

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

AMERICAN ENERGY PARTNERS, INC.

A Colorado Corporation

PO Box 443
Allentown, PA 18105

(610) 217-3275

<http://www.americanenergy-inc.com>

Contact@americanenergy-inc.com

SIC Code: 4941

Quarterly Report **For the Period Ending:** March 31, 2020 (the "Reporting Period")

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

228,977,324 shares of Class A Common Stock

12,500,000 shares of Class B Common Stock

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

194,643,990 shares of Class A Common Stock

12,500,000 shares of Class B Common Stock

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: (Double-click and select "Default Value" to check)

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 Control¹ of the company has occurred over this reporting period:

Yes: No:

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

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

American Energy Partners, Inc.	08/05/2017 - Present
Converde Energy USA Inc.	09/09/2014 - 08/05/2017
W2 Energy, Inc.	12/01/2004 - 09/09/2014
World Wise Technologies, Inc.	10/12/2004 - 12/01/2004

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

American Energy Partners, Inc. (the "Company") was originally incorporated in Nevada on October 12, 2004 as World Wise Technologies, Inc.

On August 5, 2017, the Company entered into a Plan of Conversion where it changed its name and domicile from Converde Energy USA, Inc. a Nevada corporation, to American Energy Partners, Inc., a Colorado corporation. The trading symbol for the Common Stock was changed from "XFUL" to "AEPT."

The Company is currently active in the State of Colorado.

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

Yes: No:

2) Security Information

Trading symbol:	<u>AEPT</u>
Exact title and class of securities outstanding:	<u>Class A Common Stock</u>
CUSIP:	<u>02563X102</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>1,500,000,000</u> as of date: <u>03/31/2020</u>
Total shares outstanding:	<u>228,977,324</u> as of date: <u>03/31/2020</u>
Number of shares in the Public Float ² :	<u>52,792,902</u> as of date: <u>03/31/2020</u>
Total number of shareholders of record:	<u>156</u> as of date: <u>03/31/2020</u>

Additional class of securities (if any):

Trading symbol:	<u>N/A</u>
Exact title and class of securities outstanding:	<u>Class B Common Stock</u>
CUSIP:	<u>N/A</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>2,000,000,000</u> as of date: <u>03/31/2020</u>
Total shares outstanding:	<u>12,500,000</u> as of date: <u>03/31/2020</u>

Trading symbol:	<u>N/A</u>
Exact title and class of securities outstanding:	<u>Preferred Stock</u>
CUSIP:	<u>N/A</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>1,000,000,000</u> as of date: <u>03/31/2020</u>
Total shares outstanding:	<u>790,500,000</u> as of date: <u>03/31/2020</u>

Transfer Agent

Name: Transfer Online, Inc.
Phone: (503) 227-2950
E-mail: info@transferonline.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

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.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.
OTC Markets Group Inc.
OTC Pink Basic Disclosure Guidelines (v2.1 December 2019)

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

N/A

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

On July 11, 2019, the Company completed the purchase from Hickman Geological Consulting, LLC of 100% of its outstanding equity. The aggregate purchase price paid was 40,500,000 shares of preferred stock.

On January 24, 2020, the Company completed the purchase from Oilfield Basics, LLC of 100% of its outstanding equity. The aggregate purchase price paid was 1,000,000 shares of Class A common stock.

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:

Number of Shares outstanding as of <u>January 1, 2017</u>	<u>Opening Balance:</u> Common A: <u>21,382,184</u> Common B: <u>56,000,000</u> Preferred: <u>215,498,745</u>		*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 (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
03/10/2017	New Issuance	105,000,000	Common A	N/A	No	West End Consulting Group LLC, controlled by Brad Domitrovitsch	See Item A below	Restricted	N/A
03/20/2017	New Issuance	60,000	Common A	\$0.50	No	Thomas W. Fogle	Investment	Restricted	N/A

03/20/2017	New Issuance	10,000,000	Common A	\$0.0025	Yes	DJK Investments 10 Inc., controlled by Daniel Manceno	See Item B below	Unrestricted	N/A
03/20/2017	New Issuance	10,000,000	Common A	\$0.0025	Yes	Paladin Advisors LLC, controlled by Daniel Fried	See Item B below	Unrestricted	N/A
03/20/2017	New Issuance	10,000,000	Common A	\$0.0025	Yes	WT Consulting Group LLC, controlled by Bill Hershey	See Item B below	Unrestricted	N/A
03/20/2017	New Issuance	10,000,000	Common A	\$0.0025	Yes	2V Capital Inc., controlled by Mike Gulyas	See Item B below	Unrestricted	N/A
04/07/2017	New Issuance	315,955	Common A	N/A	No	Aaron Reyer & Jennifer Reyer	See Item A below	Restricted	N/A
04/07/2017	New Issuance	631,911	Common A	N/A	No	Chris Bernal & Charlene Bernal	See Item A below	Restricted	N/A
04/07/2017	New Issuance	126,382	Common A	N/A	No	Gregory Barnes	See Item A below	Restricted	N/A
08/05/2017	20:1 Reverse Stock Split	(158,340,476)	Common A	N/A	N/A	N/A	N/A	N/A	N/A
08/23/2017	New Issuance	34	Common A	N/A	No	Fast Cede & Co. (brokerage)	See Item C below	Unrestricted	N/A
09/21/2017	New Issuance	8,333,333	Common A	\$0.03	No	William T. Rousis	Investment	Restricted	N/A
10/10/2017	New Issuance	434,667	Common A	\$0.05	No	Asymtote Capital, LLC, controlled by Aaron White	See Section B below	Restricted	N/A
11/29/2017	New Issuance	1,700,000	Common A	\$0.05	Yes	GPL Ventures, LLC, controlled by Alexander Dillon	Investment	Unrestricted	Regulation A
11/29/2017	Share Cancellation	(800,000)	Common A	\$0.05	N/A	GPL Ventures, LLC, controlled by Alexander Dillon	Item D	N/A	N/A
11/29/2017	New Issuance	2,000,000	Common A	\$0.05	No	Josh Hickman	Compensation	Restricted	N/A
11/29/2017	New Issuance	3,000,000	Common A	\$0.05	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Compensation	Restricted	N/A
12/19/2017	New Issuance	2,000,000	Common A	\$0.05	Yes	GPL Ventures, LLC, controlled by Alexander Dillon	Investment	Unrestricted	Regulation A
01/16/2018	New Issuance	2,000,000	Common A	\$0.05	Yes	GPL Ventures, LLC, controlled by Alexander Dillon	Investment	Unrestricted	Regulation A
01/30/2018	New Issuance	2,700,000	Common A	\$0.02	Yes	GPL Ventures, LLC, controlled by Alexander Dillon	Investment	Unrestricted	Regulation A
02/08/2018	New Issuance	1,250,000	Common A	\$0.02	Yes	Tri-Bridge Ventures, LLC, controlled by John Forsyth III	Investment	Unrestricted	Regulation A

02/12/2018	New Issuance	2,000,000	Common A	\$0.058	No	Josh Hickman	2017 Bonus	Restricted	N/A
02/12/2018	New Issuance	3,000,000	Common A	\$0.058	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	2017 Bonus	Restricted	N/A
03/08/2018	New Issuance	2,100,000	Common A	\$0.01	Yes	GPL Ventures, LLC, controlled by Alexander Dillon	Investment	Unrestricted	Regulation A
03/20/2018	New Issuance	1,250,000	Common A	\$0.01	Yes	Tri-Bridge Ventures, LLC, controlled by John Forsyth III	Investment	Unrestricted	Regulation A
03/29/2018	New Issuance	3,000,000	Common A	\$0.005	Yes	GPL Ventures, LLC, controlled by Alexander Dillon	Investment	Unrestricted	Regulation A
04/05/2018	New Issuance	3,000,000	Common A	\$0.015	No	John Rattaporn Pippy	Shares issued in lieu of cash compensation	Restricted	N/A
04/05/2018	New Issuance	5,000,000	Common A	\$0.015	No	Josh Hickman	Shares issued in lieu of cash compensation	Restricted	N/A
04/05/2018	New Issuance	7,500,000	Common A	\$0.015	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Shares issued in lieu of cash compensation	Restricted	N/A
04/06/2018	New Issuance	5,000,000	Common A	\$0.015	No	Random Walk Consulting LLC, controlled by Gardner Dean Schroth	Shares issued in lieu of cash compensation	Restricted	N/A
05/09/2018	New Issuance	1,000,000	Common A	\$0.005	Yes	Gardner Dean Schroth	Investment	Unrestricted	Regulation A
06/28/2018	New Issuance	3,000,000	Common A	\$0.0065	No	John Rattaporn Pippy	Shares issued in lieu of cash compensation	Restricted	N/A
06/28/2018	New Issuance	5,000,000	Common A	\$0.0065	No	Josh Hickman	Shares issued in lieu of cash compensation	Restricted	N/A
06/28/2018	New Issuance	7,500,000	Common A	\$0.0065	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Shares issued in lieu of cash compensation	Restricted	N/A
08/01/2018	New Issuance	1,500,000	Common A	\$0.007	No	Damian Georgino	Shares issued in lieu of cash compensation	Restricted	N/A
10/15/2018	New Issuance	5,000,000	Common A	\$0.0051	No	Josh Hickman	Shares issued in lieu of cash compensation	Restricted	N/A
10/15/2018	New Issuance	7,500,000	Common A	\$0.0051	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Shares issued in lieu of cash compensation	Restricted	N/A
10/15/2018	New Issuance	3,000,000	Common A	\$0.0051	No	John Rattaporn Pippy	Shares issued in lieu of cash compensation	Restricted	N/A

01/07/2019	New Issuance	5,000,000	Common A	\$0.003	No	Damian Georgino	Shares issued in lieu of cash compensation	Restricted	N/A
01/07/2019	New Issuance	3,000,000	Common A	\$0.003	No	John Rattaporn Pippy	Shares issued in lieu of cash compensation	Restricted	N/A
01/07/2019	New Issuance	5,000,000	Common A	\$0.003	No	Josh Hickman	Shares issued in lieu of cash compensation	Restricted	N/A
01/07/2019	New Issuance	7,500,000	Common A	\$0.003	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Shares issued in lieu of cash compensation	Restricted	N/A
04/29/2019	New Issuance	3,000,000	Common A	\$0.006	No	John Rattaporn Pippy	Shares issued in lieu of cash compensation	Restricted	N/A
04/29/2019	New Issuance	5,000,000	Common A	\$0.006	No	Josh Hickman	Shares issued in lieu of cash compensation	Restricted	N/A
04/29/2019	New Issuance	7,500,000	Common A	\$0.006	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Shares issued in lieu of cash compensation	Restricted	N/A
08-20-2019	New Issuance	5,000,000	Common A	\$0.0055	No	Carmel, Milazzo & DiChiara, LLP, controlled by Ross David Carmel, Esq.	Shares issued in lieu of cash compensation	Restricted	N/A
10-11-2019	New Issuance	5,000,000	Common A	\$0.0025	No	Carmel, Milazzo & DiChiara, LLP, controlled by Ross David Carmel, Esq.	Shares issued in lieu of cash compensation	Restricted	N/A
10-11-2019	New Issuance	9,000,000	Common A	\$0.0025	No	John Rattaporn Pippy	Shares issued in lieu of cash compensation	Restricted	N/A
10-11-2019	New Issuance	15,000,000	Common A	\$0.0025	No	Josh Hickman	Shares issued in lieu of cash compensation	Restricted	N/A
10-11-2019	New Issuance	5,000,000	Common A	\$0.0025	No	Sewickley Capital Partners LLC, controlled by Damian Georgino	Shares issued in lieu of cash compensation	Restricted	N/A
10-11-2019	New Issuance	22,500,000	Common A	\$0.0025	No	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	Shares issued in lieu of cash compensation	Restricted	N/A
01-27-2020	New Issuance	1,000,000	Common A	\$0.0050	No	Derekallen L. Krieg	Shares issued in consideration of acquisition of 100% of outstanding equity of Oilfield Basics, LLC	Restricted	N/A

01-29-2020	New Issuance	13,333,334	Common A	\$0.0030	Yes	GPL Ventures LLC controlled by Alexander Dillon	Investment under Regulation A offering qualified on January 24, 2020	Free-trading	Regulation A offering qualified on January 24, 2020
01-31-2020	New Issuance	5,000,000	Common A	\$0.0030	Yes	Continuation Capital Inc., controlled by Paul Winkle	Investment under Regulation A offering qualified on January 24, 2020	Free-trading	Regulation A offering qualified on January 24, 2020
02-26-2020	New Issuance	10,000,000	Common A	\$0.0030	No	GPL Ventures LLC controlled by Alexander Dillon	Investment under Regulation A offering qualified on January 24, 2020	Free-trading	Regulation A offering qualified on January 24, 2020
03-09-2020	New Issuance	5,000,000	Common A	\$0.0030	No	Continuation Capital Inc., controlled by Paul Winkle	Investment under Regulation A offering qualified on January 24, 2020	Free-trading	Regulation A offering qualified on January 24, 2020
03/10/2017	New Issuance	194,000,000	Common B	N/A	N/A	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	See Item A below	Restricted	N/A
08/05/2017	20:1 Reverse Stock Split	(237,500,000)	Common B	N/A	N/A	N/A	N/A	N/A	N/A
03/10/2017	New Issuance	534,501,255	Preferred	N/A	N/A	West End Consulting Group, LLC, controlled by Brad Domitrovitsch	See Item A below	Restricted	N/A
07-10-2019	New Issuance	40,500,000	Preferred	N/A	No	Josh Hickman	Shares issued in lieu of cash compensation See item E below.	Restricted	N/A
Shares Outstanding on March 31, 2020	<u>Ending Balance:</u> Common A: <u>228,977,324</u> Common B: <u>12,500,000</u> Preferred: <u>790,500,000</u>								

Use the space below to provide any additional details, including footnotes to the table above:

Does not include options issued to any shareholder.

Item A - The shares were issued pursuant to the terms of a Share Exchange Agreement dated December 10, 2016 with Hydration Company of PA, LLC.

Item B - On March 24, 2017 - Aged Debt - \$100,000 worth of aged debt was converted into equity in four tranches of 10,000,000 shares of Class A Common Stock.

Item C - On or about August 5, 2017, the Company entered into a Plan of Conversion where it changed its name and domicile from Converde Energy USA, Inc. a Nevada corporation, to American Energy Partners, Inc., a Colorado corporation. The trading symbol for the Common Stock was changed from "XFUL" to "AEPT." The Plan of Conversion also provided for a 20:1 reverse stock split, whereby every Twenty (20) shares of Common Stock of Converde Energy USA, Inc. was converted into One (1) share of Class A Common Stock of American Energy Partners, Inc. Every Twenty (20) shares of Class B

Common Stock of Converde Energy USA, Inc. was converted into One (1) share of Class B Common Stock of American Energy Partners, Inc. These shares were requested by DTC to satisfy a shortfall due to rounded shares.

Item D – The shares were initially associated with an aged debt transaction that turned out to be unsubstantiated. The shares were returned by GPL Ventures to the transfer agent.

Item E – The shares were issued in consideration of purchasing the membership interest in Hickman Geological Consulting, LLC. See “Issuer’s Business, Products and Services” for more information about Hickman Geological Consulting, LLC.

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	Reason for Issuance (e.g. Loan, Services, etc.)
05/12/2017	\$100,000	\$100,000	\$25,673	05/12/2018	See Item A	Random Walk Consulting, LLC, controlled by Dean Schroth	Loan

Use the space below to provide any additional details, including footnotes to the table above:

Item A – Not converted by maturity. The holder of the note shall have the right to convert any part of the outstanding interest or principal amount of the note into shares of Common A Stock equal to 50% of the lowest Trading Price during the 20 days commencing on the first trading day following delivery and clearance of notice.

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: John Lisicky
Title: Certified Public Accountant
Relationship to Issuer: Accountant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
D. Statement of income;
E. Statement of cash flows;
F. Financial notes; and
G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

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")

The Company is comprised of three subsidiaries that source, treat and distribute reclaimed water in an effort to preserve our nation's naturally occurring resources. We are comprised of subsidiaries that source, treat and distribute reclaimed water in an effort to preserve our nation's naturally occurring resources.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Our subsidiaries, Hydration Corporation of PA, LLC ("Hydration Corporation"), American Energy Solutions, LLC ("American Energy Solutions"), and Gilbert Oil and Gas ("Gilbert Oil"), will own energy operations as well as design,

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.

build and operate regional water treatment facilities that serve the industrial and energy sectors. Together with Hydration Corporation and American Energy Solutions, Gilbert Oil provides value through net revenue interests, mineral interests and royalty rights.

Hydration Corporation of PA, LLC

Hydration Corporation is engaged in the businesses of water exploration, water augmentation, and the treatment of impacted waters. Through its subsidiaries and partners, we design, build, and operate regional water treatment facilities. Hydration Corporation is a leader in water-neutral energy solutions, as well as providing waste water technologies specifically designed to improve the impaired water disposal process.

We believe that Hydration Corporation's technology delivers one of the highest energy yields from a broad range of water-bearing assets, with one of the lowest capital expenditures of any other known water processes.

Hydration Corporation offers a range of low cost attractive modular systems or fixed facilities via its water conveyance methodologies, which produce low-cost water solutions in partnership with select small to large-size industrial energy users, government agencies, and non-profit watershed groups in target markets.

Hydration Corporation provides a solution to locate, procure, treat and distribute water. This patent-pending process provides cleaner water which results in an improved, safer environment. It can also mitigate drought conditions by accessing water previously unavailable. Applications may include, but are not limited to: oil and gas, pipelines, industrial use, utilities, mining, municipalities and landowners.

Hydration Corporation has designed a unique, patent pending system to treat and distribute water in an efficient and economical process that should encourage treated water to be used by gas drillers, pipeline companies, utility companies, industry and municipalities.

Over time Hydration Corporation has gained support for our unique, patent-pending process by the Pennsylvania Department of Environmental Protection (DEP), Susquehanna River Basin Commission (SRBC), and the Pennsylvania Department of Conservation and Natural Resources (DCNR). In fact, we are currently negotiating contracts and letter of intent agreements with these organizations for mines that store our inventory.

Hydration Corporation conducted its first pump test that was a field demonstration at Coal Creek, Blossburg, Pennsylvania, which was granted by the Pennsylvania DEP & the SRBC. The pump test was performed through AES using GeoTube Technology which produced a favorable test result. This enabled Hydration to: (1) confirm the economic model; (2) prove the validity of the business model; and (3) share the results with potential partners, customers and government agencies.

Since that field demonstration, Hydration Corporation has partnered with Eastern Pennsylvania Coalition for Abandoned Mine Reclamation (EPCAMR) and the SRBC to start the first three phases of due diligence at the Mocanaqua Tunnel. This property has an estimated 500 billion gallons of storage and appears to be an excellent candidate for Hydration Corporation's methodologies. This opportunity may be worth an estimated \$2.5 million of construction and operation and maintenance for AES. AES would provide the treatment technologies beginning in Phase IV.

Hydration Corporation's competitive edge lies within its pure volume of reclaimed water and its access to low cost treatment with high flow rates and highly concentrated solids through AES' partners' technologies. Because of this volume Hydration Corporation can effectively gain market share immediately as large corporations want access to one source that can supply massive amounts of reclaimed water to fulfill their input of production through Hydration's patent pending (US 2018/0362364 A1) methodology and conveyance methods.

The success of Hydration Corporation is dependent upon effectively entering into contracts with private and state-owned mines. These contracts will give Hydration Corporation the sole right to distribute water from privately owned mines across the country.

Hydration Corporation will operate out of multiple, predetermined, selected sites within the United States and will need minimal space to conduct its office activities. The sites differ in terms of geography, storage and water quality. All sites will be enabled for augmentation or the ability to mitigate during pass-by conditions. Augmentation is an

important factor of the equation. It allows Hydration Corporation to not only provide everyday water but to provide additional waters to the system when low flow conditions are present. This is a valuable piece of the model because no matter how long or severe of a drought, it gives customers the ability to consume, at their intake, up to their maximum docketed withdrawal thus granting them pass-by exemption.

How the model works: First, hydrological studies are performed statewide to determine the largest pools of non-potable water. Second, access and control of these mines are gained through contracts with the land owner. Third, final hydrology and engineering studies performed. Next, a filtration system is installed with all needed permits. Lastly, a dynamically-adjustable, turn-key system is put online that allows Hydration to execute its model of treatment and distribution through its proprietary conveyance system.

American Energy Solutions, LLC

American Energy Solutions is an industrial waste stream treatment company that intends to engage in the remediation of Superfund sites, coal ash, acid mine drainage, mine influenced water (MIW), drill cuttings (horizontal direction drilling or HDD and vertical directional drilling or VDD), flowback (water and other debris that comes to the surface after a well is fracked), produced waters and other industrial processes.

We provide treatment technologies that contribute to Hydration Corporation's business model of low-cost treatment and distribution. These treatment technologies also allow AES to leverage existing contacts in the industrial space and convert these contacts into contract value. AES's long-term goal is to bring waste stream treatment technologies in-house.

Gilbert Oil and Gas, LLC

We intend to develop Gilbert Oil and Gas, LLC ("Gilbert") as a U.S. based exploration and production company focused on generating long-term shareholder value through drilling, operating, and partnership opportunities in the upstream oil and gas space.

Gilbert's sole service is to provide cash flow through investment in oil and gas royalties, producing wells and the development of mineral rights.

Gilbert came into existence to capitalize on the depressed asset pricing in the oil and gas space. Gilbert's business model is to first capture royalty opportunities then gain working interests on producing wells and lastly to acquire land inventory through mineral rights.

Gilbert will concentrate its initial capital inside the Marcellus & Utica formations where we can monetize existing water assets and treatment technologies in WV, OH and PA.

Following this model, we are of the belief that meaningful asset and cash flow value will be derived over the course of time.

Hickman Geological Consulting, LLC

Hickman Geological Consulting, LLC ("HGC") is a full-service valuation and geotechnical services company that focuses on the decision space between earth materials and financial matters. Since 2013, HGC has been the Pittsburgh area's leading valuation house for oil and gas minerals connected with estate planning, expert witness, lease negotiations, and mineral sales. Since 2016, HGC has provided these services nationwide. In 2018 HGC diversified into geotechnical services related to landslide identification, mitigation, and design as well as geotechnical residential building services, such as ground stability and infiltration testing.

Mr. Hickman is a registered Professional Geologist in the state of Pennsylvania. Hickman Geological Consulting, LLC is sub-contracted for these services by small to mid-sized engineering and environmental firms to lend our expertise in these matters to their individual projects. Mr. Hickman's areas of expertise include soil physics and mapping for construction, erosion, sediment, and landslide issues, writing geologic investigation reports, and hydrological investigations.

Hickman Geological Consulting, LLC provides expert reports and testimony on the value of oil and gas rights and royalties in cases of tax, estate planning, divorce, real estate transactions, and litigation. HGC is the technical backbone of many successful mineral buying companies. We direct buy areas, provide expected profit statements, and provide the technical data necessary to educate investors.

We provide independent acquisition and divestment due diligence reports. We provide advisement to supplement your existing team, or act as customers' representatives. These services include geologic and/or reservoir modeling, well curve, EUR, and cost input creation and verification, economic model creation, data room generation and review, and environment and sediment control field review.

Hickman Geological Consulting, LLC's experienced staff can provide the needed experience and technical understanding to put landowners on level ground with operating companies in negotiations. We provide assistance during leasing, right of way, and well pad siting. Examples of these services include leasing terms, right of way negotiations, settlement options, and well pad locations.

Oilfield Basics LLC

Oilfield Basics LLC creates a host of resources that make learning about the oilfield simple. It partners with companies and individuals across the vast range of industries and enables them to share their piece of the industry with others. Oilfield Basics LLC provides a platform for podcast interviews, educational webinars, videos, and online courses.

C. Describe the issuers' principal products or services, and their markets

Water sourcing, treatment, & distribution in industrial & government markets. Acquisition of oil & gas assets.

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.

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.

The Company's principal executive offices are located at PO Box 443 Allentown, PA 18105.

Gilbert Oil & Gas, LLC ("Gilbert O&G"), a wholly owned subsidiary of American Energy Partners, Inc. owns 15 oil and gas wells in western Pennsylvania. Included in these assets are 127 net mineral acres of deep rights (the "Deep Rights") and over 1,000 acres of shallow rights in the Tier I area of the wet Marcellus and dry Utica Shale. On October 9, 2018 Gilbert O&G sold the Deep Rights to Hickman Geological Consulting, LLC for \$30,000. Josh Hickman, COO is the principal of Hickman Geological Consulting, LLC. The information with regard to our wells is as follows:

OGO	OPERATOR	API / PERMIT	FARM	SPUD DATE	WELL STATUS	WELL TYPE	UNCONVENTIONAL	CONSERVATION	CONFIGURATION	REGION	COUNTY	MUNICIPALITY
OGO-51004	Gilbert O&G	125-01875	C.E. SMITH 1	01/01/1800	Active	OIL	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	South Franklin Twp
OGO-51004	Gilbert O&G	125-01876	C.E. SMITH 2	01/01/1800	Active	OIL	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	South Franklin Twp
OGO-51004	Gilbert O&G	125-01877	C.E. SMITH 3	01/01/1800	Active	OIL	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	South Franklin Twp
OGO-51004	Gilbert O&G	125-01878	C.E. SMITH 4	01/01/1800	Active	OIL	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	South Franklin Twp
OGO-51004	Gilbert O&G	125-21045	J I PHILLIPS 1	01/07/1977	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	Long Branch Boro
OGO-51004	Gilbert O&G	125-21055	CAMPANA 1	04/03/1977	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	California Boro
OGO-51004	Gilbert O&G	125-21429	HESS 1	02/14/1982	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	Long Branch Boro
OGO-51004	Gilbert O&G	125-21430	HESS 2	02/21/1982	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	Long Branch Boro
OGO-51004	Gilbert O&G	125-21435	WINNETT 1	02/07/1982	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	Long Branch Boro
OGO-51004	Gilbert O&G	125-21446	HUNTER 1	06/18/1982	Active	GAS	Yes	Yes	Vertical Well	EP DOGO SWDO Distr Off	Washington	Hopewell Twp
OGO-51004	Gilbert O&G	125-21448	KOVALICK 1	05/22/1982	Active	GAS	No	Yes	Vertical Well	EP DOGO SWDO Distr Off	Washington	Cross Creek Twp
OGO-51004	Gilbert O&G	125-21460	HAROLD L WARD 1	06/03/1982	Active	GAS	No	Yes	Vertical Well	EP DOGO SWDO Distr Off	Washington	Canton Twp
OGO-51004	Gilbert O&G	125-21461	ANNA B JOHNSON 1	07/08/1982	Active	GAS	No	Yes	Vertical Well	EP DOGO SWDO Distr Off	Washington	Hopewell Twp
OGO-51004	Gilbert O&G	125-21499	ROSCOE SPORTSMEN ASSOCIATION 1	10/24/1983	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	Long Branch Boro
OGO-51004	Gilbert O&G	125-21501	CROW 1	10/17/1983	Active	GAS	No	No	Vertical Well	EP DOGO SWDO Distr Off	Washington	Long Branch Boro

Link to our: [Well Inventory where you can observe the entirety of the information about our wells.](#)

Hydration Company of PA, LLC (“HCPA”), a subsidiary of American Energy Partners, Inc. has a patent pending - US 2014/0305879 A1. On December 20, 2018 HCPA refiled a revised patent application with a new publication number of US 2018/0362364 A1.

Current Assignee: Hydration Company of PA, LLC

Abstract: A method of supplying water using a natural water pipeline includes withdrawing impaired water from an impaired water body connected to a waterway and treating the impaired water from the impaired water body to produce treated water. The method also includes discharging the treated water into the waterway and conveying the treated water via the waterway to one or more locations proximate to one or more remote operational facilities that withdraws water from the waterway at the one or more locations. The method further includes receiving a monetary value from one or more operational entities operating the one or more remote operational facilities and providing at least a portion of one or more water access rights to the one or more operational entities in exchange for the monetary value.

Link to our: [Patent Pending](#)

7) 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 regarding any person or entity owning 5% of more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any 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 of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Brad J. Domitrovitsch	CEO, CFO, Chairman	Allentown, PA	63,200,000	Common A	27.60%	Includes shares owned by West End Consulting Group LLC of which Brad J. Domitrovitsch is the owner. Does not include option to purchase 10,000,000 shares of Class A Common Stock
			9,700,000	Common B	77.6%	
			534,501,255	Preferred	67.6%	
Josh Hickman	Director & COO	Canonsburg, PA	44,000,000	Common A	19.22%	Does not include unvested stock options for 7,000,000 shares of Class A Common Stock not exercisable in 60 days.
			40,500,000	Preferred	5.1%	
John Rattaporn Pippy	Director, CSO, and President	Moon Township, PA	24,000,000	Common A	10.48%	Does not include unvested stock options for 2,500,000 shares of Class A Common Stock.
Damian Georgino	Director	Beaufort, SC	11,500,000	Common A	5.02%	Includes shares owned by Sewickley Capital Partners LLC
West End Consulting Group LLC	Owner of more than 5%	Allentown, PA	63,200,000	Common A	27.60%	Beneficially owned by Brad J. Domitrovitsch. Does not include unvested stock options for 10,000,000 shares of Class A Common Stock.
			9,700,000	Common B	77.6%	
			534,501,255	Preferred	67.6%	
Michael McLaren	Owner of more than 5%	Didsbury, AB Canada	101	Common A	*	Includes shares owned by Converde Industries Inc. of
			2,800,000	Common B	22.4%	

			177,247,834	Preferred	22.4%	which Michael McLaren is the owner.
Converde Industries Inc.	Owner of more than 5%	Didsbury, AB Canada	2,500,000	Common B	20.0%	Beneficially owned by Michael McLaren
			50,000,000	Preferred	6.3%	Beneficially owned by Michael McLaren

* Less than 1%

8) Legal/Disciplinary History

A. Please identify whether any of the persons 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);

None

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;

None

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

None

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.

None

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.

None

9) Third Party Providers

Please provide the name, address, telephone number and e-mail address of each of the following outside providers:

Securities Counsel

Name: Ross David Carmel, Esq.
Firm: Carmel, Milazzo & Feil LLP
Address 1: 55 West 39th Street
Address 2: 18th Floor
Phone: 212-658-0458
E-mail: rcarmel@cmfllp.com

Accountant or Auditor

Name: John Lisicky, CPA
Firm: Buckno Lisicky & Co.
Address 1: 645 Hamilton Street
Address 2: Allentown, PA 18101
Phone: 610-821-8580
E-mail: khoff@blco-cpa.com

Other Service Providers

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

Name: N/A
Firm: N/A
Nature of Services: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
E-mail: N/A

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).

The certifications shall follow the format below:

I, Brad Domitrovitsch certify that:

1. I have reviewed this Quarterly Disclosure Statement of American Energy Partners, 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.

May 13, 2020 [Date]

/s/ Brad Domitrovitsch [CEO's Signature]

Principal Financial Officer:

I, Brad Domitrovitsch certify that:

1. I have reviewed this Quarterly Disclosure Statement of American Energy Partners, 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.

May 13, 2020 [Date]

/s/ Brad Domitrovitsch [CFO's Signature]

**AMERICAN ENERGY PARTNERS, INC.
AND SUBSIDIARIES**

**FINANCIAL REPORT
(Compiled)**

March 31, 2020

**BUCKNO
LISICKY** 
& COMPANY

BUCKNOLISICKY.COM

A Professional Corporation

Certified Public Accountants | Business Consultants

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES

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Certified Public Accountants | Business Consultants

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Management
American Energy Partners, Inc. and Subsidiaries
Allentown, Pennsylvania

Management is responsible for the accompanying consolidated financial statements of American Energy Partners, Inc. and Subsidiaries (a corporation), which comprise the consolidated balance sheets as of March 31, 2020 and 2019, and the related consolidated statements of income, change in stockholders' equity (deficiency) and cash flows for the three months then ended, and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these consolidated financial statements.

Buckno Lisicky & Co PC

Allentown, Pennsylvania
May 1, 2020

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES**Consolidated Balance Sheets****March 31, 2020 and 2019****See Independent Accountants' Compilation Report**

ASSETS	2020	2019
CURRENT ASSETS		
Cash	\$ 32,862	\$ 3,702
Accounts receivable	162,506	9,234
TOTAL CURRENT ASSETS	195,368	12,936
PROPERTY AND EQUIPMENT, NET	73,301	74,908
OTHER ASSETS		
Goodwill	33,440	-
TOTAL OTHER ASSETS	33,440	-
TOTAL ASSETS	\$ 302,109	\$ 87,844
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts payable	\$ 118,572	\$ 57,522
Interest payable	25,673	16,102
Convertible notes	100,000	100,000
TOTAL CURRENT LIABILITIES	244,245	173,624
STOCKHOLDERS' EQUITY (DEFICIENCY)		
Preferred stock (\$.001 par value, 1,000,000,000 shares authorized, 790,500,000 issued and outstanding)	790,500	750,000
Common B stock (\$.001 par value, 2,000,000,000 shares authorized, 12,500,000 issued and outstanding)	12,500	12,500
Common stock (\$.001 par value, 1,500,000,000 shares authorized, 253,977,324 issued and 228,977,324 outstanding)	228,977	117,644
Additional paid in capital	1,705,337	1,331,270
Accumulated deficit	(2,679,450)	(2,297,194)
TOTAL STOCKHOLDERS' EQUITY (DEFICIENCY)	57,864	(85,780)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)	\$ 302,109	\$ 87,844

See Notes to Consolidated Financial Statements.

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES**Consolidated Statements of Income****Three Months Ended March 31, 2020 and 2019****See Independent Accountants' Compilation Report**

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
SALES	\$ 243,421	\$ 15,879
OPERATING EXPENSES		
Advertising & promotion	63,345	-
Bank charges	739	151
Charitable donations	96	-
Compensation	-	61,500
Depletion expense	560	739
Depreciation expense	34	-
Dues & subscriptions	7,644	1,918
Interest expense	2,464	2,276
Meals & entertainment	936	-
Office expense	753	60
Postage	59	-
Professional fees	121,603	27,898
Repair & maintenance	2,449	3,286
Rent expense	7,498	60
Royalties	3,005	-
Telephone	878	-
Travel expense	1,640	200
Utilities	31	31
TOTAL OPERATING EXPENSES	<u>213,734</u>	<u>98,119</u>
OPERATING INCOME (LOSS)	<u>29,687</u>	<u>(82,240)</u>
NET INCOME (LOSS)	<u>\$ 29,687</u>	<u>\$ (82,240)</u>

See Notes to Consolidated Financial Statements.

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES

Consolidated Statements of Change in Stockholders' Equity (Deficiency)

Three Months Ended March 31, 2020 and 2019

See Independent Accountants' Compilation Report

	Preference Shares		Common B Shares		Common Shares		Additional Paid-in Capital		Total Stockholders' Equity (Deficiency)	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Equity (Deficiency)	
BALANCE, January 1, 2019	750,000,000	\$ 750,000	12,500,000	\$ 12,500	97,143,990	\$ 97,144	\$ 1,290,270	\$ (2,214,954)	\$ (65,040)	
Stock compensation	-	-	-	-	20,500,000	20,500	41,000	-	61,500	
Net loss	-	-	-	-	-	-	-	(82,240)	(82,240)	
BALANCE, March 31, 2019	750,000,000	\$ 750,000	12,500,000	\$ 12,500	117,643,990	\$ 117,644	\$ 1,331,270	\$ (2,297,194)	\$ (85,780)	
BALANCE, January 1, 2020	790,500,000	\$ 790,500	12,500,000	\$ 12,500	194,643,990	\$ 194,644	\$ 1,634,670	\$ (2,709,137)	\$ (76,823)	
Share issuance	-	-	-	-	33,333,334	33,333	66,667	-	100,000	
Share issuance from acquisition	-	-	-	-	1,000,000	1,000	4,000	-	5,000	
Net income	-	-	-	-	-	-	-	29,687	29,687	
BALANCE, March 31, 2020	790,500,000	\$ 790,500	12,500,000	\$ 12,500	228,977,324	\$ 228,977	\$ 1,705,337	\$ (2,679,450)	\$ 57,864	

See Notes to Consolidated Financial Statements.

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****Three Months Ended March 31, 2020 and 2019****See Independent Accountants' Compilation Report**

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 29,687	\$ (82,240)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depletion expense	560	739
Depreciation expense	34	-
Stock compensation	-	61,500
(Increase) decrease in assets:		
Accounts receivable	(130,884)	1,763
Increase (decrease) in liabilities:		
Accounts payable	(625)	7,864
Interest payable	2,464	2,276
NET CASH USED IN OPERATING ACTIVITIES	(98,764)	(8,098)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired from acquisition of business	4,258	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,258	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance	100,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	100,000	-
NET INCREASE (DECREASE) IN CASH	5,494	(8,098)
CASH		
Beginning	27,368	11,800
Ending	\$ 32,862	\$ 3,702
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Assets acquired from acquisition	\$ 742	\$ -

See Notes to Consolidated Financial Statements.

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2020 and 2019

See Independent Accountants' Compilation Report

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

American Energy Partners, Inc. is a publicly-traded company (OTC: AEPT) comprised of subsidiaries Hydration Company of PA, American Energy Solutions, Gilbert Oil and Gas Company, Hickman Geological Consulting, LLC and newly acquired Oilfield Basics, LLC. American Energy Partners, Inc. and its subsidiaries focus on providing solutions in markets where energy production and water meet technology. Collectively, the subsidiaries are engaged in the energy sector as well as the design, construction and operation of regional water treatment facilities that serve the industrial, energy and government sectors.

On August 3, 2017 Converde Energy USA, Inc. fully converted into American Energy Partners, Inc.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the Company and its majority owned subsidiaries, Hydration Company of PA, American Energy Solutions, Gilbert Oil and Gas Company, Hickman Geological Consulting, LLC, and Oilfield Basics, LLC. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

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

Accounts Receivable

The Company considers account receivable to be fully collectable at period end. Accordingly, no allowance for doubtful accounts has been recorded.

Property and Equipment

Property and equipment are stated at cost. Depreciation on property and equipment is recorded using the straight-line method of depreciation over the estimated useful lives of the depreciable assets of 5 years.

Oil and gas assets are calculated using the unit-of-production method based upon estimates of proved oil and gas reserves with oil and gas production being converted to a common unit of measure based upon their relative energy content. Investments in unproved properties and major development projects are not amortized until proved

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2020 and 2019

See Independent Accountants' Compilation Report

reserves associated with the projects can be determined or until impairment occurs.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals that extend the useful lives of property and equipment are capitalized. When property and equipment are sold or otherwise disposed of, the asset accounts and related accumulated depreciation are reduced, and any gain or loss is included in operations.

Goodwill

Cost of investments in purchased companies in excess of the underlying fair value of net assets at dates of acquisition are recorded as goodwill and assessed annually for impairment. If considered impaired, goodwill will be written down to fair value and a corresponding impairment loss recognized. There has been no impairment recorded as of March 31, 2020.

Revenue Recognition

The Company has analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers and has concluded that no changes are necessary to conform with the new standard. The Company's sales contain a single delivery element and revenue is recognized over time as the products or services are delivered.

Hydration Company of PA is engaged in the business of water exploration, water augmentation, and the treatment of impacted waters. Revenue is recognized when the Company signs a contract with a customer. American Energy Solutions is an industrial waste stream treatment company. Revenue is recognized when the Company signs a contract with a customer. Gilbert Oil and Gas Company is an exploration and productions company. Revenue is recognized when the Company signs a contract with a customer. Hickman Geological Consulting, LLC is a full-service valuation and geotechnical services company. Revenue is recognized when the Company signs a contract with a customer. Oilfield Basics, LLC provides resources that make learning about the oilfield simple. Revenue is recognized when the Company signs a contract with a customer.

The Company recognized revenues from contracts with customers transferred over time of \$243,421 and \$15,879 for the three months ended March 31, 2020 and 2019, respectively.

The beginning and ending contract balances were as follows:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Accounts receivable, trade	\$ 162,506	\$ 9,234	\$ 18,100

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2020 and 2019

See Independent Accountants' Compilation Report

Stock Option Plan

During 2017, the Company established a stock option plan, the American Energy Partners, Inc. and Subsidiaries Stock Incentive Plan. Stock options are granted to officers and other key employees. The options fully vest after two years of continued employment. Newly issued shares of common stock are provided to satisfy stock option exercises. Under the Company's policy, all stock option awards and exercise prices are approved prior to the date of grant by the Board of Directors.

See Note 7 for additional information.

Income Taxes

The Company and its subsidiaries have elected to be taxed as a C corporation.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are recalculated using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Due to continued net losses no asset or liability has been recorded.

The returns for 2019, 2018, 2017 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Each company files separate state income tax returns based on its individual earnings.

Advertising

The Company expenses advertising costs as incurred. Advertising expense for the three months ended March 31, 2020 and 2019 is \$63,345 and \$0, respectively.

Date of Management's Review

Subsequent events were evaluated through May 1, 2020, which is the date the financial statements were available to be issued.

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****March 31, 2020 and 2019****See Independent Accountants' Compilation Report****NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Equipment	\$ 742	\$ -
Oil and gas wells	77,232	77,232
	77,974	77,232
Less accumulated depreciation	34	-
Less accumulated depletion	4,639	2,324
	<u>\$ 73,301</u>	<u>\$ 74,908</u>

Depreciation expense for the three months ended March 31, 2020 and 2019 is \$34 and \$0.

Depletion expense for the three months ended March 31, 2020 and 2019 is \$560 and \$739.

NOTE 4. GOODWILL

The changes in the carrying amount of goodwill for the three months ended March 31, 2020 and 2019, are as follows:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Balance at January 1	\$ 33,440	\$ -
Goodwill acquired	-	-
Impairment loss	-	-
Balance at March 31	<u>\$ 33,440</u>	<u>\$ -</u>

Goodwill acquired in 2019 relates to the Hickman Geological Consulting, LLC acquisition (see Note 5).

NOTE 5. ACQUISITIONS

On July 11, 2019, the Company completed the purchase from Hickman Geological Consulting, LLC of substantially all of the assets. The aggregate purchase price paid was 40,500,000 shares of preferred stock.

GAAP defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date

AMERICAN ENERGY PARTNERS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2020 and 2019

See Independent Accountants' Compilation Report

as the date that the acquirer achieves control. GAAP requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. GAAP also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date.

The following table summarizes the fair values of the assets acquired at the acquisition date:

Cash and cash equivalents	\$ 7,060
Net assets acquired	<u>\$ 7,060</u>

The fair value of the purchase price of the business of \$40,500 exceeded the fair value of the identifiable assets acquired of \$7,060. Consequently, the Company recorded goodwill of \$33,440 related to the acquisition.

On January 24, 2020, the Company completed the purchase from Oilfield Basics, LLC of substantially all of the assets. The aggregate purchase price paid was 1,000,000 shares of Common Stock.

GAAP defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. GAAP requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. GAAP also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date.

The following table summarizes the fair values of the assets acquired at the acquisition date:

Cash and cash equivalents	\$ 4,258
Equipment	<u>742</u>
Net assets acquired	<u>\$ 5,000</u>

NOTE 6. CONVERTIBLE NOTES

The Company engaged GPL Ventures, LLC/Mininvest for crowdsourcing related to the Regulation A. The consideration for that retention was a \$100,000 convertible note yielding 8% with a maturity dated May 2018. This note was bought by Random Walk Consulting during the 4th quarter of 2019. The Company recorded interest expense relating to this note in the amount of \$2,464 and \$2,276 for the three months ended March 31, 2020 and 2019.

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Random Walk Consulting has the right, commencing on the issuance date of this note, to convert any part of the outstanding interest or principal amount of this note into fully paid and non-assessable shares of common stock. The conversion price shall equal 50% of the lowest trading price during the valuation period, and the conversion amount shall be the amount of principal or interest electively converted in the conversion notice. The total number of shares due under any conversion notice will be equal to the conversion amount divided by the conversion price.

NOTE 7. STOCKHOLDERS' EQUITY

Preferred Stock

The Company has authorized 1,000,000,000 shares of Preferred Stock with a par value of \$0.001 per share. As of the three months ending March 31, 2020 and 2019 790,500,000 and 750,000,000 shares are issued and outstanding.

Common B Stock

The Company has authorized 2,000,000,000 shares of Common B Stock with a par value of \$0.001 per share. As of the three months ending March 31, 2020 and 2019 12,500,000 shares are issued and outstanding.

Common Stock

The Company has issued 253,977,324 shares of Common Stock of the total authorized amount of 1,500,000,000 shares. As of the three months ending March 31, 2020 and 2019, 228,977,324 and 117,643,990 shares are outstanding. For each common share, \$0.001 is allocated to par value.

The Company issued 0 and 20,500,000 shares of Common Stock in lieu of compensation for the three months ending March 31, 2020 and 2019. The issue price average was \$0.0000 and \$0.0030 per share totaling compensation expense of \$0 and \$61,500 for the three months ending March 31, 2020 and 2019.

Stock Option Plan

As discussed in Note 1, the Company established a stock option plan during 2017 and management reserved a pool of 20,000,000 shares of Common Stock to be issued when the options are exercised.

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The Company granted stock options as follows:

<u>Issue Date</u>	<u>Options Issued</u>	<u>Common Stock Purchase Price</u>
September 6, 2017	250,000	\$0.0750
September 7, 2017	3,500,000	\$0.0750
September 7, 2017	5,000,000	\$0.0750
December 12, 2017	500,000	\$0.0740
January 5, 2018	750,000	\$0.0850
October 3, 2018	9,750,000	\$0.0065
	<u>19,750,000</u>	

The options fully vest two years from the grant date and are exercisable from then through a period of ten years from the date of grant. Using the Black-Scholes option pricing model, management has determined that the options issued in 2017 and 2018 have a value of \$.046, \$.056, \$.056, \$.080, \$.080 and \$.004 per share, respectively. Total compensation cost is \$11,500, \$196,000, \$280,000, \$40,000, \$60,000 and \$39,000, respectively. Compensation cost will be recognized after the options fully vest in two years. The Company did not recognize stock option-based compensation in the three months ended March 31, 2020 and 2019. The options purchase price was higher than the trading price.

As of March 31, 2020, unrecognized compensation cost related to nonvested awards totaled \$626,500. Of this amount, \$527,500 will be recognized in 2019, \$99,000 in 2020. No compensation cost was recognized due to the purchase price of the option being higher than the trading price. The weighted average period over which this remaining compensation cost will be recognized is 0.25 years.

The following is an analysis of options to purchase shares of the Company's stock issued and outstanding:

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	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
	Total Options	Weighted Average Exercise Price	Total Options	Weighted Average Exercise Price
Outstanding at January 1	19,750,000	\$ 0.0415	19,750,000	\$ 0.0415
Granted	-	-	-	-
Exercised	-	-	-	-
Expired/cancelled	-	-	-	-
Forfeited	-	-	-	-
Outstanding at March 31	<u>19,750,000</u>	<u>\$ 0.0415</u>	<u>19,750,000</u>	<u>\$ 0.0415</u>
Options exercisable, March 31	<u>10,000,000</u>	<u>\$ 0.0757</u>	<u>-</u>	<u>\$ -</u>

	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
	Nonvested Options	Weighted Average Fair Value	Nonvested Options	Weighted Average Fair Value
Nonvested options				
Nonvested options, October 1	10,500,000	\$ 0.0094	19,750,000	\$ 0.0318
Granted	-	-	-	-
Vested	750,000	0.0800	-	-
Forfeited	-	-	-	-
Nonvested options, December 31	<u>9,750,000</u>	<u>\$ 0.0040</u>	<u>19,750,000</u>	<u>\$ 0.0318</u>

Options for 9,750,000 shares, granted October 3, 2018 will vest over the next year and expire during the year ended December 31, 2028.

NOTE 8. INCOME TAXES

Income taxes are comprised of current taxes on income calculated on the results reported for tax purposes.

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Income tax expense (benefit) consists of the following:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Current:		
Federal	\$ 6,234	\$ (17,270)
State	<u>2,966</u>	<u>(8,216)</u>
	<u>9,200</u>	<u>(25,486)</u>
 (Increase) decrease in valuation allowance	 <u>(9,200)</u>	 <u>25,486</u>
 Total federal and state income taxes	 <u>\$ -</u>	 <u>\$ -</u>

A valuation allowance is provided to reduce the income tax expense (benefit) to a level, which, more likely than not, will be realized.

The Company has U.S. net operating loss carryforwards of approximately \$868,034 that may be used to offset future taxable income. The loss carryforwards will expire in the years ranging from 2037 and 2040.

The Company has PA net operating loss carryforwards of approximately \$868,034 that may be used to offset future taxable income. The loss carryforwards will expire in the years ranging from 2037 and 2040.

NOTE 9. CONCENTRATIONS OF CREDIT RISK

As of March 31, 2020, three major customer accounted for \$138,879 of trade accounts receivable and 71% of revenue. As of March 31, 2019, three major customer accounted for \$9,324 of trade accounts receivable and 100% of revenue.

The Company maintains cash accounts in one commercial bank. As of March 31, 2020, the amount on deposit that exceed the insurance limits for the Federal Deposit Insurance Corporation in the commercial bank is \$0.