning of period	\$ 635,165	\$ 662,317
Liabilities incurred	-	12,330
Changes in estimates	(159,207)	(92,467)
Liabilities settled	-	-
Accretion expense	12,703	52,985
Asset Retirement Obligation, end of period	\$ 488,661	\$ 635,165

The total undiscounted amount of estimated cash flows required to settle the obligation is \$1,030,500, which has been discounted using an average credit-adjusted risk free rate of 8%. The Company expects most of these obligations to be paid between 2012 and 2023.

8. Related Party Transactions

At March 31, 2009, Humboldt Capital Corporation and certain of its officers and directors owned 35.9% (2008 – 23.7%) of the outstanding shares of Tuscany. Tuscany and Humboldt have certain common officers and directors. Humboldt's business includes the ownership, acquisition and sale of securities in other companies in the oil and gas industry and Humboldt owns significant interests in companies in the oil and gas sector, which compete with Tuscany and operate jointly with Tuscany, from time to time, in certain areas.

During the period the Company shared certain overhead costs with a related company, with Tuscany's share totaling \$27,000. The Transactions were recorded at the Exchange values.

9. Supplemental Cash Flow Information

Supplemental Cash Flow Information	Three Months Ended	
	2009	March 31, 2008
Interest paid	\$ 146,582	\$ 35,221
Changes in non-cash working capital balances		
Receivables	\$ 316,980	\$ (266,139)
Prepaid expenses	11,880	2,581
Accounts payable and accruals	(753,141)	(121,536)
	\$ (424,281)	\$ (385,094)
Allocated to:		
Operating activities	\$ 227,986	\$ (385,094)
Investing activities	(652,267)	-
	\$ (424,281)	\$ (385,094)

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

10. Capital Disclosure

Tuscany's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by investing in oil and gas activities commensurate with the level of risk management deems acceptable.

Tuscany targets the level of capital in proportion to its risk of achieving sufficient annualized operating cash flows to maintain its debt repayability ratio to less than twenty-four months cash flow. The Company plans to make adjustments to capital and planned expenditures in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure Tuscany may issue new shares, sell assets or increase its debt.

The ratio of net current debt to annualized cash flow from operations is the primary ratio of capital that Tuscany uses. Net current debt repayability is a calculation to determine the number of months required to repay net debt from recent historic cash flow from operations. The ratio is calculated as follows:

As at	March 31, 2009	December 31 2008
Current assets	\$ 263	\$ 597
Current liabilities	(1,004)	(1,757)
Bank debt	(2,295)	(1,645)
	\$ (3,036)	\$ (2,805)
Annualized cash flow from operations	\$ 291	\$ 1,717
Months estimated to repay debt	125.2	19.6

The debt repayability is unacceptable with debt levels of \$3.0 million and an annualized cash flow \$291,000. However, based on the improved oil prices and production estimates, cash flow and the debt repayability should improve. In addition the company has reduced overhead costs. Management's plan for the current year is to match overall capital spending and commitments with anticipated operating cash flows for the year. The Company plans to explore opportunities to continue to reduce the Company's debt levels. The company's debt facility is being reviewed and with current low commodity prices the company anticipates a lower borrowing base will result.

The Company's \$3.3 million credit facility imposes a capital restriction that the Company's debt to equity ratio cannot exceed 2:1 and the Company's net debt cannot exceed its credit facility.

11. Financial Instruments

Fair values of financial assets and liabilities

All Financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading,"

TUSCANY ENERGY LTD.

(Notes To The Financial Statements)

"available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities" as defined by the standard.

Cash and cash equivalents and restricted cash are designated as "held-for-trading" and are measured at carrying value, which approximates fair value due to the short-term nature of these instruments. Accounts receivable and deposits are designated as "loans and receivables" and are carried at amortized cost. Accounts payable and accrued liabilities are designated as "other financial liabilities" and are carried at amortized cost. The current value of financial instruments approximates fair value due to the short term nature of the instruments.

Credit risk

A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

Liquidity risk

The Company's principal source of liquidity is its cash flows which are uncertain and difficult to predict. This risk is mitigated by continuously monitoring forecast and actual cash flows and matching expenditures to the cash flow from operations. The Company currently expects to fund any future capital expenditures through a combination of operating cash flows, new equity issuance and asset sales.

Commodity risk

Inherent to the Company's business of producing petroleum and natural gas is the commodity price risk where fluctuations in the market price of petroleum and natural gas could significantly impact the Company's ability to generate cash flow from operations. Given that certain items, including but limited to, the amounts of capital expenditures are dependent upon the level of cash flow generated from operations, fluctuations in petroleum and natural gas prices impact the Company's liquidity. The Company continuously monitors forecast and actual commodity prices.

12. Restatement

During the year ended December 31, 2008, the Company identified amounts relating to 2008 and prior years resulting in an overstatement of fiscal royalties in the first quarter of 2008 in the amount of \$4,947 and prior years' royalties in the amount of \$222,562. This resulted in the understatement of future income tax expense for the Quarter in the amount of \$1,271 and \$57,243 for prior years. The Company has restated its statements of operations, comprehensive earnings (loss) and deficit and cash flows for the three months ended December 31, 2008.

CORPORATE INFORMATION

Directors

Robert W. Lamond⁽¹⁾
Calgary, Alberta

John G. F. McLeod⁽¹⁾
Okotoks, Alberta

Charles A. Teare
Calgary, Alberta

Donald K. Clark⁽¹⁾
Calgary, Alberta

⁽¹⁾Member of the Audit committee

Officers

John G.F. McLeod
President and CEO

C. A. Teare
Chief Financial Officer

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Auditor

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Banker

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Registrar and Transfer Agent

Computershare Trust Company of Canada
Calgary, Alberta

Stock Exchange Listing

TSX Venture Exchange
Trading Symbol: TUS

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