BLACKSANDS PETROLEUM, INC.
Form 10-Q/A
May 07, 2009
U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM 10-Q

Quarterly Report Under Section 13 or 15 (d) of

Securities Exchange Act of 1934

For the Quarterly Period ended **July 31, 2008**

Commission File Number 000-51427

BLACKSANDS PETROLEUM, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-1740044**
(State of incorporation)	(I.R.S. Employer Identification No.)

Suite 2700, 401 Bay Street
Toronto, Ontario, Canada M5H 2Y4
(Address of principal executive offices)

(416) 359-7805
(Registrant's Telephone Number, including Area Code)

Check 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 past 90 days. Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company. See definition of "accelerated filer" and "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large Accelerated Filer o	Accelerated Filer o
Non-Accelerated Filer o	Smaller Reporting Company x

Indicate by check mark whether the registrant is a shell company, as defined in Rule 12b-2 of the Exchange Act. Yes o No x

There were 44,854,700 shares of Common Stock outstanding as of September 12, 2008.

EXPLANATORY NOTES

This Form 10-Q for the period ended July 31, 2008 originally filed on September 15, 2008 (File No. 000-51427) has been amended to reflect comments and requests from the United States Securities and Exchange Commission (the “SEC”) and to correct the accounting treatment of costs which had been capitalized as Oil and Gas Property Costs and to expense them instead. The changes include the following:

- Revised July 31, 2008 consolidated balance sheets, consolidated statements of operations, consolidated statement of changes in stockholders’ equity, and consolidated statements of cash flows, with related impacts on notes to financial statements;
- Describing the Company as an “exploration stage” company, rather than a “development stage” company;
- Enhanced explanation in our Management Discussion and Analysis, under the heading of Plan of Operation, as to the impact of the purchase of Access Energy Inc.; and
- Amendment to Note 1 to the financial statements regarding our accounting policy with respect to Property and Equipment.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

The interim financial statements included herein are unaudited but reflect, in management’s opinion, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our financial position and the results of our operations for the interim periods presented. Because of the nature of our business, the results of operations for the quarterly period ended July 31, 2008 are not necessarily indicative of the results that may be expected for the full fiscal year.

Blacksands Petroleum, Inc.
(An Exploration Stage Enterprise)
Consolidated Balance Sheets

	(Unaudited) **As of July 31, 2008 (Restated – note 12)**		(Audited) **As of October 31, 2007**	
A S S E T S				
Current Assets				
Cash held at bank	**$**	**4,338,989**	$	6,548,707
Cash held in attorney's trust account		**-**		44,396
Accounts receivable		**6,311**		-
Prepaid expenses and deposits		**22,442**		20,634
Total Current Assets		**4,367,742**		6,613,737
Property and Equipment – net (note 2)		**-**		25,306
Oil and Gas property costs (note 3)		**4,331,470**		4,626,809
Total Capital Assets		**4,331,470**		4,652,115
Total Assets	**$**	**8,699,212**	$	11,265,852
L I A B I L I T I E S A N D S T O C K H O L D E R S' E Q U I T Y				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**110,107**	$	589,855
Accounts payable to related parties (note 5)		**173,249**		275,022
Total Current Liabilities		**283,356**		864,877
Minority Interest		**513,473**		503,364
Total Liabilities		**796,829**		1,368,241
Stockholders' Equity				
Preferred Stock (note 4)		**-**		-
Common Stock (note 4)		**74,855**		74,855
Additional Paid-in-Capital		**11,861,465**		11,853,355
Treasury stock, at cost		**(50,000)**		(50,000)
Accumulated Comprehensive Loss		**542,252**		1,293,489
Deficit accumulated during the development stage		**(4,526,189)**		(3,274,088)
Total Stockholders' Equity		**7,902,383**		9,897,611
Total Liabilities and Stockholders' Equity	**$**	**8,699,212**	$	11,265,852

See accompanying notes to Consolidated Financial Statements.

Blacksands Petroleum, Inc.
(An Exploration Stage Enterprise)
Consolidated Statements of Operations

	Unaudited For the Nine Months Ended July 31, 2008 (restated – note 12)	**Unaudited For the Nine Months Ended July 31, 2007**	**Unaudited For the Three Months Ended July 31, 2008 (restated – note 12)**	**Unaudited For the Three Months Ended July 31, 2007**	**Unaudited From Inception (October 12, 2004) through July 31, 2008 (restated – note 12)**
Revenues:					
Revenue	$ -	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-	-
Expenses:					
Professional Fees	352,601	421,363	91,056	211,571	1,284,671
Loss on sale of fixed assets	12,588	-	-	-	14,084
Management fees	251,732	40,083	78,855	14,091	435,489
Depreciation	3,076	6,065	-	2,059	13,643
Office and Administration	135,277	95,526	34,691	38,619	416,802
Exploration expenses (note 11)	919,183	1,129,401	9,434	5,372	2,691,664
Total Expenses	1,674,457	1,692,438	214,036	271,712	4,856.353
Net loss from Operations	(1,647,457)	(1,692,438)	(214,036)	(271,712)	(4,856,353)
Other Income and Expenses:					
Interest Income	117,539	351,450	32,521	113,190	659,051
Funding on behalf of minority stockholder	(306,649)	-	(37,478)	-	(568,305)
Gain (loss) from Currency Transaction	314,926	(2,717)	(521)	(3,955)	(251,871)
Net Loss before Taxes	(1,548,641)	(1,343,705)	(219,514)	(162,477)	(5,017,478)
Provision for Income Taxes:					
Income Tax Benefit	-	-	-	-	-
Net Loss before minority interest	(1,548,641)	(1,343,705)	(219,514)	(162,477)	(5,017,478)
Minority Interest	296,540	-	26,453	-	491,289

Net Loss for the period	$(1,252,101)	$(1,343,705)	$(193,061)	$(162,477)	$(4,526,189)
Other Comprehensive Income (Loss)	$(634,250)	$(7,719)	$284,247	$(5,199)	$659,239
Total Comprehensive Loss	$(1,886,351)	$(1,351,424)	$(91,186)	$(167,676)	$(3,866,950)
Basic and Diluted Loss Per Common Share	$(0.03)	$(0.03)	$(0.00)	$(0.00)	$(0.09)
Weighted Average number of Common Shares used in per share calculations	44,854,700	45,514,041	44,854,700	44,854,700	51,467,581

See accompanying notes to Consolidated Financial Statements

Blacksands Petroleum, Inc.
(An Exploration Stage Enterprise)
Consolidated Statement of Changes in Stockholders' Equity
(Unaudited)

	Shares	**Par Value $0.001**	**Additional Paid-In Capital**	**Treasury Stock**	**Other Compre-hensive Income**	**Deficit Accumulated During Development Stage**	**Stockholders' Equity**
Balance – October 12, 2004 - (inception)	-	$ -	$ -	$ -	$ -	$ -	$ -
Stock issued for cash - October 12, 2004 (1)	30,000,000	30,000	(25,000)	-	-	-	5,000
Foreign Currency Translation Adjustment	-	-	-	-	(5)	-	(5)
Net Loss	-	-	-	-	-	-	-
Balance – October 31, 2004	30,000,000	30,000	(25,000)	-	(5)	-	4,995
Stock issued for cash - March 4, 2005 (1)	33,000,000	33,000	22,000	-	-	-	55,000
Foreign Currency Translation Adjustment	-	-	-	-	(2,787)	-	(2,787)
Net Loss	-	-	-	-	-	(13,780)	(13,780)
Balance – October 31, 2005	63,000,000	63,000	(3,000)	-	(2,792)	(13,780)	43,428
Equity Compensation - Granted August 1, 2006	-	-	21,620	-	-	-	21,620
Deferred equity compensation	-	-	(18,918)	-	-	-	(18,918)
Stock issued for cash - August 10, 2006	10,854,700	10,855	10,843,845	-	-	-	10,854,700
Stock issued on conversion of Debentures - August 10, 2006	1,000,000	1,000	999,000	-	-	-	1,000,000
Foreign Currency Translation Adjustment	-	-	-	-	496	-	496
Net Loss	-	-	-	-	-	(308,798)	(308,798)
Balance – October 31, 2006	74,854,700	74,855	11,842,547	-	(2,296)	(322,578)	11,592,528
Stock repurchased for cash- November 6, 2006	(30,000,000)	-	-	(50,000)	-	-	(50,000)
Equity compensation expensed	-	-	10,808	-	-	-	10,808
Foreign Currency Translation Adjustment	-	-	-	-	1,295,785	-	1,295,785
Net Loss	-	-	-	-	-	(2,951,510))	(2,951,510)
Balance – October 31, 2007	44,854,700	74,855	11,853,355	(50,000)	1,293,489	(3,274,088)	9,897,611
Equity compensation expensed	-	-	8,110	-	-	-	8,110
Foreign Currency Translation Adjustment (restated – note 12)	-	-	-	-	(751,237)		(751,237)
Net Loss (restated – note 12)	-	-	-	-		(1,252,101)	(1,252,101)
Balance – July 31, 2008 (restated)	44,854,700	$ 74,855	$ 11,861,465	$ (50,000)	$ 542,252	$ (4,526,189)	$ (7,902,383)

(1) On May 6, 2006, the Company declared a 30 for 1 forward stock split (the "Stock Split") in the form of a dividend. The record date for the stock split was June 21, 2006. The stock split has been recorded retroactively.

See accompanying notes to Consolidated Financial Statements.

Blacksands Petroleum, Inc.
(An Exploration Stage Enterprise)
Consolidated Statements of Cash Flows

	(Unaudited) November 1, 2007 Through July 31, 2008 (Restated – note 12)	(Unaudited) November 1, 2006 Through July 31, 2007	(Unaudited) From Inception (October 12, 2004) Through July 31, 2008 (Restated – note 12)
Cash Flows from Operating Activities:			
Net Loss	**$ (1,252,101)**	$ (1,343,705)	**$ (4,526,189)**
Adjustments to reconcile net loss to net cash used in operating activities:			
Minority interest	**(296,540)**	-	**(229,633)**
Foreign Currency Income (loss)	**-**	(7,719)	**614,221**
Equity compensation expense	**8.110**	8,106	**21,620**
Loss on abandoned fixed assets	**12,588**	-	**14,084**
Office Equipment and Furniture: Depreciation	**3,076**	6,065	**13,643**
Changes in Operating assets and liabilities:			
Prepaid expenses and deposits	**(1,808)**	(20,846)	**(22,442)**
Exclusivity agreement deposit	**-**	(93,740)	**-**
Accounts receivable and rent deposit	**(6,311)**	(522)	**(6,311)**
Accounts payable and accrued liabilities	**(479,748)**	75,326	**110,107**
Accounts payable to related party	**(101,773)**	11,504	**173,249**
Net Cash Used in Operating Activities	**(2,114,507)**	(1,365,531)	**(3,837,651)**
Cash Flows from Investing Activities:			
Purchase of subsidiary, net of cash of subsidiary	**-**	-	**(3,049,148)**
Oil and gas property costs during period	**(63,757)**	-	**(138,885)**
Loan to Access Energy Inc.	**-**	(234,350)	**-**
Funds (to) from cash in escrow	**-**	-	**(44,396)**
Proceeds on disposal of property and equipment	**9,642**	-	**9.642**
Purchase of property and equipment	**-**	(2,105)	**(37,369)**
Net Cash Used in Investing Activities	**(54,115)**	(236,455)	**(3,260,156)**
Cash Flows from Financing Activities:			
Repurchase of stock	**-**	(50,000)	**(50,000)**
Issue of convertible debentures	**-**	-	**1,000,000**

Sales of Common Stock	**-**	-	**10,914,700**
Net Cash (Used in) Provided by Financing Activities	**-**	(50,000)	**11,864,700**
Effect of exchange on cash	**(41,096)**	-	**(427,904)**
Net (Decrease) Increase in Cash	**(2,209,718)**	(1,651,986)	**4,338,989**
Cash Balance, Beginning of Period	**6,548,707**	11,647,845	**-**
Cash Balance, End of Period	**$ 4,338,989**	$ 9,995,859	**$ 4,338,989**
Supplemental Disclosures:			
Cash Paid for interest	**$ -**	$ -	**$** -
Cash Paid for income taxes	**$ -**	$ -	**$** -
Non-cash financing activities:			
Conversion of debentures into stock and warrants	**$** -	$ -	**$** 1,000,000

See accompanying notes to Consolidated Financial Statements.

Blacksands Petroleum, Inc.
(An Exploration Stage Enterprise)
Notes to Consolidated Financial Statements

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of business and history - Blacksands Petroleum, Inc. (hereinafter referred to as the "Company") was incorporated in the State of Nevada on October 12, 2004 as Lam Liang Corp. The Company was formed to design, produce and sell fashionable computer laptop cases for women through a subsidiary, which was subsequently dissolved on June 5, 2006. The Company's operations were limited to general administrative operations and development of its first product line and the Company was considered a development stage company in accordance with Statement of Financial Accounting Standards No. 7, and exited its plan of operation on May 6, 2006. To indicate its new direction into the unconventional oil industry, the Company filed a Certificate of Amendment to its Articles of Incorporation on June 9, 2006 to change its name from "Lam Liang Corp." to "Blacksands Petroleum, Inc." On August 3, 2007, the Company completed its purchase of 75% of the capital of Access Energy Inc. Prior to the purchase, the Company was a "shell" company as that term is defined in Rule 12b-2 of the Exchange Act. By consummating the purchase, the Company succeeded at its business plan, which was to enter the unconventional petroleum industry by acquiring a suitable target company.

Going Concern. The ability of the Company to continue as a going concern is dependent on additional sources of capital and the success of the Company's business plan. As reflected in the accompanying financial statements, the Company has incurred net losses and negative cash flows from operations, which raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Year end - The Company's fiscal year end is October 31.

Principles of consolidation - The consolidated financial statements include the accounts of the Company and its subsidiary, Access Energy Inc., from the date of acquisition of August 3, 2007. All significant inter-company transactions and balances have been eliminated. The acquisition of 75% of the issued common stock of Access Energy Inc. is accounted for using the purchase method of accounting. Under the purchase method of accounting, the assets and liabilities of Access are recorded as of the acquisition date, at their fair market values, and added to those of Blacksands. The 25% share of the minority stockholders' interest in the net assets of Access will be recorded as a liability. Pre-acquisition losses of Access will be eliminated on consolidation. The 25% share of the minority stockholders' net post acquisition losses of Access are shown as a separate item on the consolidated statement of operations and are deducted from the minority stockholders' interest in net assets.

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

Cash and cash equivalents - The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentration of credit risks - The Company's cash and cash equivalents accounts are held at financial institutions and are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $100,000 and by Canada Deposit Insurance Corporation ("CDIC") up to Cdn$100,000. During period ended July 31, 2008, the Company has maintained bank balances exceeding the CDIC insurance limit. To reduce its risk associated with the failure of such financial institutions, the Company periodically evaluates the credit quality of the financial institutions in which it holds deposits.

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Oil and Gas Properties - The Company follows the successful efforts method of accounting for its oil and natural gas properties. Unproved oil and gas properties are periodically assessed and any impairment in value is charged to exploration expense. The costs of unproved properties, which are determined to be productive, are transferred to proved oil and gas properties and amortized on an equivalent unit-of-production basis. Exploratory expenses, including geological and geophysical expenses and delay rentals for unevaluated oil and gas properties, are charged to expense as incurred. Exploratory drilling costs are initially capitalized as unproved property but charged to expense if and when the well is determined not to have found proved oil and gas reserves. In accordance with Statement of Financial Accounting Standards No. 19, exploratory drilling costs are evaluated within a one-year period after the completion of drilling.

Property and equipment - Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which are generally 3 to 27 years. The amounts of depreciation provided are sufficient to charge the cost of the related assets to operations over their estimated useful lives. Upon sale or other disposition of a depreciable property, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statement of operations.

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Income taxes - The Company accounts for its income taxes in accordance with Statement of Financial Accounting Standards No. 109, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

Management feels the Company will have a net operating loss carryover to be used for future years. Such losses may not be fully deductible due to the significant amounts of non-cash service costs. The Company has established a valuation allowance for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization.

Net loss per common share - The Company computes net loss per share in accordance with SFAS No. 128, *Earnings per Share* (SFAS 128), and SEC Staff Accounting Bulletin No. 98 (SAB 98). Under the provisions of SFAS 128 and SAB 98, basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period. The calculation of diluted net loss per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive. For the period ended July 31, 2008, 14,054,700 options and warrants were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive. For the period from November 1, 2005 to October 31, 2006, there were 13,054,700 options and warrants excluded from the computation of diluted earnings per share because their effect would be anti-dilutive.

Comprehensive income (loss) – The Company's funds at July 31, 2008 and at October 31, 2007 were held in Canadian and U.S. Dollar bank accounts, and at October 31, 2007, also in trust and escrow accounts maintained by the Company's lawyers in U.S. Dollars. Foreign currency translation gains for the period ended July 31, 2008 amounted to $314,926. Foreign currency translation losses for the period ended July 31, 2007 were $2,717. Total foreign currency translation losses from October 12, 2004 to July 31, 2008 were $251,871. See note 7 regarding comprehensive income.

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation –The Company uses the United States Dollar as its reporting currency for consistency with registrants of the Securities and Exchange Commission ("SEC") and in accordance with the SFAS No. 52 *"Foreign Currency Translation"*. Assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the period end and capital accounts are translated at historical rates. Income statement accounts are translated at the average rates of exchange prevailing during the period. Translation adjustments from the use of different exchange rates from period to period are included in the comprehensive income account in stockholder's equity, if applicable.

The Company's operations have moved to Canada and although the Company maintains substantial funds in United States Dollars, the functional currency of the Company is the Canadian Dollar. The Company continues to use the United States Dollar as its reporting currency for consistency with registrants of the SEC.

Transactions undertaken in currencies other than the functional currency of the entity are translated using the exchange rate in effect as of the transaction date. Any exchange gains and losses are included in other items on the statement of operations.

Fair Value of Financial Instruments - The carrying amounts of financial instruments, including cash and cash equivalents, prepaid expenses and deposits, accounts payable and accrued expenses approximate fair value at July 31, 2008 and October 31, 2007 because of the relatively short maturity of the instruments.

Revenue recognition - The Company has no revenues to date from its operations.

Stock based compensation - In December 2004, the FASB issued SFAS No. 123 (revised 2004), *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation*. SFAS No. 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends SFAS No. 95, *Statement of Cash Flows*. Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123. However, SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The new standard became effective for the Company in the first interim or annual reporting period beginning after December 15, 2005. The Company has adopted this standard effective for the year ended October 31, 2006.

Capital Contributions – Under the Stockholders Agreement, the Company is required to fund the operations of Access until Access is self-sustaining. These advances are treated as intercompany accounts receivable and accounts payable, and are eliminated in consolidation. When the cash advanced is used or committed by Access, 25%, representing the value on behalf of the minority stockholder, is expensed in the operations of the Company.

New accounting pronouncements -

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is a relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practices. This Statement is effective for financial statements for fiscal years beginning after November 15, 2007. Earlier application is permitted provided that the reporting entity has not yet issued financial statements for that fiscal year. Management is currently evaluating the impact this statement will have on the consolidated financial statements of the Company once adopted.

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115*. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement applies to all entities, including not-for-profit organizations. Most of the provisions of this Statement apply only to entities that elect the fair value option. However, the amendment to FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities with available-for-sale and trading securities. The fair value option permits all entities to choose to measure eligible items at fair value at specified election dates.

A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings (or another performance indicator if the business entity does not report earnings) at each subsequent reporting date. The fair value option may be applied instrument by instrument (with a few exceptions); is irrevocable (unless a new election date occurs); and is applied only to entire instruments and not to portions of instruments. This Statement is effective as of the beginning of an entity's first fiscal year that begins after or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, *Fair Value Measurement*. The Company does not expect the adoption of SFAS 159 to materially effect the Company's financial position or results of operations.

In December 2007, the FASB issued FASB Statement No. 141 (revised 2007), *Business Combinations*. This Statement replaces FASB Statement No. 141, *Business Combinations*. This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This Statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. This Statement's scope is broader than that of Statement 141, which applied only to business combinations in which control was obtained by transferring consideration. By applying the same method of accounting—the acquisition method—to all transactions and other events in which one entity obtains control over one or more other businesses, this Statement improves the comparability of the information about business combinations provided in financial reports.

This Statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the Statement. That replaces Statement 141's cost-allocation process, which required the cost of an acquisition to be allocated to the individual assets acquired and liabilities assumed based on their estimated fair values.

This Statement applies to all transactions or other events in which an entity (the acquirer) obtains control of one or more businesses (the acquirer), including those sometimes referred to as "true mergers" or "mergers of equals" and combinations achieved without the transfer of consideration, for example, by contract alone or through the lapse of minority veto rights. This Statement applies to all business entities, including mutual entities that previously used the pooling-of-interests method of accounting for some business combinations. It does not apply to: (a) The formation of a joint venture, (b) The acquisition of an asset or a group of assets that does not constitute a business, (c) A combination between entities or businesses under common control, (d) A combination between not-for-profit organizations or the acquisition of a for-profit business by a not-for-profit organization.

This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In December 2007, the FASB issued FASB Statement No. 160 – *Non-controlling Interests in Consolidated Financial Statements – an amendment of ARB No. 51*. This Statement applies to all entities that prepare consolidated financial statements, except not-for-profit organizations, but will affect only those entities that have an outstanding non-controlling interest in one or more subsidiaries or that deconsolidate a subsidiary. Not-for-profit organizations should continue to apply the guidance in Accounting Research Bulletin No. 51, Consolidated Financial Statements, before the amendments made by this Statement, and any other applicable standards, until the Board issues interpretative guidance.

This Statement amends ARB 51 to establish accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Before this Statement was issued, limited guidance existed for reporting non-controlling interests. As a result, considerable diversity in practice existed. So-called minority interests were reported in the consolidated statement of financial position as liabilities or in the mezzanine section between liabilities and equity. This Statement improves comparability by eliminating that diversity.

A non-controlling interest, sometimes called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Statement is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require: (a) The ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity, (b) The amount of consolidated net income attributable to the parent and to the non-controlling interest be clearly identified and presented on the face of the consolidated statement of income, (c) Changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently. A parent's ownership interest in a subsidiary changes if the parent purchases additional ownership interests in its subsidiary or if the parent sells some of its ownership interests in its subsidiary. It also changes if the subsidiary reacquires some of its ownership interests or the subsidiary issues additional ownership interests. All of those transactions are economically similar, and this Statement requires that they be accounted for similarly, as equity transactions, (d) When a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary be initially measured at fair value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any non-controlling equity investment rather than the carrying amount of that retained investment, (e) Entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners.

This Statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008 (that is, January 1, 2009, for entities with calendar year-ends). Earlier adoption is prohibited. This Statement shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements if currently adopted would have a material effect on the accompanying consolidated financial statements.

2. PROPERTY AND EQUIPMENT

The Company owned the following office equipment and furniture:

	July 31, 2008			October 31, 2007
		Accumulated depreciation	**Net book**	Net book
	Cost		**Value**	Value
Furniture and fixtures	$ -	$ -	$ -	$ 14,416
Office equipment	-	-	-	10,890
	$ -	$ -	**$ -**	$ 25,306

Depreciation expense amounted to $Nil and $2,059 for the quarters ended July 31, 2008 and 2007, respectively. During the quarter ended April 30, 2008, the Company sold the furniture and equipment in its Calgary office following the relocation of its Head Office to Toronto.

3. OIL AND GAS PROPERTY COSTS

In the nine months ended July 31, 2008 and in the year ended October 31, 2007, the Company incurred property acquisition costs as follows:

	Nine Months Ended July 31, 2008	Year Ended October 31, 2007
Balance, beginning of period	**$ 4,626,809**	$ -
Acquisition cost allocated to oil & gas property costs on payment on August 3, 2007 to Access Energy Inc.	**-**	4,058,979
Exchange adjustments	**(359,096)**	492,702
Costs incurred for the year (2007 – for the period from August 3, 2007 to October 31, 2007)	**63,757**	75,128
	(259,339)	4,626,809
Balance, end of year	**$ 4,331,470**	$ 4,626,809

During the year ended October 31, 2007, the Company spent funds to evaluate and to acquire properties with oil and gas potential in northern Saskatchewan and northern Alberta. During the nine months ended July 31, 2008, the Company incurred additional costs evaluating these properties, and made payments contemplated in the acquisition agreements.

On November 3, 2006, Access entered into a joint venture agreement (“JV Agreement”), which was amended on May 9, 2007 and on March 17, 2008, and on May 24, 2007, Access entered into an Impact/Benefit Agreement with the Buffalo River Dene Nation (“BRDN”) which was amended on March 17, 2008, to explore and develop its traditional lands in northern Saskatchewan and Alberta.

Pursuant to the terms of the JV Agreement and its amendment, the Company is responsible for 100% of the costs to explore and develop any project within the traditional lands. After all costs relating to a specific project have been recouped, the Company will retain a 90% interest and the BRDDC will be entitled to the remaining minority interest of the Project. Furthermore, the BRDDC is entitled to earn up to an additional 20% interest in any project(s) by contributing its pro rata share of the costs to explore and develop any project(s). Even if the BRDDC chooses to participate to the full extent permitted by the JV Agreement, the Company will continue to hold a majority of the working interest in the Project.

3. OIL AND GAS PROPERTY COSTS (continued)

Pursuant to the terms of the Impact/Benefit Agreement with the BRDN, the Company is committed to make certain contributions to the BRDN on or before May 24 every year for capacity and infrastructure building and for reimbursement of costs for traditional lands staffing and to support training and development of the BRDN community in the range of Cdn$1,000,000 to Cdn$1,300,000 per year. Additionally, the Company is committed to expend up to Cdn$1,000,000 to assist BRDN forestry contractors to transition to approved contractors for the A10 Project. Finally, the Company is committed to providing a loan of up to Cdn$5,000,000 to assist the BRDDC to fund an increase in ownership of the A10 Project of up to 30% (from the current 10% interest) when production is to commence.

The funding provided to the BRDN under the Impact/Benefit Agreement is recoverable to the Company under the JV Agreement before the payment of the BRDN net profit interest. These costs are expensed as incurred, and will be credited to operations when recovered.

As at July 31 2008, the Company had paid or accrued a total of approximately Cdn$2,098,500 (approximately US$2,049,500) to the BRDN and is committed to further payments totalling in the aggregate of approximately Cdn$25,000,000 over the term of the agreement.

4. STOCKHOLDERS' EQUITY

Authorized:

On June 9, 2006, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada to increase the authorized share capital (the "Share Increase") from 75,000,000 shares of Common Stock, par value $0.001, to 310,000,000 shares, comprised of 300,000,000 shares of Common Stock and 10,000,000 shares of Preferred Stock, par value $0.001. In addition, on May 6, 2006, our Board of Directors declared a 30:1 forward stock split (the "Stock Split") in the form of a dividend. The record and payment date for the stock dividend was June 21, 2006. Appropriate revisions have been made to the financial statements for the prior fiscal year to reflect the Share Increase and the Stock Split.

Issued:

	Number of Shares	**Par Value**	**Additional Paid in Capital**	**Treasury Stock**
October 12, 2004 - Issued for cash	30,000,000	$ 30,000	$ -	$ -
March 2005 - Issued for cash	33,000,000	33,000	22,000	-
Balance October 31, 2005	63,000,000	63,000	22,000	-
August 9, 2006 – Issued for cash	10,854,700	10,855	10,843,845	-
August 9, 2006 – On conversion of Convertible Debentures	1,000,000	1,000	999,000	-
Balance, October 31, 2006	74,854,700	$ 74,855	$ 11,864,845	$ -
Repurchase of stock for cash – November. 6, 2006	(30,000,000)	-	-	(50,000)
Balance, October 31, 2007 and July 31, 2008	44,854,700	$ 74,855	$ 11,864,845	$ (50,000)

The issued and outstanding shares were issued as follows:

On June 9, 2006, the Company filed a Certificate of Amendment to its Articles of Incorporation to increase its authorized capital stock to 310,000,000 authorized shares, consisting of 300,000,000 shares of common stock, par value $0.001 each, and 10,000,000 shares of preferred stock, par value $0.001 each. The Company’s Board of Directors may issue the preferred stock in one of more series, with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions adopted by them.

4. STOCKHOLDERS' EQUITY (continued)

Effective August 9, 2006, the Company closed a private placement of Units of its securities. 10,854,700 Units were issued at a price of $1.00 per Unit, resulting in gross proceeds of $10,854,700. The offering was conducted pursuant to the exemption from the registration requirements of the federal securities laws provided by Regulation S and Section 4(2) of the Securities Act of 1993, as amended (the "Securities Act") and Rule 506 of Regulation D under the Securities Act. Each Unit consisted of one share, on a post-split basis, of the Company's common stock and one warrant to purchase a share of common stock (the "Warrants").

Each Warrant is exercisable for two years commencing October 1, 2006 and entitles its holder to purchase one share of Common Stock at $3.00 per share. Following the closing of the offering, the funds remained in escrow until the acquisition of Access Energy Inc. on August 3, 2007.

On May 6, 2006, the Company issued $1,000,000 of convertible debentures (see note 6 below) to two accredited investors. The Debentures converted into Units on August 9, 2006 at a conversion price of $1.00 per Unit for a total of 1,000,000 Units. Each Unit consisted of one share, on a post-split basis, of the Company's common stock and one warrant to purchase a share of common stock. Each of these Warrants is exercisable for two years commencing October 1, 2006 and entitles its holder to purchase one share of Common Stock at $3.00 per share.

On November 6, 2006, the Company purchased 30,000,000 shares of common stock from Darren Stevenson for $50,000 cash in accordance with the terms of the stock repurchase agreement.

As at July 31, 2008, there are 11,854,700 Warrants outstanding. Each Warrant is exercisable for two years commencing October 1, 2006 and entitles its holder to purchase one share of Common Stock at $3.00 per share.

In addition, there are 1,500,000 Warrants outstanding, which were issued as part of the consideration for the purchase of the subsidiary, Access Energy. Referred to as the "Access Warrants", each of these 1,500,000 Access Warrants is exercisable for five years commencing August 3, 2007 and entitles the holder to purchase one share of Common Stock at $2.00 per share. The Access Warrants were granted in consideration for the future acquisition of an additional project other than the A10 Project, which, at the time of the acquisition of Access, and to the date of this report, had not been secured. The Access Warrants do not vest until Access secures an additional project. No value could be attributed to these Access Warrants since no additional project has been secured, and there is no certainty that any additional project will be secured. If and when an additional project is secured, and assuming the Access Warrants have not expired, they will be considered to have vested and we will determine and record the value of the Access Warrants accordingly using the Black-Scholes method.

On August 1, 2006, the Company entered into a consulting agreement and a stock warrant agreement with Gregg Layton. Under the Stock Warrant Agreement, Mr. Layton received warrants to purchase 200,000 shares of our common stock. These warrants were cancelled with the termination of Mr. Layton's agreement.

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5. RELATED PARTY TRANSACTIONS

As of July 31, 2008, there are no significant related party transactions between the Company and any of its officers or directors other than a consulting agreement between Access and a company controlled by the President and CEO and Director of the Company.

On November 1, 2005,Access entered into an agreement with Coniston Investment Corp. (“Coniston”), to provide management, consulting and advisory services to Access (the “Services”). These services include assisting Access in negotiating joint venture agreements, assisting in the formation of a team of technical experts, and other consulting and advisory services as required by Access from time to time. The agreement automatically renews for consecutive one-year terms unless terminated by either party in writing.

Coniston’s sole shareholder, President and CEO is the President and CEO of Access and, effective November 1, 2007, also of the Company. Pursuant to the agreement: (i) Accessshall pay Coniston a fee of: (i) Cdn$260,000 per annum, payable monthly (paid); (ii) Cdn$1,000,000 (the “Dene Fee”) in the event Access enters into an agreement with the BRDN and/or its associates or affiliates to develop hydrocarbon opportunities in a defined area within Treaty 10 lands which includes the traditional and historically occupied and used lands of the BRDN (paid in the year ended October 31, 2007); and (iii) Coniston will also be entitled to receive a 1.25% non-convertible overriding royalty based on 100% production (“GORR”) from any and all projects that Coniston brings to Access (the “Royalty Fee”).

During the quarter ended July 31, 2008, Coniston charged Access management fees of Cdn$65,000 which amount is included in the consolidated statement of operations. Amounts payable to Coniston of Cdn$177,400 (US$173,249) are shown as amounts payable to related parties as at July 31, 2008.

6. STOCK OPTIONS AND WARRANTS

On April 18, 2006, the Company entered into an employment agreement and a stock option agreement with Darren Stevenson. Under the Stock Option Agreement, Mr. Stevenson was, on April 18, 2006, granted options to purchase 1,000,000 shares of common stock of the Company on a post-split basis. All of the options, once vested, are exercisable at $2.00 per share. Options expire two years after the date of the grant. Options to purchase 100,000 shares vested on June 9, 2006 when the Company filed with the Secretary of State of Nevada an amendment to its Articles of Incorporation, which among other things, increased its authorized common stock to 300,000,000 shares and changed its name to “Blacksands Petroleum, Inc.” Options to purchase 200,000 shares vested on August 9, 2006 when the Company completed a common stock placement of US$10,854,700. Options to purchase 200,000 shares vested on January 1, 2007, and options to purchase 500,000 shares would have vested if the Company conducted a placement of at least US$50,000,000. On October 31, 2007 the Company cancelled these 500,000 options granted to Mr. Darren Stevenson as part of the termination of his employment agreement as President and CEO. In April 2008, the remaining 500,000 options held by Mr. Stevenson expired.

The Company valued the options issued to Mr. Stevenson at a $0 value based on a closing price of $0.03, an exercise price of $2.00, and a term of 2 years. The Company used the average historical volatility of 3 companies deemed to be in the same industry as the Company as 50.86%.

On August 1, 2006, the Company entered into a consulting agreement and a stock warrant agreement with Gregg Layton, which has been subsequently terminated effective February 29, 2008. Under the Stock Warrant Agreement, Mr. Layton received warrants to purchase 200,000 shares of our common stock with 50,000 warrants vesting on August 1, 2006. Warrants to purchase 25,000 shares of common stock vested on January 1, 2007, warrants to purchase 25,000 shares of common stock vested August 9, 2006 and warrants to purchase the final 100,000 shares of common stock would have vested if the Company conducted a placement of at least US$50,000,000 during Mr. Layton's agreement with the Company. All of the warrants, once vested, were exercisable at $2.00 per share until July 31, 2008.

6. STOCK OPTIONS (continued)

The Company valued the warrants issued to Mr. Layton at a $21,620 value based on a closing price of $1.00, an exercise price of $2.00, and a term of 2 years. The Company used the average historical volatility of 3 companies deemed to be in the same industry as the Company as 50.86%.

As of June 26, 2006, the Company's Board of Directors approved, and a majority of the Company's stockholders ratified, the adoption of the Company's 2006 Stock Option Plan (the "Plan"), pursuant to which the Board of Directors has the ability to provide incentives through the issuance of options, stock, restricted stock, and other stock-based awards, representing up to 6,000,000 shares of the Company's common stock, to certain employees, outside directors, officers, consultants and advisors.

The Board of Directors approved a revised stock option plan on February 15, 2008. The revised stock option plan is subject to regulatory and stockholder approvals.

Also on February 15, 2008, the Board of Directors approved the grant of 2,200,000 stock options to officers, directors and consultants of the Company. These options are exerciseable at $1.90 per share for a term of five years, subject to necessary approvals, and have the following vesting provisions:

- 991,666 options vested immediately;
- 604,166 options vest when the stock price trades at or above $2.50 for ten consecutive trading days; and,
- 604,168 options vest when the stock price trades at or above $3.00 for ten consecutive trading days.

As at July 31, 2008, other than those approved for granting subject to necessary approvals, the Company has issued no other options or entered into stock option agreements with any other persons.

As there is no certainty that the stockholders will approve the revised stock option plan, there has been no expense recorded as stock-based compensation relating to these options.

A summary of the Company's stock option activity and related information is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at October 31, 2005	-	-
Granted	1,000,000	$2.00
Exercised	-	-
Cancelled	-	-
Outstanding at October 31, 2006	1,000,000	$2.00

Granted	-	-
Exercised	-	-
Cancelled	(500,000)[1]	$2.00
Outstanding at October 31, 2007	500,000	$2.00
Expired	(500,000)[1]	$2.00
Outstanding at July 31, 2008[2]	-	-

[1] On October 31, 2007, the Company cancelled 500,000 options granted to Mr. Darren Stevenson as part of the termination of his employment agreement as President and CEO. In April 2008, 500,000 options granted to Mr. Stevenson and vested have expired.

[2] Excludes the options approved for granting, subject to necessary approvals, to directors, officers and consultants on February 15, 2008.

6. STOCK OPTIONS (continued)

A summary of the Company’s stock warrant activity and related information for the quarters ended July 31, 2008 and 2007 is as follows:

	Warrants	Weighted Average Exercise Price
Outstanding at October 31, 2006	12,054,700	$2.98
Granted – August 3, 2007	1,500,000	$2.00
Outstanding at October 31, 2007	13,554,700	$2.87
Expired – February 2008	(200,000)	$2.00
Outstanding at July 31, 2008	13,354,700	$2.89

7. COMPREHENSIVE INCOME

The functional currency of the Company is the Canadian Dollar. At July 31, 2008, the Company maintained account balances of Cdn$4,409,341 (approximately US$4,306,162) and US$32,827.

Foreign currency translation adjustments for the three months ended July 31, 2008 and for the three months ended July 31, 2007 are net of tax of $Nil. Foreign currency translation adjustments for the nine months ended July 31, 2008 and for the nine months ended July 31, 2007 are net of tax of $NIL. Foreign currency translation adjustments for the period from inception to July 31, 2008 are net of tax of $Nil.

8. LITIGATION

As of July 31, 2008, the Company is not aware of any current or pending litigation, which may affect the Company’s operations.

9. LEASE COMMITMENTS

The Company renegotiated the lease for its Calgary office space commencing April 1, 2007 for a period of one year at a monthly rent of Cdn$6,684 (approximately US$6,658). The Company did not renew its Calgary office space when the current lease expired at the end of March 2008.

10. ACQUISITION OF ACCESS ENERGY INC. ("ACCESS")

On August 3, 2007, pursuant to a Common Stock Purchase Agreement ("Purchase Agreement"), the Company purchased 600 newly issued shares of common stock, of Access, representing 75.0% of its common stock for an aggregate sum of Cdn$3,427,935.23 (US$3,234,545), and common stock purchase warrants to acquire 1,500,000 of the Company's shares of common stock ("Access Warrants"). Prior to the Purchase, the Company was a "shell" company as that term is defined in Rule 12b-2 of the Exchange Act. By consummating the Purchase, the Company succeeded at its business plan, which was to enter the unconventional petroleum industry by acquiring a suitable target company. The Company paid the purchase price in four segments: (i) Cdn$3,077,935.23 in cash; (ii) Cdn$250,000 by offset against the amount held in escrow created on May 17, 2007; (iii) $100,000 that was paid to Access pursuant to the Exclusivity Agreement; and (iv) the Access Warrants. The Company obtained the cash portion of the purchase price from funds released from the restricted cash held in an escrow account. On August 28, 2007 the balance of restricted cash held in escrow was released and transferred to the Company's bank account. Blacksands intends to operate Access to continue in the business that Access engaged in prior to the acquisition. Prior to the acquisition, no material relationship existed between the Company and Access.

10. ACQUISITION OF ACCESS ENERGY INC. ("ACCESS") (continued)

The acquisition has been accounted for using the purchase method of accounting. Under the purchase method of accounting, the assets and liabilities of Access are recorded as of the acquisition date, at their fair market values, and added to those of the Company. The 25% share of the minority stockholder's interest has been recorded as a liability. Pre-acquisition losses of Access are eliminated on consolidation.

The following table shows the allocation of purchase price:

Cash	$ 3,085,586
Accounts receivable	83,135
Oil and Gas property costs	4,058,979
Liabilities	(3,556,698)
Minority interest	(436,457)
Fair Value of Net Assets Acquired	$ 3,234,545
Purchase Price	$ 3,234,545

11. SUBSEQUENT EVENT

On August 11, 2008, the Company, through its subsidiary, Access Energy Inc., submitted bids for all five of the oil sands exploratory permits covering approximately 810,000 acres of the A10 Project lands that were posted for sale by the Province of Saskatchewan (the "Province") on May 29, 2008. On August 13, 2008, the Province of Saskatchewan announced that there were no successful bidders for these oil sands exploratory permits. Access Energy Inc. submitted a request to the Province to re-post these permits for bidding, and the Province has indicated that the permits will be re-posted for bidding on December 3, 2008.

12. RESTATEMENT

On January 9, 2009, the Company's Audit Committee concluded that there was an accounting error in its financial statements filed in its Form 10-KSB for the years ended October 31, 2007, and in its Form 10-Qs for the quarters of January 31, 2008, April 30, 2008, and July 31, 2008.

The error relates to inappropriate capitalization of expenses as oil and gas property costs in each period. Amounts that should have been expensed have been capitalized, resulting in an understatement of the Company's net loss, and an overstatement of the Company's oil and gas property costs, and related impacts on the Company's minority interest and foreign currency translation.

The Company filed an amended Form 10-KSB for the year ended October 31, 2007 on February 20, 2009, and an amended Form 10-Q for the quarter ended January 31, 2008 on March 19, 2009.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward statements are based on current expectations and assumptions that are subject to risks and uncertainties, which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our most recent annual report on Form 10-KSB (amended) under the heading “Risk Factors and Uncertainties” (see Part 1, Item 1 in such report), as amended in this report under the heading “Risk Factors” (see Part II, Item 1A). We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included in this report.

Restatement of Financials

On January 9, 2009, the Company’s Audit Committee concluded that there was an accounting error in its financial statements filed in its Form 10-KSB for the years ended October 31, 2007, and in its Form 10-Qs for the quarters of January 31, 2008, April 30, 2008, and July 31, 2008.

The error relates to inappropriate capitalization of expenses as oil and gas property costs in each period. Amounts that should have been expensed have been capitalized, resulting in an understatement of the Company’s net loss, and an overstatement of the Company’s oil and gas property costs, and related impacts on the Company’s minority interest and foreign currency translation.

The Company filed an amended Form 10-KSB for the year ended October 31, 2007 on February 20, 2009, and an amended Form 10-Q on March 19, 2009.

Plan of Operation

On August 3, 2007, we completed the purchase of 75% of Access Energy Inc. (“Access”) for cash of $3,234,544 and 1,500,000 warrants to purchase shares of our common stock issued to the former sole stockholder of Access. Prior to our acquisition of Access (the “Purchase”), we were an exploration stage company with no revenues. As a result of the Purchase, our plan of operation, results of operations and financial condition differ materially from those that existed prior to the Purchase.

The initial exploration project for Access is named “A10 Project” and lies on a portion of the traditional land of the Buffalo River Dene Nation (the “BRDN”) subject to Treaty 10 (“Treaty 10”) in western Saskatchewan on the border with Alberta (the “Project Land”). The BRDN is a party to Treaty 10 with Her Majesty the Queen in the Right of Canada (the “Crown”) which recognizes lands and water belonging to the BRDN whose territory is situated partly in the Province of Saskatchewan and partly in the Province of Alberta. Upon entering into Treaty 10, the BRDN did not cede, release, surrender or yield to the Crown any or all rights, titles and privileges whatsoever to the BRDN’s traditional territories. Lands and waters described in Treaty 10 form a part of the traditional territories of the BRDN. Access signed the Joint Venture Agreement with the BRDN in May of 2007 granting Access exclusive access to the land. A copy of this agreement was filed as Exhibit 10.8 to our Form 8-K filed on August 8, 2007.

Subsequent to the Purchase, we have continued work to obtain the permits, licenses and sub-surface rights necessary to commence our exploration activities.

At a Board of Directors' meeting on February 15, 2008, the Board of Directors approved operating budgets for the Company and for Access for the year ended October 31, 2008. The Access budget included cost expectations to obtain the required permits, approvals, licences and sub-surface rights which would enable the Company to carry out work on the A10 Project.

The Company is committed, under the Unanimous Shareholders' Agreement among Access, the Company and the minority shareholder, to contribute sufficient capital to Access to meet Access's planned financial commitments until such time as Access has sufficient internal capital resources to fund its commitments without such contributions. These contributions are treated as a contribution of capital, with no increase in our current 75% equity participation in Access. Therefore, all contributions that we make to Access are dilutive to our shareholders as to 25% of such contributions. The minority shareholder is not obligated to provide any funding to Access in order to maintain his 25% interest in Access.

Unless the context otherwise requires, all references in this report to "Blacksands", "the Company", "we", "us" or "our" refer to both Blacksands and Access. In our consolidated financial statements, this management's discussion and analysis and elsewhere in this report, unless otherwise noted, we include 100% of the accounts of Access from the date of acquisition of August 3, 2007. For a discussion of our principles of consolidation, see Note 1 to the interim consolidated financial statements included in this report.

Consolidated Results of Operations

For the nine months ended July 31, 2008, and since the date of inception, we have not yet generated any revenues.

We incurred total operating expenses of $1,674,457 for the nine months ended July 31, 2008, as compared to total operating expenses of $1,692,438 for the nine months ended July 31, 2007. During the nine months ended July 31, 2007, we purchased for $1,124,029 certain two-dimensional seismic data, which relates to approximately 750 kilometers of land in northern Saskatchewan and Alberta where the Company intends to explore deposits of oil sands through its subsidiary Access. These costs were expensed as exploration expenses. Our exploration expenses during the nine months ended July 31, 2008 were $919,183. The increase in our other expenses was principally due to our ceasing to be a "shell company" and our commencement of operations. These expenses consisted of general operating expenses incurred in connection with the day-to-day operation of our business and the preparation and filing of our periodic reports as well as the management fees paid to Coniston Investment Corp. ("Coniston") of $200,085 and Directors' fees of $51,667. The operating expenses include professional fees of $352,601 for the nine months ended July 31, 2008 incurred in connection with filing of periodic reports, SEC compliance filings, audit and accounting fees and general corporate matters as compared with professional fees of $421,363 for the nine months ended July 31, 2007. The office and administration expenses of $135,277 for the nine months ended July 31, 2008 include rent, travel, telephone and other office expenses as compared to office and administration expenses of $95,526 for the nine months ended July 31, 2007.

We earned total interest income of $117,539 for the nine months ended July 31, 2008, as compared to total interest income of $351,450 for the nine months ended July 31, 2007. The interest was earned on the balance of proceeds of the private placement on August 9, 2006 of $10,854,700, and has declined as we have used the cash in our operations, and as well, the unused balance of such proceeds available for investment has declined in addition to reduced interest rates offered by our bank.

Our total comprehensive loss for the nine months ended July 31, 2008 was $1,886,351, as compared to total comprehensive loss of $1,351,424 for the nine months ended July 31, 2007, and a total comprehensive loss of $3,866,950 from inception on October 12, 2004 to July 31, 2008.

Net cash used in investing activities for the nine months ended July 31, 2008 was $54,115, as compared to $236,455 for the nine months ended July 31, 2007 and $3,260,156 for the period from inception on October 12, 2004 to July 31, 2008. There was no cash used by or provided from financing activities during the nine months ended July 31, 2008. Cash used by financing activities for the nine months ended July 31, 2007 was $50,000, resulting from our repurchase of 30,000,000 shares of common stock from Mr. Stevenson on November 6, 2006.

We are still in the exploration stage and have generated no revenues to date.

Selected Consolidated Financial Information

	July 31, 2008	October 31, 2007
Current Assets	**$ 4,367,742**	$ 6,613,737
Total Assets	**8,699,212**	11,661,902
Current Liabilities	**283,356**	864,877
Stockholders' Equity	**7,902,383**	10,157,429

Liquidity and Capital Resources

At July 31, 2008, we had cash in the bank of $4,338,989.

Our management intends to consider possible strategic transactions in the unconventional oil industry. We expect to be able to satisfy our cash requirements for at least the next 12 months without having to raise additional funds or seek bank loans if we do not undertake any such strategic transactions. After that 12-month period, we may have to raise additional monies through sales of our equity securities or through loans from banks or third parties to continue our business plans; however, no such plans have yet been implemented.

Our stockholders' equity at July 31, 2008 was $7,902,383.

On February 15, 2008, the Board of Directors approved an advance of approximately Cdn$2,258,000 (US$2,264,829) to Access for its working capital requirements. This advance is treated as an intercompany receivable until it is spent or committed to be spent by Access, at which time, 25% of the amount spent or committed is expensed as funding on behalf of the minority shareholder of Access.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Table of Contractual Obligations

	Payment due by period				
		Less than			More than
Contractual Obligations	**Total**	**1 year**	**1-3 years**	**3-5 years**	**5 years**
Operating lease obligations[1]	$112,798	$32,228	$64,456	16,114	-
Purchase obligations[2]	$53,479	$53,479	-	-	-
Total	$166,277	$85,707	$64,456	$16,114	-

[1] On September 2, 2008, Blacksands entered into an assignment of sublease and will begin to pay rent on its Head Office premises in Toronto, Ontario, Canada effective October 1, 2008, at a rate of $2,750 Cdn per month plus applicable taxes, until January 30, 2012.

[2] On November 1, 2005, Access entered into an agreement with Coniston to provide management, consulting and advisory services to Access (the “Services”). These services include assisting Access in negotiating joint venture agreements, assisting in the formation of a team of technical experts, and other consulting and advisory services as required by Access from time to time. The agreement automatically renews for consecutive one-year terms unless terminated by either party in writing.

Critical Accounting Policies

Our financial statements are based on the selection and application of generally accepted accounting principles, which require us to make estimates and assumptions about future events that affect the amounts reported in our financial statements and the accompanying notes. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and any such differences may be material to our financial statements. We believe that our policies may involve a higher degree of judgment and complexity in their application than our other accounting policies and represent the critical accounting policies used in the preparation of our financial statements. If different assumptions or conditions were to prevail, the results could be materially different from our reported results. Our significant accounting policies are presented in the notes to our financial statements.

When we prepare our consolidated financial statements, we use estimates and assumptions that may affect reported amounts and disclosures. We base these estimates on historical results and various other assumptions believed to be reasonable, the results of which form the basis for making estimates concerning the carrying value of assets and liabilities that are not readily available from other sources. Actual results could differ from the amounts previously estimated, which were based on the information available at the time the estimates were made. Changes in estimates are recorded if and when better information becomes available.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make an assumption about a matter that was highly uncertain at the time the estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of a different estimate that we reasonably could have used in the current period, could have a material impact on our consolidated results of operations or financial condition.

We have established an Audit Committee consisting of two non-executive Directors. The members of the Audit Committee are Bruno Mosimann and Mark Holcombe.

Oil and Gas Properties

The Company follows the successful efforts method of accounting for its oil and natural gas properties. Unproved oil and gas properties are periodically assessed and any impairment in value is charged to exploration expense. The costs of unproved properties, which are determined to be productive, are transferred to proved oil and gas properties and amortized on an equivalent unit-of-production basis. Exploratory expenses, including geological and geophysical expenses and delay rentals for unevaluated oil and gas properties, are charged to expense as incurred. Exploratory drilling costs are initially capitalized as unproved property but charged to expense if and when the well is determined not to have found proved oil and gas reserves. In accordance with Statement of Financial Accounting Standards No. 19, exploratory drilling costs are evaluated within a one-year period after the completion of drilling.

New Accounting Pronouncements

In September 2006, the FASB issued FASB Statement No. 157. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is a relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of this Statement will change current practices. This Statement is effective for financial statements for fiscal years beginning after November 15, 2007. Earlier application is permitted provided that the reporting entity has not yet issued financial statements for that fiscal year. Management is currently evaluating the impact this statement will have on the consolidated financial statements of the Company once adopted.

In December 2007, the FASB issued FASB Statement No. 141 (revised 2007), Business Combinations. This Statement replaces FASB Statement No. 141, Business Combinations. This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. This Statement defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. This Statement's scope is broader than that of Statement 141, which applied only to business combinations in which control was obtained by transferring consideration. By applying the same method of accounting—the acquisition method—to all transactions and other events in which one entity obtains control over one or more other businesses, this Statement improves the comparability of the information about business combinations provided in financial reports.

This Statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the Statement. That replaces Statement 141's cost-allocation process, which required the cost of an acquisition to be allocated to the individual assets acquired and liabilities assumed based on their estimated fair values.

This Statement applies to all transactions or other events in which an entity (the acquirer) obtains control of one or more businesses (the acquirer), including those sometimes referred to as "true mergers" or "mergers of equals" and combinations achieved without the transfer of consideration, for example, by contract alone or through the lapse of minority veto rights. This Statement applies to all business entities, including mutual entities that previously used the pooling-of-interests method of accounting for some business combinations. It does not apply to: (a) The formation of a joint venture, (b) The acquisition of an asset or a group of assets that does not constitute a business, (c) A combination between entities or businesses under common control, (d) A combination between not-for-profit organizations or the acquisition of a for-profit business by a not-for-profit organization.

This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

In December 2007, the FASB issued FASB Statement No. 160 – Non-controlling Interests in Consolidated Financial Statements – an amendment of ARB No. 51. This Statement applies to all entities that prepare consolidated financial statements, except not-for-profit organizations, but will affect only those entities that have an outstanding non-controlling interest in one or more subsidiaries or that deconsolidate a subsidiary. Not-for-profit organizations should continue to apply the guidance in Accounting Research Bulletin No. 51, Consolidated Financial Statements, before the amendments made by this Statement, and any other applicable standards, until the Board issues interpretative guidance.

This Statement amends ARB 51 to establish accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Before this Statement was issued, limited guidance existed for reporting non-controlling interests. As a result, considerable diversity in practice existed. So-called minority interests were reported in the consolidated statement of financial position as liabilities or in the mezzanine section between liabilities and equity. This Statement improves comparability by eliminating that diversity.

A non-controlling interest, sometimes called a minority interest, is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The objective of this Statement is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards that require: (a) The ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity, (b) The amount of consolidated net income attributable to the parent and to the non-controlling interest be clearly identified and presented on the face of the consolidated statement of income, (c) Changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently. A parent's ownership interest in a subsidiary changes if the parent purchases additional ownership interests in its subsidiary or if the parent sells some of its ownership interests in its subsidiary. It also changes if the subsidiary reacquires some of its ownership interests or the subsidiary issues additional ownership interests. All of those transactions are economically similar, and this Statement requires that they be accounted for similarly, as equity transactions, (d) When a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary be initially measured at fair

value. The gain or loss on the deconsolidation of the subsidiary is measured using the fair value of any non-controlling equity investment rather than the carrying amount of that retained investment, (e) Entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners.

This Statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008 (that is, January 1, 2009, for entities with calendar year-ends). Earlier adoption is prohibited. This Statement shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied, except for the presentation and disclosure requirements. The presentation and disclosure requirements shall be applied retrospectively for all periods presented. Management believes this Statement will have no impact on the financial statements of the Company once adopted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

While the Company's reporting currency is U.S. dollars, the Company's principal executive offices and its principal exploration property, the A10 Project, are located in Canada, and most of its contractual obligations are payable in Canadian dollars. For this reason, the Company is subject to Canada-U.S. exchange rate risk. The Company considers the amount of risk to be manageable and does not currently, nor is it likely in the foreseeable future to, conduct hedging to reduce its exchange rate risk. A hypothetical 10% increase in the value of one Canadian dollar expressed in U.S. dollars during the nine months ended July 31, 2008 would have caused an approximate $48,000 increase in the Company's expenses for the quarter, and an equivalent decrease in the value of one Canadian dollar would have caused a $48,000 decrease in the Company's expenses for the six months. A hypothetical 10% increase in the value of one Canadian dollar expressed in U.S. dollars during the nine months ended July 31, 2008 would have caused an approximate $555,000 increase in the Company's other comprehensive loss and a corresponding decrease in stockholders' equity for the quarter, and an equivalent decrease in the value of one Canadian dollar would have caused a $555,000 decrease in the Company's other comprehensive loss and a corresponding increase in stockholders' equity for the quarter.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of the Company's disclosure controls and procedures (as defined in Rule 13(a) – 15(e) and Rule 15(d) – 15(e) under the Exchange Act). Based on that evaluation and in light of the discussion of the material weakness discussed below in the Management's Report on Internal Control over Financial Reporting, the CEO and the CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were not effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

In order to remediate the material weakness, management has instituted the controls set forth in the Management's Report on Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting during the quarter ended April 30, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP.

The Company's management, including the CEO and CFO, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

To evaluate the effectiveness of the Company's internal control over financial reporting, management has used the Internal Control – Integrated Framework, which is a suitable, recognized control framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon our assessment and those criteria, management concluded that the Company's internal control over financial reporting was not effective as of January 31, 2008 due to a material weakness identified by management in the understanding and application of U.S. GAAP, including but not limited to oil and gas accounting and foreign currency translation. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

More specifically, the material weakness relates to a lack of sufficient personnel with appropriate knowledge, experience and training in U.S. GAAP resulting in a lack of sufficient analysis and documentation of the application of U.S. GAAP to transactions, including but not limited to oil and gas accounting and foreign currency translation.

In efforts to address this material weakness, the Company is taking the following remedial actions: (i) providing additional training and education for our accounting staff with respect to U.S. GAAP; and (ii) consulting with external professional expertise on an earlier basis with respect to interpretation issues with U.S. GAAP.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

The Company's risk factors have not changed materially from those set forth under the heading "Risk Factors and Uncertainties" in the Company's most recent annual report on amended Form 10-KSB, except as follows:

The Company and its shareholders may be adversely affected by recent rule amendments making Rule 144 unavailable for Company securities.

Rule 144 under the Securities Act of 1933 provides a safe harbour under which holders of restricted securities and affiliates of an issuer may resell their securities into the public market. Effective February 15, 2008, Rule 144 was amended to make it unavailable for securities of former shell companies until, among other things, twelve months have elapsed since the former "shell company" has filed "Form 10 information" with the Securities and Exchange Commission. The Company was a "shell company" until August 3, 2007, when it acquired 75% of Access. On August 8, 2007, the Company filed a Form 8-K report that was intended to satisfy the "Form 10 information" requirement. Accordingly, Rule 144 is no longer available to permit our shareholders to resell their Company securities. No assurance can be provided as to the date that the Company's securities will again become eligible for resale under Rule 144.

The unavailability of the Rule 144 resale exemption for our securities may adversely affect our ability to raise additional financing on a private placement basis, and may adversely affect the ability of our private placees and affiliates to resell their securities into the public market, all of which could have a material adverse effect on us and our shareholders.

Our funding of Access is dilutive to our shareholders.

The Company is committed, under the Unanimous Shareholders' Agreement among Access, the Company and the minority shareholder, to contribute sufficient capital to Access to meet Access's planned financial commitments until such time as Access has sufficient internal capital resources to fund its commitments without such contributions. These contributions are treated as a contribution of capital, with no increase in our current 75% equity participation in Access. Therefore, all contributions that we make to Access are dilutive to our shareholders as to 25% of such contributions. The minority shareholder is not obligated to provide any funding to Access in order to maintain his 25% interest in Access.

In addition, we may have insufficient capital resources to satisfy this obligation. If we are unable to satisfy our contractual obligation to fund Access, we may be liable for breach of contract.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information.

(a) **Form 8-K Information**

None.

(b) **Director Nomination Procedures**

The Company does not have any established procedures by which security holders may recommend nominees to the Company's Board of Directors.

Item 6. Exhibits.

Exhibit No.	Description
31.1	Sec. 302 Certification of Principal Executive Officer
31.2	Sec. 302 Certification of Principal Financial Officer
32.1	Sec. 906 Certification of Principal Executive Officer
32.2	Sec. 906 Certification of Principal Financial Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 6, 2009

BLACKSANDS PETROLEUM, INC.

By: /s/ Paul A. Parisotto

Name: Paul A. Parisotto

Title: Chief Executive Officer

(Principal Executive Officer)

BLACKSANDS PETROLEUM, INC.

By: /s/ Rick Wilson

Name: Rick Wilson

Title: Chief Financial Officer

(Principal Financial Officer)