UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **March 31, 2022**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission file number **333-196409**

PETROGAS COMPANY

(Exact name of registrant as specified in its charter)

Nevada	**98-1153516**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 Post Oak Boulevard, Suite 4100, Houston TX	**77056**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(806) 375-3338**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
N/A	**N/A**

Securities registered pursuant to Section 12(g) of the Act:

N/A
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the last 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-K (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated Filer	☐	Smaller reporting company	☒
		Emerging Growth Company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the Registrant on September 30, 2021, was $1,980 based on a $0.2503 average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock as of the latest practicable date.

21,048,440 shares of common stock as of June 23, 2022.

TABLE OF CONTENTS

Table of Contents

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our consolidated unaudited financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this annual report.

Unless otherwise specified in this annual report, all dollar amounts are expressed in United States dollars and all references to “common stock” refer to shares of our common stock.

As used in this annual report, the terms “we”, “us”, “our” and “our company” mean PetroGas Company and our majority-owned subsidiary Seabourn Oil Company, LLC, unless otherwise indicated.

Table of Contents

PART I

ITEM 1. BUSINESS

OVERVIEW

We were incorporated under the name Alazzio Entertainment Corp. on January 24, 2014, under the laws of the State of Nevada. Our original business plan was to operate photo booth rentals.

On April 3, 2015, a change in control occurred by virtue of our company’s largest shareholder, Dmitri Kapsumun selling 900,000 shares (split adjusted) of our common stock to Rise Fast Limited, a Hong Kong corporation. Such shares represented 71.77% of our total issued and outstanding shares of common stock. As part of the sale of the shares, Rise Fast Limited arranged with the resigning member of our company’s Board of Directors, to appoint Mr. Huang Yu as the sole officer and director of our company.

On April 16, 2015, we filed a Certificate of Amendment with the Nevada Secretary of State (the “Nevada SOS”) whereby we amended our Articles of Incorporation by increasing our authorized number of shares of common stock from 75 million to 300 million (not adjusted for the one (1) for one hundred (100) stock split) and increasing all of our issued and outstanding shares of common stock at a ratio of fifteen (15) shares for every one (1) share held. Our Board of Directors approved this amendment on April 15, 2015 and shareholders holding 71.77% of our issued and outstanding shares approved this amendment via a written consent executed on April 16, 2015.

Effective April 29, 2015 we changed our name to America Resources Exploration Inc. by way of a merger with our wholly-owned subsidiary, incorporated solely for the purpose of the change of name.

On June 10, 2015, we entered into an Asset Purchase Agreement with Zheng Xiangwu, a resident of Guang Dong Province, China, whereby we issued 40,000 million shares of its common stock in exchange for rights to certain oil and gas leases located in Frio and Atascosa Counties, Texas, consisting of a total of 714 total acres of land, two (2) working wells and a total of seven (7) wells (the “Leases”). The acquisition of the Leases pursuant to the Asset Purchase Agreement was completed on June 1, 2015. As a result of the completion of this acquisition, 40,000 shares of our company’s common stock were issued to Mr. Zheng Xiangwu, who owns our company’s largest shareholder, Rise Fast Limited. The number of shares issued to Mr. Zheng was determined by valuing the Leases at $160,000 and valuing our company’s stock at $0.04 per share. At the completion of the Asset Purchase Agreement, we entered into the oil and gas industry.

On June 11, 2015, we entered into various assignment agreements with Mr. Zheng for the acquisition of multiple oil and gas leases and overriding royalty interests (“ORR’s”) as set out in the table below. From July 6, 2015 through July 9, 2015, we completed the acquisition of such oil and gas leases and ORR’s, whereby we issued a total of 6,500 shares of our common stock to Mr. Zheng.

Assignment Date	Name of The Property	Type of Property	Location
June 11th, 2015	Ellis County	Overriding Royalty Int.	Oklahoma
June 11th, 2015	Hemphill County	Overriding Royalty Int	Texas
June 11th, 2015	Madison County	Wellbore Interest	Texas
June 11th, 2015	Shelby County	Wellbore Interest	Texas
June 11th, 2015	Emergy County	Lease Purchase	Utah

On August 13, 2015 we entered into an Asset Purchase Agreement with Inceptus Resources, LLC whereby our company acquired a 78% net revenue interest in 200 acres located in Callahan County, Texas, and a 78% net revenue interest in 522 acres also located in Callahan County, Texas.

On January 20, 2016, we changed our name to PetroGas Company, by way of a merger with our wholly-owned subsidiary, incorporated solely for the purpose of the change of name. In addition, we amended our Articles of Incorporation for a reverse stock split by decreasing all of our issued and outstanding shares of common stock at a ratio one (1) new for one hundred (100) old shares of common stock. The reverse stock split was approved by our directors and shareholders holding 68.65% of our issued and outstanding shares of common stock on January 13, 2016 and the reverse stock split became effective with FINRA on March 7, 2016. The change of name resulted in a change of trading symbol to “PTCO”.

On September 13, 2017, we filed a Certificate of Amendment with the Nevada Secretary of State whereby we amended our Articles of Incorporation by decreasing all of our issued and outstanding shares of common stock at a ratio of one (1) share for every one hundred (100) shares held. Our Board of Directors approved the Amendment on July 21, 2017 and Shareholders holding 75.95% of our company’s shares approved the Amendment via written consent executed on July 21, 2017, with an effective date of October 5, 2017.

On February 20, 2019 a majority of our shareholders and our board of directors approved a resolution to effect a reverse stock split of our issued and outstanding shares of common stock on a one (1) new for 100 old basis. The reverse split was approved by FINRA with an effective date of March 19, 2019. As a result of the reverse split, our issued and outstanding shares of common stock decreased from 30,099,230 to 300,993 shares of common stock. Our authorized capital remained unchanged.

Our principal executive offices are located at 2800 Post Oak Boulevard, Suite 4100, Houston, Texas 77056. Our telephone number is (832) 899-8597.

We have never declared bankruptcy, been in receivership, or involved in any kind of legal proceeding.

We hold a 94% interest in Seabourn Oil Company, LLC, a Texas LLC.

CURRENT INVESTMENTS

On June 12, 2015, we acquired three (3) producing leases covering 714 acres situated in Atascosa and Frio Counties, Texas, located in the Eagle Ford Shale formation - the Jane Burns “C” (“Burns”), the Theo Rogers “C”, and the Theo Rogers “A” & “D” (“Rogers”) Leases. We acquired a 99.5% working interest (74.625% net revenue interest) in each lease.

The Burns and Rogers Leases provide exploration and production opportunities in the Kyote Field pay zone, very near the Eagle Ford Shale play with access to available rig crews and other vendor-servicers, due to their close proximity to San Antonio, Texas.

The Burns and Rogers Leases hold collectively seven (7) oil wells, but none of which are operating wells. Although our company’s management and industry professionals believed at the time that they were acquired that our company could double or triple previous production on these wells, depressed oil prices indicate that the cost to bring these wells online an uneconomical venture.

On November 30, 2016, we acquired various royalty interests in Texas for $10,485. On December 14, 2016, we acquired two oil and gas leases in Ohio for $2,705. On January 1, 2017, our company acquired the lease for three oil and gas properties for $4,975.

Future Operations

We are actively seeking to acquire producing and non-producing leases that will allow us to explore and drill in high-profile pay zones.

We intend to raise capital at a low cost from private placements so that we may acquire numerous additional leases, and to commence drilling, and taking advantage of the inevitable uptick in oil prices to come.

In the current climate, our company believes that there are a very large number of oil & gas leases under distress due to the depressed gas prices and that we can strategically position our company to acquire as many of these leases as possible at a discount to market value, hence creating shareholder value.

We are planning an exploration strategy to drill new wells on the current Leases, as well as acquire deeper rights in order to drill some of the wells at great depths. We expect that reservoirs at those depths could yield a very high daily output of oil.

Lease Data

Burns Lease

Acreage: 160

Working Interest: 99.5%; Net Revenue Interest: 74.625%

Depth of wells is from 3,550 to 3,639 ft.

Field: Kyote; Zone: Olmos “D” Reservoir.

Inventory: 2 pumping units, 2 oil tanks, 1 separator, 2 wells w/tubing & rods downhole, 2 downhole pumps in wells, 3 packers in wells; 2 wells w/electrical connection; 2 propane motors; 1 propane tank; 1 unused well head.

Rogers Lease

Acreage: 355

Working Interest: 99.5%; Net Revenue Interest: 74.625%

Depth of wells is from 3,518 to 3,590 ft.

Field: Kyote; Zone: Olmos “D” Reservoir.

Inventory: 1 pumping unit, 1 oil tank (400 bbls), 1 well w/tubing & rods downhole, 1 downhole pump in well, 1 well w/electrical connection.

ITEM 1A. RISK FACTORS

Risks Related to Our Oil and Gas Operations

If our exploration and development programs prove unsuccessful, we may not be able to continue operations.

An investment in our company should be considered highly speculative due to the nature of our involvement in the exploration, development and production of oil and natural gas. Oil and gas exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Exploratory drilling is subject to numerous risks, including the risk that no commercially productive oil and natural gas reservoirs will be encountered. The cost to drill, complete and operate wells is often uncertain, and drilling operations may be curtailed, delayed or cancelled as a result of a variety of factors including unexpected drilling conditions, abnormal pressures, equipment failures, premature declines of reservoirs, blow-outs, sour gas releases, fires, spills or other accidents, as well as weather conditions, compliance with governmental requirements, delays in receiving governmental approvals or permits, unexpected environmental issues and shortages or delays in the delivery of equipment. Our inability to drill wells that produce commercial quantities of oil and natural gas would have a material adverse effect on our business, financial condition and results of operations.

Future oil and gas acquisitions or exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after exploration, drilling, operating and other costs. Completion of wells does not ensure a profit on the investment or recovery of exploration, drilling, completion and operating costs. Drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect production. Adverse conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

Fluctuations in commodity prices could have a material impact on our revenues, which would affect our profitability.

Commodity price risk related to conventional crude oil prices could become our most significant market risk exposure if we achieve oil and natural gas production. Crude oil prices are influenced by such worldwide factors as the Organization of the Petroleum Exporting Countries actions, political events and supply and demand fundamentals. At this time, we cannot accurately predict these fluctuations because we do not know when we will commence generating revenues from our oil and gas operations. Furthermore, we cannot estimate, at this time, the impact of commodity price fluctuations until we can predict the level of revenues.

Application, interpretation and enforcement of government tax and other legislation is inconsistent making it difficult for us to ensure that we are compliant which could lead to penalties.

The tax environment in the United States is subject to change, inconsistent application, interpretation and enforcement. Non-compliance with US laws and regulations can lead to the imposition of penalties and interest. We intend to make every effort to conform to these laws and regulations. However, our interpretations and those of our advisors may not be the same as those of government officials, which could lead to penalties and interest.

We face competition which could adversely affect our ability to significantly penetrate the oil and gas market in the U.S., which may make it difficult to attain profitability.

The oil and gas market in the U.S. is highly competitive. Most of the competitors are major international energy industry operators. These competitors have various advantages over us, including:

- Substantially greater financial resources, which gives them greater access to the types of distressed properties that we are targeting and flexibility when developing their exploration and drilling programs;
- greater recognition in the industry, which influences a potential partners' decision to participate in programs;
- larger operations, which provides economies of scale and operating efficiencies not available to us;
- longer operating histories; and
- more established relationships with strategic partners.

Table of Contents

We may be unable to successfully compete with these established competitors, which may adversely affect our ability to acquire additional properties and thus impact our ability to generate revenue.

Compliance, interpretation and enforcement with evolving environmental laws and regulations may impact our expenses in a negative manner, which would directly impact our profit margins.

Extensive national, regional and local environmental laws and regulations in the U.S. will affect our operations. These laws and regulations set various standards regulating certain aspects of health and environmental quality which provide for user fees, penalties and other liabilities for the violation of these standards and establish, in some circumstances, obligations to remediate current and former facilities and off-site locations. We believe we are currently in compliance with all existing environmental laws and regulations. However, as new environmental laws and legislation are enacted and the old laws are repealed, interpretation, application and enforcement of the laws may become inconsistent. Compliance in the future could require significant expenditures, which would directly impact our profit margins.

Drilling, exploring for and producing oil is a high risk activity with many uncertainties that could adversely affect our business, financial condition and results of operations.

Our future financial condition and results of operations will depend on the success of our drilling, exploration and production activities. These activities are subject to numerous risks beyond our control, including the risk that drilling will not result in economic oil production or increases in reserves. Many factors may curtail, delay or cancel our scheduled development projects, including:

- decline in oil prices;
- compliance with governmental regulations, which may include limitations on hydraulic fracturing, access to water or the discharge of greenhouse gases;
- inadequate capital resources;
- inability to attract and retain qualified personnel;
- unavailability or high cost of drilling and completion equipment, services or materials;
- unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents;
- adverse weather conditions;
- surface access restrictions;
- mechanical difficulties.

Oil prices are volatile, and a decline in oil prices could significantly affect our business, financial condition and results of operations and our ability to meet our capital expenditure requirements and financial commitments.

Our revenues, profitability and cash flow will depend substantially upon the prices and demand for oil. The markets for this commodity are volatile, and even relatively modest drops in prices can affect significantly our financial results and impede our growth. Prices for oil fluctuate widely in response to relatively minor changes in the supply and demand for these commodities, market uncertainty and a variety of additional factors beyond our control, such as:

- domestic and foreign supply of oil;
- domestic and foreign consumer demand for oil;
- overall United States and global economic conditions;
- price and availability of alternative fuels;
- governmental regulations;
- technological advances affecting oil consumption.

Further, oil prices continue to be volatile. Advanced drilling and completion technologies, such as horizontal drilling and hydraulic fracturing, have resulted in increased investment by oil and gas producers in developing U.S. shale gas and, more recently, tight oil projects. The results of higher investment in the exploration for and production of oil and gas and other factors, such as global economic and financial conditions discussed below, may cause the price of oil to fall. Lower oil prices may not only cause our revenues to decrease but also may reduce the amount of oil that we can produce economically. Continue depressed oil prices have resulted is us having to impair our estimated proved reserves and has had a material adverse effect on our business, financial condition and results of operations. Further, if oil prices significantly decline for an extended period of time, we may, among other things, be unable to have any borrowing capacity, repay future debt or obtain additional capital on attractive terms, all of which can affect the value of our common stock.

Future economic conditions in the U.S. and international markets could materially and adversely affect our business, financial condition and results of operations.

The U.S. and other world economies continue to experience the after-effects of a global recession and credit market crisis. More volatility may occur before a sustainable growth rate is achieved either domestically or globally. Even if such growth rate is achieved, such a rate may be lower than the U.S. and international economies have experienced in the past. Global economic growth drives demand for energy from all sources, including fossil fuels. A lower, future economic growth rate will result in decreased demand for our oil production and lower commodity prices, and consequently reduce our revenues, cash flows from operations and our profitability.

We are subject to complex governmental laws and regulations that may adversely affect the cost, manner and feasibility of doing business.

Our oil drilling, production and gathering operations are subject to complex and stringent laws and regulations. To operate in compliance with these laws and regulations, we must obtain and maintain numerous permits and approvals from various federal, state and local governmental authorities. We may incur substantial costs to comply with these existing laws and regulations. In addition, our costs of compliance may increase if existing laws and regulations are revised or reinterpreted, or if new laws and regulations apply to our operations. Such costs could have a material adverse effect on our business, financial condition and results of operations. Failure to comply with laws and regulations applicable to our operations, including any evolving interpretation and enforcement by government authorities, could have a material adverse effect on our business, financial condition and results of operations.

Environmental laws and regulations may expose us to significant costs and liabilities.

There is inherent risk of incurring significant environmental costs and liabilities in our oil operations due to the handling of petroleum hydrocarbons and generated wastes, the occurrence of air emissions and water discharges from work-related activities and the legacy of pollution from historical industry operations and waste disposal practices. We may incur joint and several or strict liability under these environmental laws and regulations in connection with spills, leaks or releases of petroleum hydrocarbons and wastes on, under or from our properties and facilities, some of which have been used for exploration, production or development activities for many years and by third parties not under our control. In particular, the number of private, civil lawsuits involving hydraulic fracturing has risen in recent years. Since late 2009, multiple private lawsuits alleging ground water contamination have been filed in the U.S. against oil and gas companies, primarily by landowners who leased oil and gas rights to defendants, or by landowners who live close to areas where hydraulic fracturing has taken place. In addition, changes in environmental laws and regulations occur frequently, and any such changes that result in more stringent and costly waste handling, storage, transport, disposal or remediation requirements could have a material adverse effect on our business, financial condition and results of operations. We may not be able to recover some or any of these costs from insurance.

Our business requires significant capital expenditures and we may not be able to obtain needed capital or financing on satisfactory terms or at all.

Our exploration, development and acquisition activities require substantial capital expenditures. We intend to fund our capital expenditures through a combination of private or public equity financings. We may not be able to obtain equity financing on favorable terms or at all. The failure to obtain financing could cause us to scale back our exploration and development operations, which in turn could lead to loss of properties.

Table of Contents

Currently, all of our properties are located in eleven (11) counties, making us vulnerable to risks associated with having our production concentrated in a small area.

All of our properties are concentrated in fourteen (14) counties comprised of seven (7) counties in Texas (Atascosa, Frio, Hemphill, Madison, Shelby, Callahan and Roberts Counties), four (4) counties in Oklahoma (Ellis, Payne, Cleveland, and Harper Counties), one (1) county in Utah (Emergy County), and two (2) counties in Ohio (Monroe and Washington Counties). As a result of this concentration, we are disproportionately exposed to the natural decline of production from these fields as well as the impact of delays or interruptions of production from these wells, which could be caused by significant governmental regulation, transportation capacity constraints, curtailments of production, service delays, natural disasters or other events that impact this area.

Market conditions or transportation and infrastructure impediments may hinder our access to oil markets or delay our production or sales.

Market conditions or the unavailability of satisfactory oil processing and transportation services and infrastructure may hinder our access to oil markets or delay our production or sales. The availability of a ready market for our oil production depends on a number of factors, including market demand and the proximity of any producing wells that we may operate in the future to pipelines or trucking and rail terminal facilities. In addition, the amount of oil that can be produced and sold is subject to curtailment in certain circumstances, such as pipeline interruptions due to maintenance, physical damage to the gathering or transportation system or lack of contracted capacity on such systems. The curtailments arising from these and similar circumstances may last from a few days to several months, and in many cases, we are provided with limited, if any, notice as to when these circumstances will arise and their duration. As a result, we may not be able to sell, or may have to transport by more expensive means, the oil that we produce, or we may be required to shut in oil wells or delay initial production until the necessary gathering and transportation systems are available. Any significant curtailment in gathering system, transportation, pipeline capacity or significant delay in construction of necessary gathering and transportation facilities, could adversely affect our business, financial condition and results of operations.

The unavailability or high cost of drilling rigs, equipment, materials, personnel and oilfield services could adversely affect our ability to execute our drilling and development plans on a timely basis and within our budget.

Our industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies or qualified personnel. During these periods, the costs and delivery times of equipment, oilfield services and supplies are substantially greater. In addition, the demand for, and wage rates of, qualified drilling and completion crews rise as the number of active rigs in service increases. Increasing levels of exploration and production will increase the demand for oilfield services, and the costs of these services may increase, while the quality of these services may suffer. If the availability of equipment, crews, materials and services in counties in which our properties are located is particularly severe, our business, results of operations and financial condition could be materially and adversely affected because our properties are located solely in those counties.

Competition in the oil and gas industry is intense, and most of our competitors have resources that are greater than ours.

We operate in a highly competitive environment for acquiring prospects and productive properties, marketing oil and securing equipment and skilled personnel. Most of our competitors are major and large independent oil and gas companies that have financial, technical and personnel resources substantially greater than ours. Those companies may be able to develop and acquire more prospects and productive properties than our financial or personnel resources permit. Our ability to develop and operate our current projects, acquire additional prospects and discover reserves in the future will depend on our ability to hire and retain qualified personnel, evaluate and select suitable properties and consummate transactions and in a highly competitive environment. Also, there is substantial competition for capital available for investment in the oil and gas industry. Larger competitors may be better able to withstand sustained periods of unsuccessful drilling and absorb the burden of changes in laws and regulations more easily than we can, which would adversely affect our competitive position. We may not be able to compete successfully in the future in attracting and retaining qualified personnel, acquiring prospective reserves, developing reserves, marketing oil and raising additional capital.

Table of Contents

Operating hazards or other interruptions of our operations could result in potential liabilities, for which we do not have insurance.

The oil and gas business involves certain operating hazards such as well blowouts, cratering, explosions, uncontrollable flows of gas, oil or well fluids, fires, surface and subsurface pollution and contamination, and releases of toxic gas. The occurrence of one of the above may result in injury, loss of life, suspension of operations, environmental damage and remediation and/or governmental investigations and penalties. We do not currently have insurance and if we do acquire insurance at the commencement of operations, then consistent with insurance coverage generally available to the industry, we expect that our insurance policies will provide limited coverage for losses or liabilities relating to pollution, with broader coverage for sudden and accidental occurrences. Our insurance, when acquired, might be inadequate to cover our liabilities. The insurance market in general and the energy insurance market in particular have been difficult markets over the past several years. Insurance costs are expected to continue to increase over the next few years, and we may decrease coverage and retain more risk to mitigate future cost increases. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we incur liability at a time when we are not able to obtain liability insurance, then our business, results of operations and financial condition could be materially adversely affected.

Our results are subject to quarterly and seasonal fluctuations.

Our quarterly operating results may fluctuate and could be negatively impacted in the future as a result of a number of factors, including seasonal variations in oil prices, variations in levels of production, if an when production commences, and the completion of development projects.

Risks Relating to an Investment in our Securities

If we fail to maintain effective internal controls over financial reporting, the price of our common stock may be adversely affected.

We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely impact our public disclosures regarding our business, financial condition or results of operations. Any failure of these controls could also prevent us from maintaining accurate accounting records and discovering accounting errors and financial frauds. Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require annual assessment of our internal control over financial reporting. The standards that must be met for management to assess the internal control over financial reporting as effective are complex, and require significant documentation, testing and possible remediation to meet the detailed standards. We may encounter problems or delays in completing activities necessary to make an assessment of our internal control over financial reporting. If we cannot assess our internal control over financial reporting as effective, investor confidence and share value may be negatively impacted.

In addition, management's assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting, disclosure of management's assessment of our internal controls over financial reporting, or disclosure of our public accounting firm's attestation to or report on management's assessment of our internal controls over financial reporting may have an adverse impact on the price of our common stock.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and related SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the public markets and public reporting. For example, on January 30, 2009, the SEC adopted rules requiring companies to provide their financial statements in interactive data format using the eXtensible Business Reporting Language, or XBRL. We currently have to comply with these rules. Our management team will need to invest significant management time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Because of the early stage of development and the nature of our business, our securities are considered highly speculative.

Our securities must be considered highly speculative, generally because of the nature of our business and the early stage of its development. We have not generated any revenues nor have we realized a profit from our -operations to date and there is little likelihood that we will generate any revenues or realize any profits in the short term. Any profitability in the future from our business will be dependent upon our ability to market the products developed under our licensing agreement and to source other acquisitions in the industry we have chosen either additional technologies or exploration projects. Since we have not generated any revenues, we will have to raise additional monies through the sale of our equity securities or debt in order to continue our business operations.

We may, in the future, issue additional common shares that would reduce investors' percent of ownership and may dilute our share value.

The future issuance of common shares may result in substantial dilution in the percentage of our common shares held by our then existing stockholders. We may value any common shares issued in the future on an arbitrary basis. The issuance of common shares for future services or acquisitions or other corporate actions may have the effect of diluting the value of the common shares held by our investors, and might have an adverse effect on any trading market for our common shares.

Broker-dealers may be discouraged from effecting transactions in our shares because they are considered penny stocks and are subject to the penny stock rules thereby potentially limiting the liquidity of our shares.

Rules 15g-1 through 15g-9 promulgated under the Securities Exchange Act of 1934, as amended, impose sales practice and disclosure requirements on NASD broker-dealers who make a market in "penny stocks". A penny stock generally includes any non-NASDAQ equity security that has a market price of less than $5.00 per share. Our shares are quoted on the OTC Pink Marketplace. NASD broker-dealers who act as market makers for our shares generally facilitate purchases and sales of our shares. The additional sales practice and disclosure requirements imposed upon broker-dealers may discourage broker-dealers from effecting transactions in our shares, which could severely limit the market liquidity of the shares and impede the sale of our shares in the secondary market.

Under the penny stock regulations, a broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with net worth in excess of $1,000,000 or an annual income exceeding $200,000, or $300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt.

In addition, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the registered representative and current quotations for the securities. Finally, a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

Our common stock may experience extreme rises or declines in price, and you may not be able to sell your shares at or above the price paid.

Our common stock may be highly volatile and could be subject to extreme fluctuations in response to various factors, many of which are beyond our control, including (but not necessarily limited to): (i) the trading volume of our shares; (ii) the number of securities analysts, market-makers and brokers following our common stock; (iii) changes in, or failure to achieve, financial estimates by securities analysts; (iv) actual or anticipated variations in quarterly operating results; (v) conditions or trends in our business industries; (vi) announcements by us of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; (vii) additions or departures of key personnel; (viii) sales of our common stock; and (ix) general stock market price and volume fluctuations of publicly-trading and particularly, microcap companies.

Investors may have difficulty reselling shares of our common stock, either at or above the price they paid for our stock, or even at fair market value. The stock markets often experience significant price and volume changes that are not related to the operating performance of individual companies, and because our common stock is thinly traded it is particularly susceptible to such changes. These broad market changes may cause the market price of our common stock to decline regardless of how well we perform as a company. In addition, there is a history of securities class action litigation following periods of volatility in the market price of a company's securities. Although there is no such shareholder litigation currently pending or threatened against the Company, such a suit against us could result in the incursion of substantial legal fees, potential liabilities and the diversion of management's attention and resources from our business. Moreover, and as noted below, our shares are currently traded on the OTC Pink Marketplace and, further, are subject to the penny stock regulations. Price fluctuations in such shares are particularly volatile and subject to manipulation by market-makers, short-sellers and option traders.

A decline in the price of our common stock could affect our ability to raise further working capital, it may adversely impact our ability to continue operations and we may go out of business.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because we may attempt to acquire a significant portion of the funds we need in order to conduct our planned operations through the sale of equity securities, or convertible debt instruments, a decline in the price of our common stock could be detrimental to our liquidity and our operations because the decline may cause investors to not choose to invest in our stock. If we are unable to raise the funds we require for all our planned operations, we may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. As a result, our business may suffer, and not be successful and we may go out of business. We also might not be able to meet our financial obligations if we cannot raise enough funds through the sale of our common stock and we may be forced to go out of business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 2. PROPERTIES

TRACT 1: Roger f Theo "A" and "D" Lease 335 acres of land, more or less, being all of the Leopold Menetrier Survey No 1347, A-510 and A-583, Frio and Atascosa Counties, Texas, more commonly referred to as the Rogers "A" Lease, Wells #3, #7, and #8, and the Rogers "D" Lease, Well #9, as to and only as to those rights from the surface down to 100 feet below the base of the Olmos-D-Reservoir as encountered at the subsurface depth of 3,566 feet in The Texaco Jane Burns "B" Well No. 28; Subject to Oil, Gas and Mineral Lease, dated November 2, 1946, from K. T. Tidwell and wife Olga Tidwell, and Theo Rogers and wife Veta Rogers to Shell Oil Co,, recorded in Volume 184, Page 358, Deed Records of Atascosa County, Texas, as amended by instrument dated July 27, 1951, recorded in Volume 208, Page 511 of the Deed Records of Atascosa County, Texas.

Rogers, Theo "C": 219 acres of land, more or less, being all of the Irene L. Menetrier Survey No. 1346, A-584, Cert 48 , Pat 330 Vol. 29, Atascosa County, Texas, more commonly referred to as the Rogers "C" Lease, Well #5, as to and only as to those rights from the surface down to 100 feet below the base of the Olmos-D-Reservoir as encountered at the subsurface depth of 3,566 feet in The Texaco Jane Burns "B" Well No. 28, save and except the northeast 102.4 acres thereof, the southwest line of which is parallel with the northeast line of said survey; Subject to Oil, Gas and Mineral

Lease, dated July 27, 1951, from Theo Rogers and wife Veta Rogers, and K.T. Tidwell and wife Olga Tidwell and to Miller Royalty Company and C.C. Dauchy, recorded in Volume 209, page 581, Deed Records of Atascosa County, Texas.

TRACT 2: Jane Burns "C" Lease Tract 2: 160 acres of land, more or less. being the north 160 acres. in the form of a square, of the Francis Oerelling Survey No. 1336, A-532 and A-654, Frio and Atascosa Counties, Texas, and the northeast and northwest lines of this 160-acre tract lying upon the northeast and northwest lines respectively of said survey, and the southeast and southwest lines of the 160-acre tract being parallel with the northwest and northeast lines respectively, of said survey, as to and only as to those rights from the surface down to 100 feet below the base of the Olmos -D- Reservoir as encountered at the subsurface depth of 3,566 feet in the Texaco Jane Burns "B" Well No. 28.

On November 30, 2016, our company acquired various royalty interests in Texas for $10,485. On December 14, 2016, our company acquired two oil and gas leases in Ohio for $2,705. On January 1, 2017, our company acquired the lease for three oil and gas properties for $4,975.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

There is a limited public market for our common shares. Our common shares are listed for quotation on the Pink sheets of the OTC Markets under the trading symbol "PTCO". Trading in stocks quoted on the Pink Sheets is often thin and is characterized by wide fluctuations in trading prices due to many factors that may be unrelated to a company's operations or business prospects.

Pink Sheet securities are not listed or traded on the floor of an organized national or regional stock exchange. Instead, OTC Pink Sheet securities transactions are conducted through a telephone and computer network connecting dealers in stocks. Pink Sheet issuers are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

Holders

As of June 23, 2022, we had 8 shareholders of record of our common stock with 21,048,440 shares of common stock outstanding.

Dividends

We have not paid any cash dividends to our shareholders. The declaration of any future cash dividends is at the discretion of our board of directors and depends upon our earnings, if any, our capital requirements and financial position, our general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

Equity Compensation Plans

Our company has not adopted any equity compensation plans and does not anticipate adopting any equity compensation plans in the near future. Notwithstanding the foregoing, because the company has limited cash resources at this time, it may issue shares or options to or enter into obligations that are convertible into shares of common stock with its employees and consultants as payment for services or as discretionary bonuses.

Recent Sales of unregistered securities

None

Issuer Purchases of Equity Securities

There were no repurchases of common stock for the year ended March 31, 2022.

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This annual report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws. These include statements about our expectations, beliefs, intentions or strategies for the future, which we indicate by words or phrases such as "anticipate," "expect," "intend," "plan," "will," "we believe," "management believes" and similar language. Except for the historical information contained herein, the matters discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this current report on Form 10-K are forward-looking statements that involve risks and uncertainties. The factors listed in the section captioned "Risk Factors," as well as any cautionary language in this current report on Form 10-K, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from those projected. Except as may be required by law, we undertake no obligation to update any forward-looking statement to reflect events after the date of this current report on Form 10-K.

Overview

We intend for this discussion to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements.

Our company has experienced net losses to date, and it has not generated revenue from operations, we will need additional working capital to service debt and for ongoing operations, which raises substantial doubt about our ability to continue as a going concern. Management of our company has developed a strategy to meet operational shortfalls which may include equity funding, short term or long term financing or debt financing, to enable our company to reach profitable operations. If we fail to generate positive cash flow or obtain additional financing, when required, we may have to modify, delay, or abandon some or all of our business and expansion plans

Corporate History

Fiscal Years Ended March 31, 2022 and 2021

The following discussion and analysis should be read in conjunction with our company's audited financial statements for the fiscal years ended March 31, 2022 and 2021 and accompanying notes appended thereto that are included in this annual report.

Results of Operations for the Year Ended March 31, 2022 and March 31, 2021

	Year Ended March 31, 2022	Year Ended March 31, 2021	Changes
Operating Expenses	$ 140,034,275	$ 26,713	$ 140,007,562
Other Expenses	$ 57,040	$ 89,828	$ (32,788)
Net Loss	$ (140,091,315)	$ (116,541)	$ (139,974,774)

Table of Contents

We did not recognize any revenue during the year ended March 31, 2022 and 2021.

Our net loss for the year ended March 31, 2022 increased to $140,091,315 from $116,541 for the year ended March 31, 2021 due to the increase in operating expenses. During the year ended March 31, 2022, our company incurred stock based compensation of $140,000,000 for issuance of common shares to our Director for management services.

Plan of Operation

Management is considering plans to reactive its inactive wells through a rework program on the Leases. Additional rights may be leased out from mineral owner to deeper zones near 5,000 feet and below. However, such plans are subject to raising financing of $500,000 to pay for such rework plans and an analysis of potential income based on projected oil prices in the future.

Our company is actively seeking to acquire producing and non-producing leases that will allow us to explore and drill in high-profile pay zones.

We intend to raise capital at a low cost from private placements so that we may acquire numerous additional leases, and to commence drilling, and taking advantage of the inevitable uptick in oil prices to come.

In the current climate, our company believes that there are a very large number of oil & gas leases under distress due to the depressed gas prices and that we can strategically position our company to acquire as many of these leases as possible at a discount to market value, hence creating shareholder value.

On the Burns and Rogers Leases, we intend to rework all current wells and bring them back to production once oil prices are in a suitable range. We are planning an exploration strategy to drill new wells on the current Leases, as well as acquire deeper rights in order to drill some of the wells at great depths. We expect that reservoirs at those depths could yield a very high daily output of oil.

Liquidity and Capital Resources

Working Capital

	As of March 31, 2022	As of March 31, 2021	Changes
Current Assets	$ -	$ -	$ -
Current Liabilities	$ 541,968	$ 451,653	$ 90,315
Working Capital (Deficiency)	$ (541,968)	$ (451,653)	$ (90,315)

Cash Flows

	Year Ended March 31, 2022	Year Ended March 31, 2021	Changes
Net cash used in Operating Activities	$ (32,533)	$ (28,634)	$ (3,899)
Net cash provided by Financing Activities	$ 32,533	$ 28,634	$ 3,899
Net changes in cash and cash equivalents	$ -	$ -	$ -

As of March 31, 2022, we had a negative working capital of $541,968, as compared to a negative working capital of $451,653 as of March 31, 2021. The increase in working capital deficiency is attributed to the increase in amount due to the Director of the Company and accrued interest.

Cash Flow from Operating Activities

For the year ended March 31, 2022, we used $32,533 of cash for operations primarily as a result of the net loss of $140,091,315, offset by stock based compensation of $140,000,000 and net changes in operating assets and liabilities of $58,782.

For the year ended March 31, 2021, we used $28,634 of cash for operations primarily as a result of the net loss of $116,541, offset by amortization of debt discount of $31,558 and net changes in operating assets and liabilities of $56,349.

Cash Flow from Investing Activities

The Company did not use any funds for investing activities in the year ended March 31, 2022 and 2021.

Cash Flow from Financing Activities

For the year ended March 31, 2022 and 2021, we had $32,533 and $28,634 in net cash provided by financing activities, respectively.

During the year ended March 31, 2022, we received advancement from the Director of the Company of $32,533.

During the year ended March 31, 2021, we received advancement from the Director of the Company of $6,500 and proceeds from issuance of convertible notes of $22,134.

Off-Balance Sheet Arrangements

As of March 31, 2022, the Company had no off-balance sheet arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AUDITED FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of PetroGas Company

Opinion on the Financial Statements

We have audited the accompanying balance sheets of PetroGas Company (the "Company") as of March 31, 2022 and 2021, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's minimal activities raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ BF Borgers CPA PC
BF Borgers CPA PC

We have served as the Company's auditor since 2015
Lakewood, CO
June 27, 2022

Table of Contents

PETROGAS COMPANY
BALANCE SHEETS

	March 31, 2022	March 31, 2021
ASSETS		
Total Current Assets	$ -	$ -
TOTAL ASSETS	$ -	$ -
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Bank indebtedness	$ 322	$ 322
Accounts payable and accrued liabilities	17,845	16,103
Accrued interest	186,814	129,774
Advances from related parties	67,574	35,041
Convertible promissory notes, net of debt discount of $0	219,768	220,768
Promissory note	6,962	6,962
Promissory note - related party	42,683	42,683
Total Current Liabilities	541,968	451,653
Asset retirement obligations	83,580	83,580
	83,580	83,580
TOTAL LIABILITIES	625,548	535,233
SHAREHOLDERS' DEFICIT		
Common stock: 300,000,000 authorized; $0.001 par value 21,048,440 and *48,440 shares issued and outstanding, respectively	21,048	48
Additional paid in capital	141,452,414	1,472,414
Accumulated deficit	(142,099,010)	(2,007,695)
TOTAL SHAREHOLDERS' DEFICIT	(625,548)	(535,233)
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIT	$ -	$ -

*** retrospectively restated reverse stock split 1:80**

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

Table of Contents

PETROGAS COMPANY

STATEMENTS OF OPERATIONS

	Year Ended March 31, 2022	Year Ended March 31, 2021
ROYALTY REVENUE	$ -	$ -
OPERATING EXPENSES		
Salaries and wages	140,000,000	-
Professional fees	34,275	26,588
General and administrative expense	-	125
Total operating expenses	140,034,275	26,713
Loss from Operations	(104,034,275)	(26,713)
OTHER EXPENSE		
Interest expense	57,040	89,828
Total other expense	57,040	89,828
NET LOSS	**$ (140,091,315)**	**$ (116,541)**
NET LOSS PER SHARE, BASIC AND DILUTED	$ (12.63)	$ (2.41)
WEIGHTED AVERAGE SHARES OUTSTANDING, BASIC AND DILUTED	11,095,016	48,440

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

Table of Contents

PETROGAS COMPANY
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	Common Stock Number of Shares	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Total Stockholder's Deficit
***Balance - March 31, 2020**	**48,440**	**$ 48**	**$ 1,450,280**	**$ (1,891,154)**	**$ (440,826)**
Convertible notes debt discount	-	-	22,134	-	22,134
Net loss	-	-	-	(116,541)	(116,541)
***Balance - March 31, 2021**	**48,440**	**$ 48**	**$ 1,472,414**	**$ (2,007,695)**	**$ (535,233)**
Stock-based compensation	20,000,000	20,000	139,980,000	-	140,000,000
Issuance of shares for note repayment	1,000,000	1,000	-	-	1,000
Net loss	-	-	-	(140,091,315)	(140,091,315)
Balance - March 31, 2022	**21,048,440**	**$ 21,048**	**$ 141,452,414**	**$ (142,099,010)**	**$ (625,548)**

*** retrospectively restated reverse stock split 1:80**

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

Table of Contents

PETROGAS COMPANY
STATEMENT OF CASH FLOWS

Year Ended
March 31,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (140,091,315)	$ (116,541)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	-	31,558
Stock based compensation	140,000,000	-
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	1,742	(1,921)
Accrued interest	57,040	58,270
Net cash used in Operating Activities	(32,533)	(28,634)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related party	32,533	6,500
Issuance of convertible promissory notes	-	22,134
Net cash provided by Financing Activities	32,533	28,634
Net changes in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	$ -	$ -
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for taxes	-	-
Non-cash transactions:		
Conversion of convertible notes into common shares	$ 1,000	$ -
Beneficial conversion feature	$ -	$ 22,134

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

Table of Contents

PETROGAS COMPANY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PERSENTATION

Organization and nature of business

PetroGas Company (Formerly America Resources Exploration Inc. (the "Company")), was incorporated in the State of Nevada on January 24, 2014. The Company was incorporated under the name Alazzio Entertainment Corp. and changed its name to America Resources Exploration Inc. on April 17, 2015. Subsequently, on January 20, 2016, the Company changed its name to PetroGas Company. On June 12, 2015, the Company completed an acquisition of working interests in certain oil & gas properties. All share amounts in these financial statements have been adjusted to reflect this stock split.

NOTE 2 – GOING CONCERN

The Company had no significant revenues from the inception through March 31, 2022. As of March 31, 2022, the Company has an accumulated deficit of $142,099,010. We will need additional working capital to service debt and for ongoing operations, which raises substantial doubt about its ability to continue as a going concern. Management of the Company has developed a strategy to meet operational shortfalls which may include equity funding, short term or long term financing or debt financing, to enable the Company to reach profitable operations.

The accompanying financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. If we fail to generate positive cash flow or obtain additional financing, when required, we may have to modify, delay, or abandon some or all of our business and expansion plans.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may vary from these estimates.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The estimates on depreciation were based on the estimated useful lives of the Company's assets. Any estimates during the period have had an immaterial effect on earnings.

Cash and Cash Equivalents

Cash and cash equivalents consist of commercial accounts and interest-bearing bank deposits and are carried at cost, which approximates current value. Items are considered to be cash equivalents if the original maturity is three months or less.

Oil and Gas Properties – Full Cost Method

The Company follows the full cost accounting method to account for oil and natural gas properties, whereby costs incurred in the acquisition, exploration and development of oil and gas reserves are capitalized. Such costs include lease acquisition, geological and geophysical activities, rentals on nonproducing leases, drilling, completing and equipping of oil and gas wells and administrative costs directly attributable to those activities and asset retirement costs. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capital costs and proved reserves of oil and gas, in which case the gain or loss is recognized to operations.

The capitalized costs of oil and gas properties, excluding unevaluated and unproved properties, are amortized as depreciation, depletion and amortization expense using the units-of-production method based on estimated proved recoverable oil and gas reserves.

The costs associated with unevaluated and unproved properties, initially excluded from the amortization base, relate to unproved leasehold acreage, wells and production facilities in progress and wells pending determination of the existence of proved reserves, together with capitalized interest costs for these projects. Unproved leasehold costs are transferred to the amortization base with the costs of drilling the related well once a determination of the existence of proved reserves has been made or upon impairment of a lease. Costs associated with wells in progress and completed wells that have yet to be evaluated are transferred to the amortization base once a determination is made whether or not proved reserves can be assigned to the property. Costs of dry wells are transferred to the amortization base immediately upon determination that the well is unsuccessful.

All items classified as unproved property are assessed on a quarterly basis for possible impairment or reduction in value. Properties are assessed on an individual basis or as a group if properties are individually insignificant. The assessment includes consideration of various factors, including, but not limited to, the following: intent to drill; remaining lease term; geological and geophysical evaluations; drilling results and activity; assignment of proved reserves; and economic viability of development if proved reserves are assigned. During any period in which these factors indicate an impairment, the cumulative drilling costs incurred to date for such property and all or a portion of the associated leasehold costs are transferred to the full cost pool and become subject to amortization.

Under full cost accounting rules for each cost center, capitalized costs of evaluated oil and gas properties, including asset retirement costs, less accumulated amortization and related deferred income taxes, may not exceed an amount (the "cost ceiling") equal to the sum of (a) the present value of future net cash flows from estimated production of proved oil and gas reserves, based on current prices and operating conditions, discounted at ten percent (10%), plus (b) the cost of properties not being amortized, plus (c) the lower of cost or estimated fair value of any unproved properties included in the costs being amortized, less (d) any income tax effects related to differences between the book and tax basis of the properties involved. If capitalized costs exceed this limit, the excess is charged to operations. For purposes of the ceiling test calculation, current prices are defined as the unweighted arithmetic average of the first day of the month price for each month within the 12-month period prior to the end of the reporting period. Prices are adjusted for basis or location differentials. Unless sales contracts specify otherwise, prices are held constant for the productive life of each well. Similarly, current costs are assumed to remain constant over the entire calculation period.

Revenue Recognition

Oil and gas sales result from undivided interests held by the Company in oil and gas properties and royalty revenues. Sales of oil and gas produced from oil and gas operations are recognized when the product is delivered to the purchaser and title transfers to the purchaser. Charges for gathering and transportation are included in production expenses.

Revenue from royalties is recognized as they are earned, when collection is reasonably assured. Royalty revenue is recorded in the same period as the sales that generate the royalty payment.

Asset Retirement Obligations

The Company records a liability for asset retirement obligations ("ARO") associated with its oil and gas wells when those assets are placed in service. The corresponding cost is capitalized as an asset and included in the carrying amount of oil and gas properties and is depleted over the useful life of the properties. Subsequently, the ARO liability is accreted to its then-present value.

Table of Contents

Inherent in the fair value calculation of an ARO are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement, and changes in the legal, regulatory, environmental and political environments. To the extent future revisions to these assumptions impact the fair value of the existing ARO liability, a corresponding adjustment is made to the oil and gas property balance. Settlements greater than or less than amounts accrued as ARO are recorded as a gain or loss upon settlement.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities in accordance with the requirements of ASC 820, Fair Value Measurements and Disclosures. ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 - Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 - Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information,

The carrying value of all assets and liabilities approximated their fair values as March 31, 2022 and March 31, 2021, respectively.

Stock-Based Compensation

The Company follows the guidance included in ASC 718 Compensation-Stock Compensation ("ASC 718") using the modified prospective transition method. The Company recognizes compensation expense in the financial statements for share-based awards based on the grant date fair value of those awards. For the year ended March 31, 2022 and 2021, the Company incurred stock based compensation of $105,000,000 and $0 recorded under salaries and wages, respectively.

Income Taxes

The Company accounts for income taxes pursuant to ASC 740, *Income Taxes*. Deferred tax assets and liabilities are recorded for differences between the financial statements and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is recorded for the amount of income tax payable or refundable for the period increased or decreased by the change in deferred tax assets and liabilities during the period.

Earnings or Loss Per Share

In accordance with ASC Topic 280 – "Earnings Per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

For the years ended March 31, 2022 and 2021, net loss per shares as the result of the computation was anti-dilutive:

	March 31, 2022 (Shares)	**March 31, 2021 (Shares)**
Convertible notes payable	21,976,778	22,076,778

Table of Contents

Recent Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12), which simplifies the accounting for income taxes. This guidance will be effective for entities for the fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 on a prospective basis, with early adoption permitted. For the Company, the new standard was effective on January 1, 2021 and we do not expect the adoption of this guidance to have a material impact on our financial statements.

Management has considered all other recent accounting pronouncements issued. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

NOTE 4 – ASSET RETIREMENT OBLIGATIONS

The Company has asset retirement obligations for any wells that are permanently removed from service. The primary obligations involve the removal and disposal of surface equipment, plugging and abandoning the wells and site restoration. For the purpose of determining the fair value of ARO incurred during the fiscal year ended March 31, 2016, the Company used the following assumptions.

Inflation Rate	3%
Estimated asset life	20 years
Credit adjusted risk free interest rate	18%

As at March 31, 2016, the Company determined to fully impair its shut in wells given a lack of production over a period in excess of two years, and the uncertainty in returning the wells to production in the future. As a result, the Company has recorded a long term liability equal to the full value of the ARO.

As at March 31, 2022 and 2021, a total of $83,580 is recorded as asset retirement obligations, respectively

NOTE 5 – PROMISSORY NOTE – RELATED PARTY

On December 31, 2016, the Company entered into a promissory note with a majority shareholder, Rise Fast Limited, for an amount of $240,683. The promissory note bears interest at a rate of 2% per annum, and is payable on December 31, 2019.

On July 10, 2017, the Company, along with the holder of the promissory note to assigned $174,000 of the promissory note to four individuals not related to the Company. Refer to Note 7 for further details. On October 6, 2017, the Company issued 24,000,000 common shares to the holder of the promissory note for the assignment of the notes of $24,000.

On December 31, 2019, the maturity dates of the notes were extended for three years to December 31, 2022 and the interest rate was amended to 15% per annum.

As of March 31, 2021 and 2020, the promissory note payable was $42,683 and accrued interest payable was $19,150 and $12,748, respectively.

NOTE 6 – PROMISSORY NOTE

On May 31, 2019, the Company issued a promissory note to a legal firm at principal amount of $6,963 for the payable amount to a vendor. The note has a three month term and bears interest at 2% per annum compounded monthly. The note is now at default.

As of March 31, 2022 and 2021, the promissory note payable was $6,963 and accrued interest payable was $395 and $256, respectively.

Table of Contents

NOTE 7 – CONVERTIBLE PROMISSORY NOTES

On July 10, 2017, a total of $174,000 was assigned from a promissory note to four individuals not related to the Company. Each of the convertible promissory notes has a principal value of $43,500, maturity date of July 10, 2019, bears interest at 4% per annum, and are convertible at a rate of $0.03 per share. On October 6, 2017, the four convertible promissory notes were amended to an interest rate of 0.5% per annum, the maturity date was amended to July 10, 2020, and the conversion price was amended to $0.01 per share.

On October 11, 2017, four individual holders that have $174,000 of convertible promissory notes, converted a total of $58,000, or $14,500 each, for a total of 5,800,000, or 1,450,000 common shares each.

A debt discount on the notes was recognized of $174,000. During the year ended March 31, 2022 and 2021, a total of $0 and $31,558 of the debt discount has been amortized and recorded in interest expense, respectively. As of March 31, 2022, the unamortized amount of the debt discounts has been fully amortized.

On December 31, 2017, the Company entered into a convertible promissory note for $9,230 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $9,230 was expensed upon issuance of the note. On March 12, 2019, the note holder sold to three unaffiliated parties an interest in the note equal to the principal amount of $1,900 each. On May 1 2019, total principal amount of $5,700 of the three $1,900 convertible notes was converted to 570,000 shares of common stock.

On March 31, 2018, the Company entered into a convertible promissory note for $20,773 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $20,773 was expensed upon issuance of the note.

On June 30, 2018, the Company entered into a convertible promissory note for $10,667 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $10,667 was expensed upon issuance of the note.

On September 30, 2018, the Company entered into a convertible promissory note for $7,167 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $7,167 was expensed upon issuance of the note.

On December 31, 2018, the Company entered into a convertible promissory note for $2,411 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $2,411 was expensed upon issuance of the note.

On March 31, 2019, the Company entered into a convertible promissory note for $10,194 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $10,194 was expensed upon issuance of the note.

On June 30, 2019, the Company entered into a convertible promissory note for $7,243 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $7,243 was expensed upon issuance of the note.

On September 30, 2019, the Company entered into a convertible promissory note for $9,483 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $9,483 was expensed upon issuance of the note.

On December 31, 2019, the Company entered into a convertible promissory note for $5,454 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 55% per annum, and is convertible at $0.01 per share. The debt discount of $5,454 was expensed upon issuance of the note. On October 11, 2021, the Company issued 1,000,000 shares of common stock for partial repayment of $1,000 of the convertible note. As of December 31, 2021, the outstanding principal amount of the convertible note was $4,454. (See Note 8)

On March 31, 2020, the Company entered into a convertible promissory note for $5,712 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 35% per annum, and is convertible at $0.01 per share. The debt discount of $5,712 was expensed upon issuance of the note.

On June 30, 2020, the Company entered into a convertible promissory note for $10,000 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 35% per annum, and is convertible at $0.01 per share. The debt discount of $10,000 was expensed upon issuance of the note.

On September 30, 2020, the Company entered into a convertible promissory note for $4,884 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 35% per annum, and is convertible at $0.01 per share. The debt discount of $4,884 was expensed upon issuance of the note.

On December 31, 2020, the Company entered into a convertible promissory note for $7,250 with an individual not related to the Company. The convertible promissory note is due on demand, bears interest at 35% per annum, and is convertible at $0.01 per share. The debt discount of $7,250 was expensed upon issuance of the note.

As of March 31, 2022 and March 31, 2021, the convertible note payable was $219,768 and $220,768 and accrued interest payable was $166,127 and $113,751, respectively.

NOTE 8 – COMMON STOCK

The Company has 300,000,000 authorized common shares at $0.001 par value.

On June 11, 2021, a majority of stockholders of our company and board of directors approved a reverse stock split of our issued and outstanding shares of common stock on a basis of up to eighty (80) old shares for one (1) new share of common stock. The reverse stock split was approved by FINRA and effectuate on August 31, 2021.

On September 20, 2021, the Company issued 20,000,000 shares of restricted common stock valued at $140,000,000 based on market stock price to a corporation controlled by the Company's CEO. (Note 9)

On October 11, 2021, the Company issued 1,000,000 shares of common stock for partial repayment for principal amount of $1,000 of a convertible note of $5,454 issued on December 31, 2019.

As of March 31, 2022 and March 31, 2021, the issued and outstanding common shares were 21,048,440 shares and 48,440 shares, respectively.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended March 31, 2022 and 2021, the Director of the Company made advancement of $32,533 and $6,500 for operation expenses on behalf of the Company, respectively. The loan is non-interest bearing and due on demand.

On September 20, 2021, the Company issued 20,000,000 shares of restricted common stock valued at $140,000,000 based on the Company's stock trading price at $7.00 per share as compensation the Company director's salary for the year 2021. During the nine months ended December 31, 2021, the Company has recognized $105,000,000 stock based compensation for the year 2021 salary.

As at March 31, 2022 and March 31, 2021, the Company had advances from related parties of $67,574 and $35,041, respectively.

[Table of Contents](#)

NOTE 10 – INCOME TAX

The Company provides for income taxes under ASC 740, "*Income Taxes.*" Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax basis of assets and liabilities and the tax rates in effect when these differences are expected to reverse. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

The components of the Company's deferred tax asset and reconciliation of income taxes computed at the statutory rate to the income tax amount recorded as of March 31, 2022 and 2021, are as follows:

	March 31, 2022	March 31, 2021
Net operating loss carryforward	$ 2,009,010	$ 1,917,695
Effective tax rate	21%	21%
Deferred tax asset	421,892	402,716
Less: Valuation allowance	(421,892)	(402,716)
Net deferred asset	$ -	$ -

As of March 31, 2022, the Company had approximately $2,000,000 in net operating losses ("NOLs") that may be available to offset future taxable income, which begin to expire between 2034 and 2038. NOLs generated in tax years prior to March 31, 2018, can be carryforward for twenty years, whereas NOLs generated after March 31, 2018 can be carryforward indefinitely. In accordance with Section 382 of the U.S. Internal Revenue Code, the usage of the Company's net operating loss carry forwards is subject to annual limitations following greater than 50% ownership changes. Tax returns for the years ended 2014 through 2022 are subject to review by the tax authorities.

NOTE 11 – RISKS AND UNCERTAINTIES

In early 2020, the World Health Organization declared the rapidly spreading coronavirus disease (COVID-19) outbreak a pandemic. This pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Company considered the impact of COVID-19 on the assumptions and estimates used and determined that there were no material adverse impacts on the Company's results of operations and financial position at March 31, 2022. The full extent of the future impacts of COVID-19 on the Company's operations is uncertain. A prolonged outbreak could have a material adverse impact on financial results and business operations of the Company in the future. The Company is *not* aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of the date of issuance of these financial statements. These estimates *may* change, as new events occur and additional information is obtained.

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in the Company's Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required disclosure.

Our company's management, with the participation of our principal executive and principal financial officer evaluated the effectiveness of our company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our principal executive and principal financial officer concluded that, as of the end of the period covered by this report, our company's disclosure controls and procedures were not effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Management has employed a framework consistent with Exchange Act Rule 13a-15(c), to evaluate internal control over financial reporting described below. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including our principal executive officer Mr. Huang Yu who is also our principal financial officer, conducted an evaluation of the design and operation of our internal control over financial reporting as of and for the year ended March 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission 2013 Internal Control-Integrated Framework ("COSO"). As a result of this assessment, Mr. Huang Yu concluded that, as of and for the year ended March 31, 2022, our internal control over financial reporting was not effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles as of the year ended March 31, 2022.

The matters involving internal controls and procedures that our company's management considered to be material weaknesses under COSO and SEC rules were: (1) lack of a majority of independent directors on the Company's board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) limited number of staff, not allowing for complete segregation of incompatible duties; and (3) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements. The aforementioned material weaknesses were identified by the Company's management in connection with the preparation of our financial statements as of March 31, 2022.

Management believes that the appointment of one or more independent directors, will remedy the lack of a majority of outside directors on our company's Board. In addition, management believes that preparing and implementing sufficient written policies and checklists will remedy the insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of IFRS and SEC disclosure requirements. Further, management believes that the hiring of additional personnel who have the technical expertise and knowledge will result in proper segregation of duties.

Any effort to increase the size of the Board of Directors, appoint independent directors or personnel is conditional upon our company raising additional capital.

We will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

During the Company's last fiscal quarter there were no changes in internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Except as provided above, there is no information to be disclosed in a report on Form 8-K during the fourth quarter of the year covered by this Form 10-K that has not been previously filed with the Securities and Exchange Commission.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) – (b) *Identification of Directors and Executive Officers.*

The Company: The following individuals are current members of our Board of Directors and executive officers; all of the members of the Board are appointed until their respective successor is elected or until their resignation.

Name	Age	Positions Held	Date of Appointment
Huang Yu	35	President, Secretary, Treasurer and Director	April 3, 2015

(c) *Identification of certain significant employees.*

Our company currently does not have any significant employees.

(d) *Family relationships.*

None.

(e) *Business experience.*

Mr. Huang Yu

From July 2010 through January 2015, Mr. Huang was employed, in different capacities, by the Chinese Construction Third Construction Company Limited, a construction company based in Guang Xi, China. From July 2010 through September 2012, he was an Assistant Engineer for the company; from October 2012 through October 2013, he worked as an Engineer; and from November 2013 through January 2015, Mr. Huang was the Chief Engineer and Operating Officer. Mr. Huang graduated from the Inner Mongolia University of Science and Technology with a Bachelor's Degree in 2009. Mr. Huang has not served as an officer or director of any other SEC registered company.

Mr. Huang has not held a directorship in any company with a class of securities registered pursuant to section 12 of the U.S. Securities Exchange Act of 1934 (the "Exchange Act") or subject to the requirements of section 15(d) of the Exchange Act.

(f) *Involvement in certain legal proceedings.*

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

1. been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);

2. had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

3. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

4. been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

5. been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

6. been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Section 16(a) Beneficial Ownership Reporting Compliance

Our common stock is not registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, our executive officers and directors and persons who own more than 10% of a registered class of our equity securities are not subject to the beneficial ownership reporting requirements of Section 16(1) of the Exchange Act.

Code of Ethics

We do not currently have a Code of Ethics in place for the Company. Our business operations are not complex and are very limited. Our company seeks advice and counsel from outside experts such as our lawyers and accountants on matters relating to corporate governance and financial reporting.

Audit Committee

We do not have an Audit Committee. The Company’s board of directors performs some of the same functions of an Audit Committee, such as; recommending a firm of independent certified public accountants to audit the financial statements; reviewing the auditors’ independence, the financial statements and their audit report; and reviewing management’s administration of the system of internal accounting controls. The Company does not currently have a written audit committee charter or similar document.

ITEM 11. EXECUTIVE COMPENSATION

We have made no provisions for paying cash or non-cash compensation to our sole officer and director. No salaries are being paid at the present time, and none will be paid unless and until our operations generate sufficient cash flows.

The table below summarizes all compensation awarded to, earned by, or paid to our named executive officer for all services rendered in all capacities to us for the year ended March 31, 2022 and March 31, 2021.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Haung Yu *President,*	2022	-	-	-	-	-	-	140,000,000(1)	-

Secretary, Treasurer and Director	2021	-	-	-	-	-	-	-	-

Except as disclosed, there are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive share options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that share options may be granted at the discretion of our board of directors.

(1) On September 20, 2021, the Company issued 20,000,000 shares of restricted common stock valued at $140,000,000 to a corporation controlled by the Company's CEO.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information concerning the number of shares of our common stock owned beneficially as of June 23, 2022 by: (i) each person (including any group) known to us to own more than five percent (5%) of any class of our voting securities, (ii) members of our Board of Directors, and or (iii) our executive officers. Unless otherwise indicated, the stockholder listed possesses sole voting and investment power with respect to the shares shown.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class(1)
Huang Yu 2800 Post Oak Boulevard, Suite 4100 Houston TX 77056	20,037,500	95%
Directors and Executive Officers as a Group	***20,037,500***	***95%***

Table of Contents

(1) A beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on June 23, 2022. As of June 23, 2022, there were 21,048,440 shares of our common stock issued and outstanding.

Our company has not adopted any equity compensation plans and does not anticipate adopting any equity compensation plans in the near future. Notwithstanding the foregoing, because the company has limited cash resources at this time, it may issue shares or options to or enter into obligations that are convertible into shares of common stock with its employees and consultants as payment for services or as discretionary bonuses. The company does not have any arrangements for such issuances or arrangements at this time.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Other than as described below, our company has not engaged in any transactions with any of its related persons.

During the year ended March 31, 2022 and 2021, the Director of the Company made advancement of $32,533 and $6,500 for operation expenses on behalf of the Company, respectively. The loan is non-interest bearing and due on demand.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed by our independent auditors, B F Borgers CPA PC, for professional services rendered for the audit of our annual financial statements for the years ended March 31, 2022 and 2021, included herein, are set forth below.

Fee Category	Year Ended March 31, 2022	Year Ended March 31, 2021
Audit Fees	$ 22,460	$ 19,000
Audit-Related Fees	-	-
Tax Fees	-	-

All Other Fees	-	-
Total Fees	$ 22,460	$ 19,000

Audit committee policies & procedures

We do not currently have a standing audit committee. The above services were approved by our Board of Directors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

See Part II, Item 8 for the index of the financial statements.

(2) Schedules

The following financial statement schedule is submitted herewith:

Other schedules are omitted because they are not required or are not applicable or because the required information is included in the financial statements listed above.

(3) Exhibits

Certain of the following exhibits are incorporated by reference from prior filings. The form with which each exhibit was filed and the date of filing are as indicated below; the reports described below are filed as Commission File No. 333-196409 unless otherwise indicated.

3.1	Articles of Incorporation of the Registrant incorporated by reference to Exhibit 3.1 to the Registrant's registration statement on Form S-1 filed with the SEC on May 20, 2014, file number 333-196409.
3.2	Bylaws of Registrant incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on Form S-1 filed with the SEC on May 20, 2014, file number 333-196409.
10.1	Asset Purchase Agreement, among the Registrant, Zheng Xiangwu and Nelaco Operating Inc., dated June 10, 2015 incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 16, 2015, file number 333-196409.
31.1*	Certification of the Principal Executive Officer and Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101.INS**	XBRL INSTANCE DOCUMENT
101.INS**	XBRL TAXONOMY EXTENSION SCHEMA
101.INS**	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.INS**	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.INS**	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.INS**	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* *Filed herewith*
** *Furnished herewith*

ITEM 16. FORM 10-K SUMMARY

None.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

PETROGAS COMPANY

Dated: June 27, 2022

By: */s/ Huang Yu*
Huang Yu
President, Secretary, Treasurer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: June 27, 2022

/s/ Huang Yu
Huang Yu
President, Secretary, Treasurer and Director
(Principal Executive Officer, Principal Financial
Officer and Principal Accounting Officer)