PETROLYMPIC LTD.

Interim Consolidated Financial Statements

Three Months Ended March 31, 2010

(Expressed in Canadian Dollars)

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Petrolympic Ltd. were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the December 31, 2009 audited consolidated financial statements. Only changes in accounting policies have been disclosed in these unaudited interim consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

PETROLYMPIC LTD.
Interim Consolidated Balance Sheets
(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	**$ 3,324,034**	$ 3,716,293
Tax credit receivable	**356,055**	356,055
Prepaids and other assets	**162,824**	190,253
	3,842,913	4,262,601
Equipment (Note 5)	**1,882**	2,140
Unproven petroleum and natural gas properties (Note 6)	**3,328,193**	3,267,937
	$ 7,172,988	$ 7,532,678
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 114,383**	$ 345,085
Shareholders' equity	**7,058,605**	7,187,593
	$ 7,172,988	$ 7,532,678

Commitments (Note 11)
Related party transactions (Note 12)
Subsequent events (Note 15)

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

PETROLYMPIC LTD.

Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)
(Unaudited)

Three months ended March 31,	2010	2009
Expenses		
Professional fees	**$ 37,370**	$ 15,291
Management fees	**63,250**	49,000
Interest and bank charges	**751**	398
Investor relations and promotion	**15,050**	14,588
Reporting issuer costs	**8,818**	9,475
Travel expenses	**-**	2,616
Office and general	**4,273**	13,800
Interest and other income	**(524)**	(35,402)
Net loss and comprehensive loss for the period	**$ (128,988)**	$ (69,766)
Loss per share - basic and diluted	**$ (0.00)**	$ (0.00)
Weighted average number of shares outstanding - basic and diluted	**81,456,195**	81,355,079

Interim Consolidated Statements of Deficit

(Expressed in Canadian Dollars)
(Unaudited)

Three months ended March 31,	2010	2009
Deficit, beginning of period	**$ (3,032,527)**	$ (2,153,741)
Net loss for the period	**(128,988)**	(69,766)
Deficit, end of period	**$ (3,161,515)**	$ (2,223,507)

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

PETROLYMPIC LTD.
Interim Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Capital stock (#)	Capital stock ($)	Warrants (#)	Warrants ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' equity ($)
Balance, January 1, 2009	81,355,079	6,389,766	7,408,027	1,330,041	2,063,441	(2,153,741)	7,629,507
Net loss for the period	-	-	-	-	-	(69,766)	(69,766)
Balance, March 31, 2009	**81,355,079**	**6,389,766**	**7,408,027**	**1,330,041**	**2,063,441**	**(2,223,507)**	**7,559,741**
Balance, January 1, 2010	**81,456,195**	**6,420,777**	**2,500,000**	**1,022,082**	**2,777,261**	**(3,032,527)**	**7,187,593**
Net loss for the period	-	-	-	-	-	(128,988)	(128,988)
Balance, March 31, 2010	**81,456,195**	**6,420,777**	**2,500,000**	**1,022,082**	**2,777,261**	**(3,161,515)**	**7,058,605**

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

PETROLYMPIC LTD.
Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Three months ended March 31,	2010	2009
Cash flows (used in) provided by:		
Operating Activities		
Net loss for the period	**$ (128,988)**	$ (69,766)
Items not affecting cash:		
Amortization of property and equipment	**258**	197
Unrealized foreign exchange gain on loan payable	**-**	18,341
Net change in non-cash working capital:		
Tax credit receivable	**-**	(14,942)
Prepaids and other assets	**27,429**	8,266
Accounts payable and accrued liabilities	**(230,702)**	(180,100)
	(332,003)	(238,004)
Financing Activities		
Repayment of loan payable and promissory notes	**-**	(14,949)
Investing Activities		
Deferred exploration costs	**(60,256)**	(62,549)
Net change in cash and cash equivalents	**(392,259)**	(315,502)
Cash and cash equivalents, beginning of period	**3,716,293**	4,459,825
Cash and cash equivalents, end of period	**$ 3,324,034**	$ 4,144,323
Cash and cash equivalents consist of:		
Cash	**$ 2,303,341**	$ 1,099,622
Cash equivalents	**1,020,693**	3,044,701
	$ 3,324,034	$ 4,144,323
Supplemental disclosures		
Interest paid	**$ -**	$ -
Interest received	**$ -**	$ -

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

1. Incorporation and Nature of Operations

Petrolympic Ltd. (the "Company" or "Petrolympic") is incorporated under the Business Corporations Act (Ontario). The Company is an exploration stage company and it has not yet determined whether the properties contain reserves that are economically recoverable. The business of exploring for petroleum and natural gas involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable petroleum and natural gas operations.

The underlying value of the interests in petroleum and natural gas properties is dependent upon the existence of such economically recoverable reserves, the Company's ability to obtain the necessary financing to develop the reserves and the future profitable production.

2. Basis of Presentation and Significant Accounting Policies

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2010 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2010.

The consolidated balance sheet at December 31, 2009 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual financial statements. The unaudited interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2009. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended December 31, 2009.

Future Accounting Changes

International Financial Reporting Standards (" IFRS")
In January 2006, the CICA’s Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to have prepared, in time for its first quarter of fiscal 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2011. The Company is currently in the process of evaluating the potential impact of IFRS to its financial statements. This will be an ongoing process as the International Accounting Standards Board and the AcSB issue new standards and recommendations. It is anticipated that the Company's financial results and financial position as disclosed in the Company’s current Canadian GAAP financial statements will not be significantly different when presented in accordance with IFRS.

2. Basis of Presentation and Accounting Policies (Continued)

Future Accounting Changes (Continued)

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011 with early adoption permitted. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on adoption. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on adoption. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on adoption.

3. Capital Management

When managing capital, the Company’s objective is to ensure the entity continues as a going concern. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of petroleum and natural gas interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. As at March 31, 2010 total shareholder's equity (managed capital) was $7,058,605 (December 31, 2009 - $7,187,593).

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) minimizing discretionary disbursements; and
(ii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2010. The Company is not subject to externally imposed capital requirements.

4. Property and Financial Risk Factors

(a) Property Risk

Unless the Company acquires or develops additional significant properties, it will be solely dependent upon its existing projects. If the Company acquires no additional petroleum and natural gas properties, any adverse development affecting its existing projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial Risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign exchange rate, and commodity and equity price risk).

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and tax credit receivable. Cash and cash equivalents are held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal.

Financial instruments included in tax credit receivable consist of tax receivable from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in tax credit receivable is minimal.

Tax credit receivable is in good standing as of March 31, 2010.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or of matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2010, the Company had a cash and cash equivalents balance of $3,324,034 (December 31, 2009 - $3,716,293) to settle current liabilities of $114,383 (December 31, 2009 - $345,085). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

4. Property and Financial Risk Factors (Continued)

(b) Financial Risk (Continued)

Market Risk

Interest Rate Risk

The Company has significant cash balances. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors its cash management policy.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars and U.S. dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices as it relates to petroleum and natural gas to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

As of March 31, 2010, both the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a three month period:

(i) Cash and cash equivalents is subject to floating interest rates. As at March 31, 2010, if interest rates had varied by 1% with all other variables held constant, income for the three months ended March 31, 2010, would have varied by approximately $2,500. Similarly, as at March 31, 2010, shareholders' equity would have varied by $2,500 as a result of the variance in interest income from cash and cash equivalents due to a 1% variance in interest rates.

(ii) The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents. Sensitivity to a plus or minus 10% change in foreign exchange rates would affect net income by approximately $200.

(iii) Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of developments depend upon the world market price of petroleum and natural gas. Petroleum and natural gas prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of petroleum and natural gas are produced in the future, a profitable market will exist for them. A decline in the market price of petroleum and natural gas may also require the Company to reduce its resources, which could have a material and adverse effect on the Company’s value. As of March 31, 2010, the Company is not a petroleum and natural gas producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(Expressed in Canadian Dollars)

4. Property and Financial Risk Factors (Continued)

(b) Financial Risk (Continued)

Fair hierarchy and liquidity risk

	Level One	Level Two	Level Three
Cash	$ 2,303,341	$ -	$ -
Cash equivalents	$ -	$ 1,020,693	$ -

5. Equipment

	March 31, 2010		
	Cost	**Accumulated Amortization**	**Net Carrying Amount**
Computer equipment	$ 3,445	$ 1,563	$ 1,882

	December 31, 2009		
	Cost	**Accumulated Amortization**	**Net Carrying Amount**
Computer equipment	$ 3,445	$ 1,305	$ 2,140

(Expressed in Canadian Dollars)

6. Unproven Petroleum and Natural Gas Properties

March 31, 2010

	Cost of Properties	Deferred Exploration Costs	Net Carrying Amount
Quebec	**$ 2,062,406**	**$ 1,265,787**	**$ 3,328,193**
Allocation of expenditures			
Geology	-	16,858	16,858
Consulting	-	8,840	8,840
Permits and licences	-	4,544	4,544
Geophysical	-	30,014	30,014
Net increase in exploration expenses for the period	-	60,256	60,256
Balance, December 31, 2009	2,062,406	1,205,531	3,267,937
Balance, March 31, 2010	**$ 2,062,406**	**$ 1,265,787**	**$ 3,328,193**

March 31, 2009

	Cost of Properties	Deferred Exploration Costs	Net Carrying Amount
Quebec	**$ 2,062,406**	**$ 1,944,654**	**$ 4,007,060**

(Expressed in Canadian Dollars)

6. Unproven Petroleum and Natural Gas Properties (Continued)

Allocation of expenditures

	Cost of Properties	Deferred Exploration Costs	Net Carrying Amount
Analysis	$ -	$ 12,250	$ 12,250
Drilling	-	18,030	18,030
Geology	-	16,099	16,099
General exploration costs	-	16,170	16,170
Net increase in exploration expenses for the period	-	62,549	62,549
Balance, December 31, 2008	2,062,406	1,882,105	3,944,511
Balance, March 31, 2009	**$ 2,062,406**	**$ 1,944,654**	**$ 4,007,060**

On a quarterly basis, management of the Company review exploration costs to ensure unproven petroleum and natural gas properties include only costs and projects that are eligible for capitalization. For a description of the petroleum and natural gas properties owned by the Company, refer to Note 6 of the audited consolidated financial statements as at December 31, 2009. Specific changes to unproven petroleum and natural gas properties that occurred from January 1, 2010 to March 31, 2010 are as follows:

On March 30, 2010, in accordance with the Farmout Agreement Canbriam chose the second permit, 2006PG864, which formed part of the Farmout Lands.

7. Capital Stock

The Company is authorized to issue an unlimited number of voting common shares without par value.

	Number of Shares	Amount
Balance, December 31, 2009 and March 31, 2010	**81,456,195**	**$ 6,420,777**

(Expressed in Canadian Dollars)

8. Warrants

The following table shows the continuity of warrants for the three months ended March 31, 2010:

	Number of Warrants	Allocated Value
Balance, December 31, 2009 and March 31, 2010	**2,500,000**	**$ 1,022,082**

The following are the warrants outstanding at March 31, 2010:

Number of Warrants	Fair Value	Exercise Price	Expiry Date
2,500,000	**$ 1,022,082**	**$ 1.40**	**June 26, 2011**

9. Stock Options

The following table shows the continuity of stock options for the three months ended March 31, 2010:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009 and March 31, 2010	**7,983,336**	**$ 0.35**

The following are the stock options outstanding at March 31, 2010:

Number of Options	Fair Value	Exercise Price	Weighted average Remaining Contractual Life (years)	Expiry Date
100,000	$ 14,400	$ 0.20	2.25	June 1, 2012
4,666,669	633,734	0.18	2.89	February 19, 2013
666,667	572,800	0.90	3.21	June 16, 2013
800,000	562,240	0.90	3.23	June 23, 2013
800,000	288,720	0.40	3.45	September 12, 2013
950,000	249,850	0.295	4.21	June 17, 2014
7,983,336	**$ 2,321,744**	**$ 0.35**	**3.16**	

10. Basic and Diluted Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of warrants and stock options, is the same as basic loss per share for the period ended. The conversion effect of warrants and stock options to calculate diluted weighted average number of common shares loss per share is not included when the impact is anti-dilutive.

11. Commitments

At March 31, 2010, Petrolympic holds an interest in a total 754,216 hectares (1,863,668 acres) of oil and gas exploration permits in the Appalachian Basin of Quebec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula. The Company's holdings in the St. Lawrence Lowlands are a 30% interest in 217,370 hectares (536,941 acres) through a joint venture with Squatex; a 12% interest in 8,000 hectares (19,768 acres) through a Farmout Agreement with Canbriam; as well as a 100% interest in 56,622 hectares (139,913 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometers southwest of Montreal. Petrolympic also maintains holdings in the Gaspé and Bas-St. Lawrence regions, including a 30% interest in 431,339 hectares (1,065,839 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,885 hectares (101,029 acres) located between Rimouski and Matane prospective for hydrothermal dolomite hosted light oil.

In order to maintain its petroleum and natural gas permits in good standing, the Company must pay an annual rent of $0.10 per hectare and incur minimum exploration expenditures equivalent to $0.50 per hectare in the first year, increasing by $0.50 per hectare every subsequent year to a maximum of $2.50. After the first five year period, the Company has the option to renew the permits each year for a maximum of another five years, with the obligation of incurring aggregate minimum annual exploration and rental expenditures of $3.00 per hectare.

Minimum annual rentals and exploration expenditures are reduced by past expenditures exceeding the minimum amounts due.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact. At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

12. Related Party Transactions

For the three months ended March 31, 2010, the Company paid $4,500 to a firm for the services of its beneficial owner to act as Chief Financial Officer of the Company (three months ended March 31, 2009 - $nil). The Chief Financial Officer is also the president of a firm providing accounting services to the Company. During the three months ended March 31, 2010, the Company expensed $6,948 (three months ended March 31, 2009 - $15,934) for services rendered by this firm. In addition, as at March 31, 2010, this firm was owed $8,732 (December 31, 2009 - $8,237) and this amount was included in accounts payable and accrued liabilities.

For the three months ended March 31, 2010 the Company paid $20,095 (three months ended March 31, 2009 - $nil) in professional fees to a law firm in which the corporate secretary of the Company is a partner. In addition, as at March 31, 2010, this firm was owed $16,243 (December 31, 2009 - $8,466) which is included in accounts payable and accrued liabilities.

These transactions are in the normal course of operations and are measured at the exchange value (the amount established and agreed to by the related parties).

13. Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's basis of presentation.

14. Litigation

On January 6, 2010, a statement of claim was filed but not served upon the Company which contains claims for $5,000,000 each for general and special damages, alternative damages, exemplary and punitive damages and damages for interference in contractual relations. The Company believes that the claim is completely without merit. The outcome of this matter is not known and accordingly, no amount has been accrued with respect to this claim.

15. Subsequent events

(i) On April 7, 2010, in accordance with the Farmout Agreement, Canbriam selected the 8,000-hectare parcel (of the 32,000 hectares) of contiguous Farmout Lands for which Canbriam has earned a 60% interest. The Existing JV holds the remaining 40% interest (Squatex - 28% and Petrolympic - 12%).

(ii) On April 23, 2010 the Company granted incentive stock options to an officer and a consultant of the Company for the purchase of a total of 150,000 common shares of the Company at the exercise price of $0.28 exercisable until April 23, 2015. The options are being granted pursuant to the terms of the Company's stock option plan.