
PETROLYMPIC LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2012
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Petrolympic Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Petrolympic Ltd.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

	As at March 31, 2012	As at December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 747,452	\$ 906,131
Tax credit receivable	98,171	98,171
Amounts receivable and other assets (note 4)	99,615	156,629
	945,238	1,160,931
Non-current assets		
Equipment (note 5)	672	727
	\$ 945,910	\$ 1,161,658
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 183,591	\$ 179,049
Deferred premium on flow-through shares	-	81,050
	183,591	260,099
Equity		
Share capital (note 7)	6,595,297	6,595,297
Reserves	3,862,353	3,862,185
Deficit	(9,695,331)	(9,555,923)
Total equity	762,319	901,559
Total equity and liabilities	\$ 945,910	\$ 1,161,658

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Subsequent events (note 14)

On behalf of the Board:

(Signed) Mendel Ekstein
Director

(Signed) Frank Ricciuti
Director

Petrolympic Ltd.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)**

	Three Months Ended March 31,	
	2012	2011
Operating expenses		
Exploration and evaluation expenditures (note 11)	\$ 101,190	\$ 89,846
General and administrative (note 12)	119,418	200,216
Operating loss before the following items:	(220,608)	(290,062)
Premium on flow-through shares	81,050	-
Interest income	205	2,705
Depreciation	(55)	(381)
Net loss for the period	\$ (139,408)	\$ (287,738)
Other comprehensive income		
Exchange differences on translating foreign operations	\$ 168	\$ -
Net loss and comprehensive loss for the period	\$ (139,240)	\$ (287,738)
Basic and Diluted net loss per share (note 9)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	83,077,195	81,456,195

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Petrolympic Ltd.**Condensed Interim Consolidated Statements of Cash Flows**
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended	
	March 31,	
	2012	2011
Operating activities		
Net loss	\$ (139,408)	\$ (287,738)
Adjustment for:		
Depreciation	55	381
Share based payment	-	3,251
Change in unrealized foreign exchange	168	-
Premium on flow through shares	(81,050)	-
Non-cash working capital items:		
Tax credit receivable	-	(48,378)
Amounts receivable and other assets	57,014	1,198
Accounts payable and accrued liabilities	4,542	58,448
Net cash used in operating activities	(158,679)	(272,838)
Net change in cash and cash equivalents	(158,679)	(272,838)
Cash and cash equivalents, beginning of period	906,131	2,587,826
Cash and cash equivalents, end of period	\$ 747,452	\$ 2,314,988

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Petrolympic Ltd.**Condensed Interim Consolidated Statement of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

		Reserves					
	Share capital	Equity settled share-based payment reserve	Warrant reserve	Other comprehensive loss	Deficit	Total	
Balance, December 31, 2010	\$ 6,420,777	\$ 2,815,726	\$ 1,022,082	\$ -	\$ (7,340,099)	\$ 2,918,486	
Share based payment	-	3,251	-	-	-	3,251	
Net loss for the period	-	-	-	-	(287,738)	(287,738)	
Balance, March 31, 2011	\$ 6,420,777	\$ 2,818,977	\$ 1,022,082	\$ -	\$ (7,627,837)	\$ 2,633,999	
Balance, December 31, 2011	\$ 6,595,297	\$ 2,819,581	\$ 1,022,082	\$ 20,522	\$ (9,555,923)	\$ 901,559	
Foreign currency translation adjustment	-	-	-	168	-	168	
Net loss for the period	-	-	-	-	(139,408)	(139,408)	
Balance, March 31, 2012	\$ 6,595,297	\$ 2,819,581	\$ 1,022,082	\$ 20,690	\$ (9,695,331)	\$ 762,319	

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Petrolympic Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Petrolympic Ltd. (the "Company" or "Petrolympic") was incorporated under the *Business Corporations Act* (Ontario). Petrolympic is an exploration company, engaged in the acquisition, exploration and development of petroleum and natural gas properties. At the date of these condensed interim consolidated financial statements, the Company has not yet discovered any deposits, nor has it earned any income. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ. The primary office is located at 360 Bay Street, Suite 500, Toronto, Ontario, Canada, M5H, 2V6. The Company's year end is December 31st.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

Petrolympic is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company had a working capital balance of \$761,647 at March 31, 2012 (December 31, 2011 - \$900,832). For the three months ended March 31, 2012, the Company had a net loss and comprehensive loss of \$139,240 (comparative period - \$287,738) and cash outflows of \$158,679 (comparative period - \$272,838). At March 31, 2012, the Company had sufficient funds to finance its current exploration plans and expects to be a going concern for the following twelve months. Further financing may be required for operations beyond the next 12 months. While there is no assurance additional funds can be raised, the Company believes financing will be available as required. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

These unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 29, 2012, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2012 could result in restatement of these condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual consolidated statements as at and for the year ended December 31, 2011.

Petrolympic Ltd.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended March 31, 2012****(Expressed in Canadian Dollars)****(Unaudited)**

3. Cash and cash equivalents

	As at March 31, 2012	As at December 31, 2011
Cash	\$ 737,452	\$ 896,131
Cash equivalents	10,000	10,000
Total	\$ 747,452	\$ 906,131

4. Amounts receivable and other assets

	As at March 31, 2012	As at December 31, 2011
Sales tax receivable - (Canada)	\$ 65,376	\$ 122,608
Prepaid expenses	34,239	34,021
	\$ 99,615	\$ 156,629

5. Equipment***COST***

	Computers
Balance, December 31, 2011 and March 31, 2012	\$ 5,083

ACCUMULATED DEPRECIATION

	Computers
Balance, December 31, 2011	\$ 4,356
Depreciation for the period	55
Balance, March 31, 2012	\$ 4,411

CARRYING AMOUNTS

	Computers
At December 31, 2011	\$ 727
At March 31, 2012	\$ 672

Petrolympic Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

6. Accounts payable and accrued liabilities

	As at March 31, 2012	As at December 31, 2011
Trade payables	\$ 132,096	\$ 118,003
Accrued liabilities	51,495	61,046
	\$ 183,591	\$ 179,049

7. Share capital

a) Authorized share capital

At March 31, 2012, the authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At March 31, 2012, the issued share capital amounted to \$6,595,297.

Issued:

	Number of common shares	Amount
Balance, December 31, 2010 and March 31, 2011	81,456,195	\$ 6,420,777

	Number of common shares	Amount
Balance, December 31, 2011 and March 31, 2012	83,077,195	\$ 6,595,297

8. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2010 and March 31, 2011	8,133,336	0.35

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Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

8. Stock options (continued)

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2011	8,133,336	0.35
Expired	(1,533,334)	0.19
Balance, March 31, 2012	6,600,002	0.38

The following table reflects the actual stock options issued and outstanding as of March 31, 2012:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
February 19, 2013	0.18	0.89	3,333,335	3,333,335
June 16, 2013	0.90	1.21	666,667	666,667
June 23, 2013	0.90	1.23	800,000	800,000
September 12, 2013	0.40	1.45	800,000	800,000
June 17, 2014	0.295	2.21	750,000	750,000
April 23, 2015	0.28	3.06	150,000	150,000
November 22, 2015	0.20	3.65	100,000	100,000
		1.27	6,600,002	6,600,002

Subsequent events (note 14(a))

9. Net loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2012 was based on the loss attributable to common shareholders of \$139,408 (comparative period - \$287,738) and the weighted average number of common shares outstanding of 83,077,195 (comparative period - 81,456,195). Diluted loss per share did not include the effect of 6,600,002 (comparative period - 8,133,336) options outstanding as they are anti-dilutive.

10. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Grant date fair value (\$)
Balance, December 31, 2010 and March 31, 2011	2,500,000	1,022,082
Expired	(2,500,000)	(1,022,082)
Balance, December 31, 2011 and March 31, 2012	-	-

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Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

11. Exploration and evaluation expenditures

	Three Months Ended March 31,	
	2012	2011
Texas, USA (b)		
Consulting	\$ 21,152	\$ -
Net costs	\$ 21,152	\$ -
Québec, Canada (a)		
Gross exploration activities		
General exploration costs	\$ 72,617	\$ 49,519
Geology	-	54,255
Geophysical	2,500	27,375
Permits & licenses	4,921	-
Data compilation	-	7,075
	\$ 80,038	\$ 138,224
Tax credit receivable at 35%	-	(48,378)
Net costs	\$ 80,038	\$ 89,846
Total Exploration Costs	\$ 101,190	\$ 89,846

(a) During the three months ended March 31, 2012, the Company's share of exploration and evaluation expenditures on its Québec, Canada property interests net of related tax credits receivable amounted to \$80,038 (comparative period - \$89,846). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to March 31, 2012 amounted to \$3,978,691 (December 31, 2011 - \$3,898,653).

On December 22, 2011, the Company completed a private placement of 1,621,000 flow-through common shares. In connection with this placement, the Company is obligated to incur \$275,570 (approximately \$195,500 remains to be spent) in exploration expenses by December 31, 2012.

(b) During the three months ended March 31, 2012, the Company's share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to \$21,152 (comparative period - \$nil). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to March 31, 2012 amounted to \$1,237,707 (December 31, 2011 - \$1,216,555).

Petrolympic USA has received notice that the lease for its Chittim Ranch property has been breached by the operator (not by Petrolympic USA). The Company is considering its options with respect to this matter.

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Notes to Condensed Interim Consolidated Financial Statements
Three Months Ended March 31, 2012
(Expressed in Canadian Dollars)
(Unaudited)

12. General and administrative

	Three Months Ended March 31,	
	2012	2011
Management fees	\$ 19,083	\$ 54,500
Administrative and general	13,763	45,069
Professional fees	64,359	52,419
Investor relations and promotion	7,689	19,659
Reporting issuer costs	1,090	9,132
Salaries and benefits	13,434	19,437
	<u>\$ 119,418</u>	<u>\$ 200,216</u>

13. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(a) Petrolympic entered into the following transactions with related parties:

	Notes	Three Months Ended March 31,	
		2012	2011
Marrelli Support Services ("Marrelli Support")	(i)	\$ 11,894	\$ 22,132
DSA Corporate Services Inc. ("DSA")	(ii)	3,250	3,290
Fogler Rubinoff LLP ("Fogler")	(iii)	7,058	18,267

(i) For the three months ended March 31, 2012, the Company expensed \$11,894, (comparable period - \$22,132) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Carmelo Marrelli is the president of Marrelli Support. As at March 31, 2012, Marrelli Support was owed \$2,624 (December 31, 2011 - \$2,968) and this amount was included in accounts payable and accrued liabilities.

(ii) The Chief Financial Officer of Petrolympic is an officer of DSA. Fees related to corporate secretarial and filing services provided by DSA. As at March 31, 2012, DSA was owed \$2,701 (December 31, 2011 - \$1,635) and this amount was included in accounts payable and accrued liabilities.

(iii) The Corporate Secretary of Petrolympic is a partner at Fogler. Fees related to professional fees provided by Fogler. As at March 31, 2012, Fogler was owed \$nil (December 31, 2011 - \$13,256).

(b) Remuneration of Directors and key management personnel of the Company was as follows:

	Three Months Ended March 31,	
	2012	2011
Salaries and benefits	\$ 28,017	\$ 66,186

Payments to Directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to Directors and key management personnel of the Company.

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Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2012

(Expressed in Canadian Dollars)

(Unaudited)

14. Subsequent events

(a) On April 24, 2012, the Company granted a total of 1,200,000 options to directors, officers, and a consultant at an exercise price of \$0.12 per share, expiring on April 24, 2017.

(b) Michigan Pinnacle Reef Properties

On May 24, 2012, Petrolympic announced that it has entered into a letter of intent to form a joint venture with Energex Petroleum Inc. ("Energex") through which Petrolympic will acquire 50% indirect working interest in Energex's Michigan Properties ("Michigan Properties").

Deal Terms

To earn 50% of the working interest in the Michigan Properties, Petrolympic will make the following payments:

- \$50,000 on or before June 18, 2012;
- On or prior to September 28, 2012 ("Closing Date"), an aggregate of \$350,000, of which \$100,000 is payable to Energex and the balance will be used to fund the environmental bonding obligations, closing costs and general working capital purposes, and issue to Energex 1 million common shares in the capital of Petrolympic ("Petrolympic Shares");
- \$300,000 to fund the joint development program ("Joint Development Program") and issue to Energex 500,000 Petrolympic Shares within 60 days of the Closing Date;
- \$300,000 to fund the Joint Development Program and issue to Energex 500,000 Petrolympic Shares within 120 days of the Closing Date;
- \$250,000 to fund the Joint Development Program and issue to Energex 500,000 Petrolympic Shares within 240 days of the Closing Date; and
- \$250,000 to fund the Joint Development Program and issue to Energex 500,000 Petrolympic Shares within 365 days of the Closing Date.

All issuances of Petrolympic Shares are subject to obtaining regulatory approval. Subsequently, Petrolympic and Energex each will be responsible for their pro-rata share of the development costs, based on the working interest held by each party (expected to be maintained at 50-50).

Petrolympic will also have a right of first refusal for a period of one year to earn working interest in the additional properties owned by Energex in Ontario.

Foundation Opportunities Inc. ("FOI"), a merchant bank, has acted as an advisor to Energex in the transaction. Adam Szweras is Corporate Secretary of Petrolympic and is a director and Chairman of FOI, and has an indirect economic interest in FOI.