International Frontier Resources Corporation

Interim Condensed Financial Statements

For The Three Month Periods Ended
March 31, 2012 and 2011

Contents

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Condensed Interim Financial Statements

For the three month periods ended March 31, 2012 and 2011
(Unaudited)

National Instrument 51-102 Notice

The condensed interim financial statements of International Frontier Resources Corporation ("the Company") for the three month periods ended March 31, 2012 and 2011 have been compiled by management.

These financial statements have not been reviewed or audited on behalf of the shareholders by the Company's independent external auditors.

International Frontier Resources Corporation
Condensed Balance Sheets
(Unaudited)

	March 31, 2012 (unaudited)	December 31, 2011 (audited)
Assets		
Current		
Cash and cash equivalents (Note 13)	$ 3,991,000	$ 4,037,930
Receivables	103,810	118,830
Prepaids	49,095	21,635
Current portion of restricted cash on deposit	305,555	374,305
	4,449,460	4,552,700
Exploration and evaluation (Note 5)	9,816,720	9,814,875
Property and equipment (Note 6)	1,109,110	1,109,615
Deposits	250,650	250,650
	$ 15,625,940	$ 15,727,840

	March 31, 2012 (unaudited)	December 31, 2011 (audited)
Liabilities		
Current		
Payables and accruals	$ 1,420,920	$ 1,473,195
Current portion of decommissioning liabilities (Note 7)	13,985	13,985
	1,434,905	1,487,180
Decommissioning liabilities (Note 7)	881,660	877,610
	2,316,565	2,364,790
Shareholders' Equity		
Share capital	42,064,435	42,064,435
Contributed surplus	10,956,715	10,956,715
Deficit	(39,711,775)	(39,658,100)
	13,309,375	13,363,050
	$ 15,625,940	$ 15,727,840

Commitments and contingencies (Note 12)

On behalf of the Board

(Signed) "Wm. Patrick Boswell" Director **(Signed) "Margaret Souleles"** Director

See accompanying notes to the interim consolidated financial statements (unaudited).

International Frontier Resources Corporation

Condensed Statements of Operations and Comprehensive Loss

(Unaudited)

For the three months ended March 31,		**2012**		2011
Revenue				
Oil	**$**	**293,020**	$	164,495
Less: Royalties		**(70,760)**		(41,830)
		222,260		122,665
Interest income		**7,590**		13,375
		229,850		136,040
Expenses				
Field operating costs		**102,090**		109,950
Foreign exchange loss		**15,050**		19,020
General and administration		**106,685**		105,570
Finance costs (Note 7)		**4,050**		8,020
Depletion, depreciation (Note 6)		**55,650**		26,435
		283,525		268,995
Net loss and comprehensive loss for the period	**$**	**(53,675)**	$	(132,955)

Net loss per share (Note 10)				
Basic and diluted `	**$**	**(0.001)**	$	(0.002)

See accompanying notes to the interim consolidated financial statements (unaudited).

International Frontier Resources Corporation
Condensed Statements of Changes in Equity
(Unaudited)

As at:	March 31, 2012		December 31, 2011		March 31, 2011	
	Number	Amount	Number	Amount	Number	Amount
Common shares						
Share capital, end of period	**59 ,578,965**	**$ 42,064,435**	59,578,965	$ 42,064,435	59,578,965	$ 42,064,435
Contributed surplus						
Balance, beginning of period	**-**	**$ 10,956,715**	-	$ 10,859,525	-	$ 10,859,525
Stock-based compensation expense	**-**	**-**	-	97,190	-	-
Contributed surplus, end of period	**-**	**$ 10,956,715**	-	$ 10,956,715	-	$10,859,525
Deficit						
Balance beginning of period	**-**	**$ (39,658,100)**	-	$(38,984,760)	-	$(39,133,155)
Net loss for the period	**-**	**(53,675)**	-	(673,340)	-	(132,955)
Deficit end of period	**-**	**$ (39,711,775)**	-	$(39,658,100)	-	$(39,266,110)

See accompanying notes to the interim consolidated financial statements (unaudited).

International Frontier Resources Corporation

Condensed Statements of Cash Flows

(Unaudited)

For the three months ended March 31,	2012	2011
Operating		
Net loss	**$ (53,675)**	$ (132,955)
Non Cash Items:		
Depletion and depreciation	**55,650**	26,435
Finance costs	**4,050**	8,020
Decommissioning liabilities settled	**-**	(26,135)
	6,025	(124,635)
Change in non-cash operating working capital (Note 13)	**(33,980)**	(62,470)
	(27,955)	(187,105)
Investing		
Additions to exploration and evaluation assets	**(1,845)**	(298,095)
Additions to property and equipment	**(55,145)**	-
Decrease in restricted cash on deposit	**68,750**	-
Change in non-cash investing working capital (Note 13)	**(30,735)**	(85,450)
	(18,975)	(383,545)
Net decrease in cash and cash equivalents	**(46,930)**	(570,650)
Cash and cash equivalents (Note 13)		
Beginning of period	**4,037,930**	6,813,190
End of period	**$ 3,991,000**	$ 6,242,540

See accompanying notes to the interim consolidated financial statements (unaudited).

1. Nature of operations

The Company is engaged in the exploration for and development of oil and natural gas reserves. These activities are conducted in the Central Mackenzie Valley (“CMV”), Northwest Territories, Canada, south-east Alberta, Canada, and north-west Montana in the United States. These financial statements are denoted in Canadian dollars.

The consolidated financial statements include the accounts of the Company and its 50% jointly controlled interest in Sidox Chemicals Canada Ltd. ("Sidox") accounted for using the equity method of consolidation.

2. Basis of preparation and statement of compliance

The condensed interim financial statements have been prepared by management and reported in Canadian dollars in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited Consolidated Financial Statements at December 31, 2011.

The timely preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements and the reported amounts of revenue and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the condensed interim consolidated financial statements.

These condensed interim financial statements were approved and signed by the Chief Executive Officer and the Chief Financial Officer on May 29, 2012, having been duly authorized to do so by the Board of Directors.

3. Summary of Significant accounting policies

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2011.

4. Recent accounting pronouncements

The IASB issued the following standards and amendments which are not yet effective for the Company and discussed in further detail in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2011. The IASB did not issue any standards, interpretations or amendments during the first quarter of 2012.

i) Offsetting Financial Assets and Financial Liabilities

In December 2011, the IASB issued amendments to IFRS 7, “Financial Instruments: Disclosures” and IAS 32, “Financial Instruments: Presentation” to clarify the current offsetting model and develop common disclosure requirements to enhance the understanding of the potential effects of offsetting arrangements.

4. Recent accounting pronouncements (continued)

- Amendments to IFRS 7 are effective for the Company on January 1, 2013 with required retrospective application and early adoption permitted. The adoption of these amended standards is not expected to have a material impact on the Company's consolidated financial statements
- Amendments to IAS 32 require retrospective application and will be adopted by the Company on January 1, 2014. The adoption of these amended standards is not expected to have a material impact on the Company's consolidated financial statements

ii) Financial Instruments: Recognition and Measurement
IFRS 9, "Financial Instruments," requires retrospective application and will be adopted by the Company on January 1, 2015. The adoption of the standard is not expected to have a significant impact on the Company's consolidated financial statements.

iii) Reporting Entity
In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statement*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosures of Interests in Other Entities*, and amendments to IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*.

- IFRS 10, "Consolidated Financial Statements" requires retrospective application and will be adopted by the Company on January 1, 2013. The adoption of the standard is not expected to have a material impact on the Company's consolidated financial statements.
- IFRS 11, "Joint Arrangements," requires retrospective application and will be adopted by the Company on January 1, 2013. The extent of the impact of adoption of IFRS 11 has not yet been determined.
- IFRS 12, "Disclosure of Interest in Other Entities," requires retrospective application and will be adopted by the Company on January 1, 2013 and is expected to increase the current level of disclosure related to the Company's interests in other entities upon adoption.
- Amendments to IAS 28, "Investment in Associates and Joint Ventures," require retrospective application and will be adopted by the Company on January 1, 2013. The adoption of the amended standard is not expected to have a material impact on the Company's consolidated financial statements.

iv) Fair Value Measurements
IFRS 13, "Fair Value Measurement," requires prospective application and will be adopted by the Company on January 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

v) Employee Benefits
Amendments to IAS 19, "Employee Benefits," require retrospective application and will be adopted by the Company on January 1, 2013. The adoption of the amended standard is not expected to have a material impact on the Company's consolidated financial statements.

5. Exploration and evaluation assets

As at March 31, 2012, exploration and evaluation assets consist of total costs incurred less impairments in the the Central Mackenzie Valley ("CMV"), Northwest Territories, Canada of $6,561,000 (December 31, 2011 - $6,561,000), costs incurred in Southern Alberta, Canada of $60,505 (December 31, 2011 - $60,505) and costs incurred in, north-west Montana, USA of $3,195,215 (December 31, 2010 - $3,193,370).

Cost		Canada		USA		Total
Balance, as at December 31, 2011	$	22,711,060	$	3,193,370	$	25,904,430
Additions		-		1,845		1,845
Balance, as at March 31, 2012	$	22,711,060	$	3,195,215	$	25,906,275

Accumulated Impairment		Canada		USA		Total
Balance, as at December 31, 2011	$	(16,089,555)	$	-	$	(16,089,555)
Exploration and evaluation expense		-		-		-
Balance, as at March 31, 2012	$	(16,089,555)	$	-	$	(16,089,555)

Carrying Value						
Balance at December 31, 2011	$	6,621,505	$	3,193,370	$	9,814,875
Balance at March 31, 2012	$	6,621,505	$	3,195,215	$	9,816,720

As at March 31, 2012, the Company concluded that there were no indicators of impairment with respect to its exploration and evaluation assets. At December 31, 2011 the Company booked an impairment charge of $307,155 with respect to its exploration and evaluation assets in the Northwest Territories, Canada.

At December 31, 2011, the Company accrued $508,500 for a sale and purchase agreement dated May 27, 2011 to purchase mineral titles in Glacier County, NW Montana USA. Title opinions have now been obtained and the Company anticipates closing to occur in Q2, 2012.

At December 31, 2011 the Company accrued $452,565 for a sale and purchase agreement dated October 31, 2011 to purchase additional mineral titles in Glacier County NW Montana, USA. Title opinion is ongoing and the Company anticipates closing to occur in Q3, 2012.

6. Property, plant and equipment

Cost		Petroleum and natural gas properties		Office furniture and equipment		Carrying Amount
Balance, as at December 31, 2011	$	3,704,840	$	84,980	$	3,789,820
Additions		55,145		-		55,145
Balance at March 31, 2012	$	3,759,985	$	84,980	$	3,844,965
Depletion and depreciation						
Balance, as at December 31, 2011	$	(2,603,945)	$	(76,260)	$	(2,680,205)
Depletion and depreciation		(55,150)		(500)		(55,650)
Balance at March 31, 2012	$	(2,659,095)	$	(76,760)	$	(2,735,855)
Carrying Value						
Balance, as at December 31, 2011	$	1,100,895	$	8,720	$	1,109,615
Balance at March 31, 2012	$	1,100,895	$	8,220	$	1,109,110

As at March 31, 2012, a $11,900 (December 31, 2011 - $39,810) impairment of petroleum and natural gas assets in Canada has been recorded as part of depletion to reflect the excess carrying amount of assets over fair value of future reserves.

7. Decommissioning Liabilities

The total future decommissioning liabilities result from the Company's net ownership interest in wells and facilities. Management estimates the total undiscounted amount of future cash flows required to reclaim and abandon wells and facilities as at March 31, 2012 is $895,645 (December 31, 2011 - $891,595) with abandonment dates ranging from 1 to 8 years (December 31, 2010 – 1 to 8 years). The liability was determined using an average risk-free rate of 1.72% (March 31, 2011 – 2.15%; December 31, 2011 – 1.60%) and an inflation rate of 2% (March 31, 2011 – 2%; December 31, 2011 – 2%).

The Company's decommissioning liabilities changed as follows:

		March 31, 2012		December 31, 2011
Balance, beginning of period	$	**891,595**	$	858,955
Adjustments for abandonment dates and estimated costs		**-**		75,900
Liabilities settled		**-**		(64,100)
Accretion expense		**4,050**		20,840
Balance, end of period	**$**	**895,645**	$	891,595
Current portion		**(13,985)**		(13,985)
Long term portion	**$**	**881,660**	$	877,610

8. Share Capital

a) Authorized:
Unlimited common shares
Unlimited preferred shares

b) Stock options

The Company has a stock option plan available to consultants, officers, directors, and employees of the Company to be granted options of up to 10 percent of the issued and outstanding common shares of the Corporation. The exercise price of each option approximates the market price for the common shares on the date the option was granted. As at March 31, 2012, 5,531,500 common shares were reserved for issuance under the plan. Options granted under the plan vest upon granting and have a term of five years to expiry.

Outstanding and exercisable

	March 31, 2012			December 31, 2011		
	Number of Options		**Weighted Average Exercise Price**	Number of Options		Weighted Average Exercise Price
Balance, beginning of period	**5,531,500**	**$**	**0.15**	4,206,500	$	0.21
Granted	**-**	**$**	**-**	1,450,000	$	0.11
Expired	-	**$**	**-**	(125,000)	$	1.95
Exercised	**-**	**$**	**-**	-	$	-
Balance, end of period	**5,531,500**	**$**	**0.15**	5,531,500	$	0.15

March 31, 2012

	Options Outstanding			Options Exercisable	
Exercise Price	Options Outstanding	Weighted Average Contractual Life (years)	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercisable Price
$0.10 - $0.13	5,181,500	3.28	$ 0.10	5,181,500	$ 0.10
$0.82	350,000	0.24	$ 0.82	350,000	$ 0.82
	5,531,500	3.09	$ 0.15	5,531,500	$ 0.15

9. Capital Disclosures

In the management of capital, the Company includes certain working capital balances in the definition of capital. Management reviews its capital requirements on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable. As at March 31, 2012, the Company's capital as defined above was as follows:

	March 31, 2012	December 31, 2011
Working capital balances included:		
Cash and cash equivalents	**$ 3,991,000**	$ 4,037,930
Restricted cash	**305,555**	374,305
Payables and accruals	**(1,420,920)**	(1,473,195)
Current portion of asset retirement obligations	**(13,985)**	(13,985)
	$ 2,861,650	$ 2,925,055

9. Capital Disclosures (continued)

The Company is in the business of oil and gas exploration in Canada and the United States. Management determines the Company's capital structure and makes adjustments to it based on funds available to the Company in order to support the acquisition, exploration and development of oil and gas properties. The Board of Directors has not established quantitative return on capital criteria for capital management but rather relies upon the expertise of the management team to sustain the future development of the business.

The majority of the properties in which the Company currently has an interest are in the exploration stage and do not generate any revenue. The Company does earn revenue from properties owned in Alberta. The Company therefore is dependent upon partnerships with industry and external financing to fund the majority of its future exploration programs. The Company will spend existing working capital and will seek additional financing as needed. The Company will continue to assess new properties and to seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential.

Historically, the Corporation has relied on proceeds from the sale of its common shares to fund its operations. In order to accelerate the Corporation's current exploration programs the Corporation may require additional capital. The timing, pace, scope and amount of the Corporation's capital expenditures is largely dependent on the operators' capital expenditure programs and the availability of capital to the Corporation.

The Corporation may obtain funds for future capital investments from strategic alliances with other energy or financial partners, the issuance of additional Common Shares, preferred shares or debt securities, project financing, sale of property interests, or other arrangements, all of which may dilute the interest of the Corporation's existing shareholders. In the current economic environment there can be no assurances that the Company can raise capital through the sale of its shares.

10. Per share

	Three months ended March 31, 2012	Three months ended March 31, 2011
Net loss	**$ (53,675)**	$ (132,955)
Weighted average number of shares	**59,578,965**	59,578,965
Basic and diluted loss per share	**$ (0.001)**	$ (0.002)

In calculating diluted common share amounts for the period ended March 31, 2012, the Company excluded 5,531,500 (2011 – 3,856,500) options because the exercise price was greater than the average market price of its common shares during the year.

11. Related party transactions

In the first quarter the Company paid compensation to key executives as follows:

	Three months ended March 31, 2012	Three months ended March 31, 2011
Executive officers – salaries	**$ 31,250**	$ 31,250
Executive officers and directors – consulting fees	**23,275**	19,500
Royalty incentive program	**11,575**	6,345
	$ 66,100	$ 57,095

At March 31, 2012, $11,575 (December 31, 2011 – $4,025) of the above amounts were included in payables and accruals.

The above transactions were incurred in the normal course of operations of the Company and have been recorded at the exchange amounts that were established and agreed upon by the related parties.

12. Commitments and contingencies

a) The Company has letters of credit for its share of refundable deposits on Northwest Territories exploration licenses. The letters of credit are secured by a total assignment of cash of $305,555 (December 31, 2011 – $374,305). The Company is contingently liable under the letters of credit for $305,555 (December 31, 2011 - $374,305). The deposits will be refunded by $1 for every $4 spent on qualified expenditures on each exploration license.

At December 31, 2011 the Company set up a provision for EL-443 in the amount $305,555. This license expired in May 2012 and the deposit was forfeited.

b) The Company is party to an agreement to lease its premises until December 31, 2014. The annual rent of premises consists of a minimum rent plus occupancy costs. Minimum rent payable for premises until the end of the lease is:

2012	$32,340
2013	$43,120
2014	$43,120

c) The Company has established a Royalty Incentive Agreement for officers who are also Directors and consultants. Under the plan, the compensation committee issues units and pays royalties on an annual basis to employees, consultants and directors. The units entitle the holder to receive an annual payment based on 2% of the Company's annual gross oil and gas production revenue, net of transportation and processing fees from licenses and lands owned by the Company. Under the terms of the agreement, once the Company has recovered payout of 100% of its cumulative annual capital expenditures from licenses and lands owned by the Company, the payment to employees, consultants and directors is based on 4% of the Company's annual production revenue less transportation and processing fees. At December 31, 2009, payout of 100% of cumulative annual capital expenditures had been reached on the Alderson property. At March 31, 2012 the Company recorded costs of $11,575 (2011 - $6,345) with respect to this plan.

13. Supplemental cash flow information

Changes in non-cash working capital items increase (decrease) cash as follows:

	Three months ended March 31, 2012	Three months ended March 31, 2011
Receivables	**$ 15,010**	$ 37,780
Prepaids	**(27,460)**	(64,690)
Payables and accruals	**(52,265)**	(121,010)
	$ (64,715)	$ (147,920)
Operating activities	**$ (33,980)**	$ (62,470)
Investing activities	**(30,735)**	(84,450)
	$ (64,715)	$ (147,920)
Taxes paid	**$ -**	$ -
Interest paid	**$ -**	$ -
Cash and cash equivalents are comprised of:		
Cash	$ **234,480**	$ 3,738,375
Cash held in trust	**1,164,490**	-
Short term investments(bearing interest rates ranging from 1.0% - 1.05%)	**2,592,030**	2,504,165
	$ 3,991,000	$ 6,242,540

14. Financial Instruments

The Company is exposed to financial risk in a range of financial instruments including cash and cash equivalents, restricted cash, trade accounts receivable, and trade accounts payable. The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical. The main financial risks affecting the Company are discussed below:

a) Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. A portion of the Company's financial assets at the balance sheet date arise from crude oil sales. Industry standard dictates that commodity sales are settled on the 25th day of the month following the month of production.

At March 31, 2012, substantially all of the accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Company markets its oil through one marketer the increased risk arising from exposure to one entity is mitigated by the fact that oil production is not a significant part of the Company's business at this time as the Company is engaged primarily in the exploration for and development of petroleum and natural gas reserves. The following table presents the aging of the Company's accounts receivable at March 31, 2012:

Total receivables:	**0 to 30 days**	**31 to 60 days**	**61 to 90 days**	**Greater than 90 days**
$ 103,810	$ 93,790	$ -	$ -	$ 10,020

14. Financial Instruments (continued)

The maximum exposure to credit risk is represented by the carrying amount on the balance sheet of all the financial assets. There are no material financial assets that are past due. During 2012, there was no allowance for doubtful accounts recorded as all amounts outstanding at March 31, 2012 are deemed collectible.

Should the Company determine that the ultimate collection of a receivable is in doubt, it will provide the necessary provision in its allowance for doubtful accounts with a corresponding charge to earnings. If the Company subsequently determines an account is uncollectible, the account is written off with a corresponding charge to the allowance account. At March 31, 2012, the Company's allowance for doubtful accounts balance was $Nil (2010 – $Nil).

b) Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate cash flow risk to the extent the changes in market interest rates will impact the Company's interest rate price risk with respect to funds invested in short term marketable securities. As at March 31, 2012, the Company did not have any financial assets based on variable interest rates and as such the Company has no specific interest rate risk at year end. The Company does not use interest rate hedges or fixed interest rate contracts to manage the Company's exposure to interest rate.

c) Foreign currency risk

The Corporation is exposed to risks arising from fluctuations in foreign currency exchange rates, primarily between Canadian and U.S. dollars. The Corporation does not utilize any foreign currency based derivatives. In order to manage this risk and to defer the realization of any resulting currency loss from converting Canadian dollars to US dollars, the Corporation retains cash balances in both US and Canadian dollars.

The Corporation regularly analyzes foreign currency risk between Canadian dollars and US dollars by calculating the effect of percent changes in the foreign currency exchange rates against period end cash, cash equivalents. For example, applying a 1% plus or minus change in the period end conversion rate (0.991) of Canadian to US dollars against the Corporation's Canadian denominated cash, cash equivalents $1,243,1780 at March 31, 2012 would have affected the value of such balances by approximately $14,670. At March 31, 2012, substantially all of the Corporation's business operations are conducted in either US dollars or Canadian dollars and there are no significant outstanding foreign currency accounts receivable or accounts payable balances.

14. Financial Instruments (continued)

d) Liquidity Risk

Liquidity risk includes the risk that:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset at all.

The Company's operating cash requirements including, amounts projected to complete budgeted capital expenditures are continuously monitored and adjusted as input variables change. These variables include, but are not limited to, opening cash and cash equivalents balance, available bank lines, oil and natural gas production from existing wells, results from new wells drilled, commodity prices, and cost overruns on capital projects and changes to government regulations relating to prices, taxes, royalties, land tenure, allowable production and access to equity markets. As these variables change, liquidity risks may necessitate the need for the Company to conduct equity issues or obtain project debt financing.

e) Fair value of financial instruments

The Company's financial instruments as at March 31, 2012 include cash and cash equivalents, trade accounts receivable, restricted cash and trade accounts payable. The fair values of trade accounts receivable and trade accounts payable approximate their carrying amounts due to their short terms to maturity. The restricted cash balances are equal to their fair values. The Company classifies the fair value of financial instruments held for trading according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

At March 31, 2012 cash and cash equivalents and restricted cash have been classified as Level 1.