PETROLYMPIC LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2013

Prepared by:

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Management's Discussion and Analysis dated May 27, 2013

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Petrolympic Ltd. ("Petrolympic" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2013. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2012 and December 31, 2011, together with the notes thereto, and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2013, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The unaudited 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. Information contained herein is presented as of May 27, 2013, unless otherwise indicated.

As a result of ongoing review and possible amendments by interpretive guidance from the IASB and the IFRIC, IFRS in effect at December 31, 2013, may differ from IFRS and interpretation statements applied in preparing the audited annual consolidated financial statements for the year ended December 31, 2012, and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2013 and 2012.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Petrolympic common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the board of directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Petrolympic's website at **www.petrolympic.com** or on SEDAR at **www.sedar.com**.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of Petrolympic's properties to contain petroleum and natural gas deposits; the Company's ability to meet its working capital needs at the current level for the twelve-month period ending March 31, 2014; the plans, costs, timing and capital for future exploration and development of Petrolympic's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for petroleum and natural gas deposits; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Petrolympic's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, petroleum and natural gas deposits, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to the Company's properties, the possibility that future exploration results will not be consistent with Petrolympic's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the petroleum and natural gas industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Petrolympic's exploration and development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Petrolympic's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Petrolympic is incorporated under the *Business Corporations Act (*Ontario*)*. The Company is an exploration stage company and it has not yet determined whether its 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 Company's 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 future profitable production.

The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "PCQ".

Petrolympic's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties that have the potential to contain petroleum and natural gas. The Company plans to do this by focusing on certain properties, as set out below under "Exploration Activities in Québec", and "Chittim Ranch Property Activities".

Overall Performance

During the reporting period the following events occurred:

(a) Exploration and evaluation expenditures continued at each of the Company's properties. In particular, production testing has begun at the Chittim Ranch Property;

(b) Petrolympic and its partner Squatex (defined herein) have developed a new geological coring program and have selected a number of potential sites regionally. The partners proceeded in October 2012 with the drilling of a first location (Masse No.1) in the northeast part of the Lower St. Lawrence acreage. The well reached a depth of 1,710 metres at the end of November 2012 before being stopped because of adverse winter weather. The coring went through West Point Formation-like reefs near 800 metres and a series of thrusted Sayabec reefal carbonate sequences containing porous dolomites. Both Silurian reef sequences presented gas and condensate shows while drilling. The well was suspended, allowing for further tests and the possibility of resuming drilling. The well was monitored regularly during the winter for security and environmental protection purposes;

(c) Proceeds from the flow-through shares issued in calendar 2012 have been used on the Company's permits in Québec (Canada) to complete compilation and interpretation studies of recently acquired data from Company target areas where conventional exploration is taking place and to drill the Masse No.1 core hole;

(d) During the three months ended March 31, 2013, Petrolympic entered into a financing arrangement (the "Loan") for the purposes of funding exploration on the Chittim Ranch property and increasing its working capital, whereby the Company borrowed $200,000 (the "Principal") from Mendel Ekstein, the Chief Executive Officer ("CEO") and the President of the Company ("Lender"), for a term of 12 months, which Principal will bear no interest (but will bear interest at a rate of 30% per annum in the case of a default). In connection with the Loan, Petrolympic has entered into a promissory note (the "Promissory Note") and other agreements and executed certain documents, including entering into a share pledge agreement (the "Share Pledge Agreement") with the Lender, providing for the pledge by the Company to the Lender of shares in the capital of Petrolympia Inc. and Petrolympic USA, Inc., upon the terms and conditions set out in the Share Pledge Agreement;

At March 31, 2013, the Company had assets of $416,327 (December 31, 2012 - $425,079) and equity of $15,600 (December 31, 2012 - $121,004). At March 31, 2013, the Company had current liabilities of $400,727 (December 31, 2012 - $289,075). The Company had gross exploration and evaluation expenditures of $54,540, during the three months March 31, 2013 (three months March 31, 2012 - $101,190) on its petroleum and gas interests.

The Company had cash and cash equivalents of $363,872 at March 31, 2013 (December 31, 2012 - $101,411). The increase in cash and cash equivalents during the three months ended March 31, 2013, was primarily due to funds received from the Loan from the CEO and the receipt of funds from the private placement completed on December 28, 2012. The cash injection from the Loan and private placement was offset by corporate overhead costs and exploration activities in Québec (Canada) and Texas (USA).

At March 31, 2013, the Company had working capital of $7,042 (December 31, 2012 - $127,576). If the Company excludes the Loan of $200,000 owed to the CEO, the Company's working capital would be adjusted to $207,042 (December 31, 2012 - $127,576) which is anticipated to be sufficient to carry on business activities for the twelve months ending March 31, 2014, subject to the Loan being in good standing. The Loan is due February 20, 2014.

Summary of Land Positions

A) Province of Québec

As at March 31, 2013, Petrolympic had an interest in a total 752,951 hectares (1,860,542 acres) of oil and gas exploration permits in the Appalachian Basin of Québec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula (See map below). The Company's holdings in the St. Lawrence Lowlands are a 30% interest in 216,933 hectares (536,041 acres) through a joint venture with Resources et Energie Squatex Inc. ("Squatex"); a 12% interest in 8,000 hectares (19,768 acres) through the Farmout and Joint Operating Agreement with Canbriam Energy Inc. ("Canbriam"); as well as a 100% interest in 56,152 hectares (138,752 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometres southwest of Montreal. These properties represent a major position in the Utica-Lorraine and Trenton-Black River plays. Petrolympic also maintains holdings in the Gaspé and Lower St. Lawrence regions, including a 30% interest in 431,178 hectares (1,065,441 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,688 hectares (100,540 acres) located between Rimouski and Matane prospective for hydrothermal dolomite hosted light oil. The following are permits in which Petrolympic holds an interest. Please also refer to the map that follows:

Gaspé Permits 100% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009PG573	01/09/2013	18,705
2009RS305	01/09/2013	21,983
Subtotal		**40,688**

St. Lawrence Lowlands Permits 100% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS302	01/09/2013	21,930
2009RS303	01/09/2013	14,127
2009RS304	01/09/2013	20,095
Subtotal		**56,152**

St. Lawrence Lowlands Permits 30% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS287	01/09/2013	20,871
2009RS288	01/09/2013	17,990
2009RS289	01/09/2013	20,909
2009RS290	01/09/2013	7,248
2009RS291	01/09/2013	22,447
2009RS292	01/09/2013	18,827
2009RS293	01/09/2013	14,580
2009RS294	01/09/2013	21,664
2009RS295	01/09/2013	19,316
2009RS296 (part)	01/09/2013	20,339 *
2009RS297	01/09/2013	16,342
2009RS298 (part)	01/09/2013	24,400 *
Subtotal		**224,933**

* 18% interest in over 8,000 hectares was transferred from Petrolympic to Canbriam from these two permits between surface and the top of the Trenton Formation only.

Gaspé Permits 30% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009PG554	01/09/2013	15,150
2009PG556	01/09/2013	23,666
Subtotal		**38,816**

Lower St. Lawrence 30% Ownership:

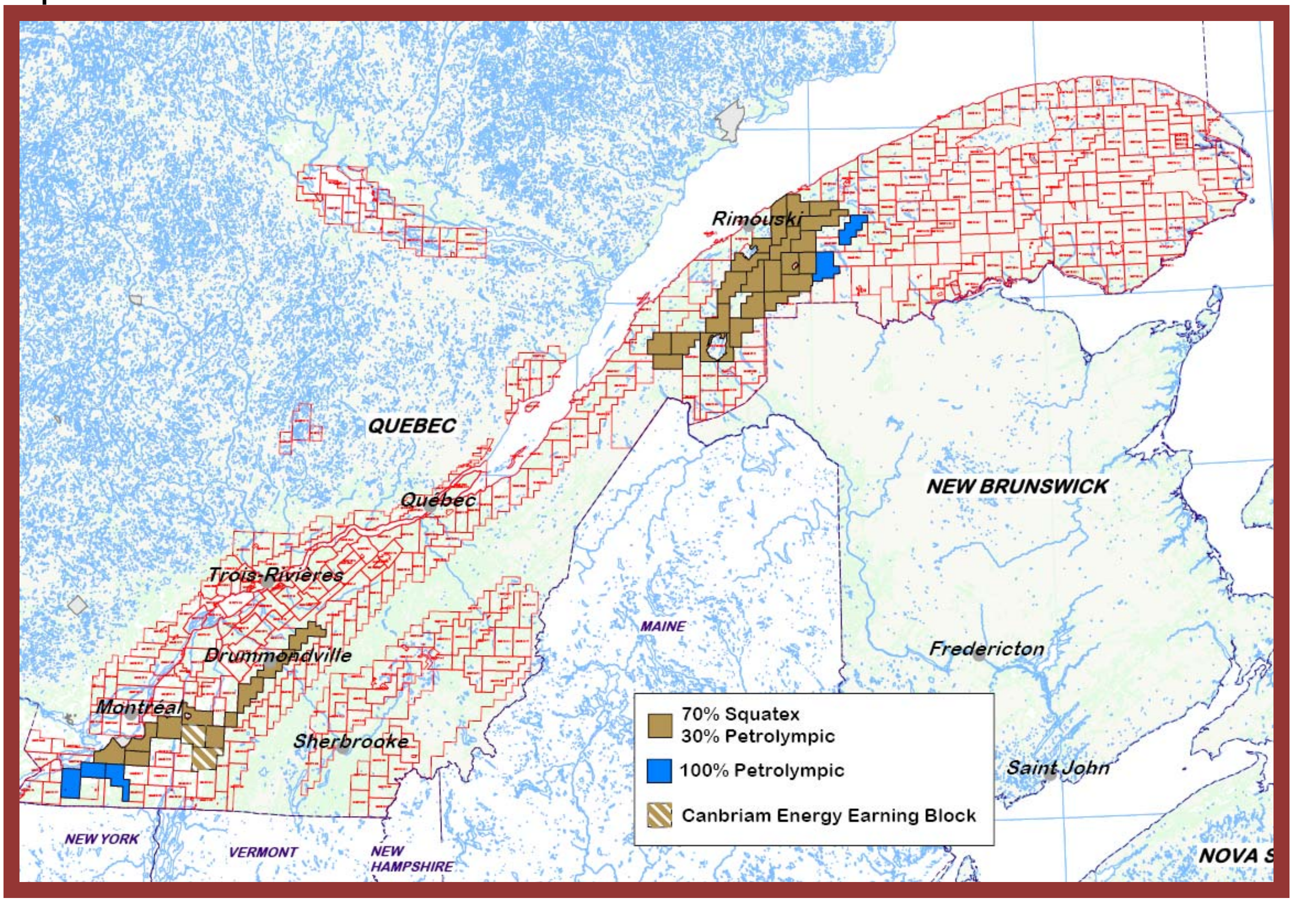
Permit Number	Renewal Date	Area (Hectares)
2009RS299	01/09/2013	18,975
2009RS300	01/09/2013	20,704
2009RS301	01/09/2013	17,136
2009PG552	01/09/2013	10,267
2009PG553	01/09/2013	23,068
2009PG555	01/09/2013	16,438
2009PG557	01/09/2013	9,894
2009PG558	01/09/2013	19,420
2009PG559	01/09/2013	18,737
2009PG560	01/09/2013	19,817
2009PG561	01/09/2013	24,435
2009PG562	01/09/2013	19,847
2009PG563	01/09/2013	22,573
2009PG564	01/09/2013	14,377
2009PG565	01/09/2013	15,370
2009PG566	01/09/2013	21,454
2009PG567	01/09/2013	20,642
2009PG568	01/09/2013	20,668
2009PG569	01/09/2013	17,244
2009PG570	01/09/2013	19,579
2009PG571	01/09/2013	20,951
2009PG572	01/09/2013	16,477
Subtotal		**408,073**

St. Lawrence Lowlands Permits 12% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS296 (part)	01/09/2013	20,339
2009RS298 (part)	01/09/2013	24,400
Subtotal		**44,739**

Canbriam has earned an interest between the surface and the top of the Trenton Formation of over 8,000 hectares to date and could increase its earning to up to 32,000 of the 44,739 hectares.

Map



B) Chittim Ranch, Texas, USA

On May 11, 2011, Petrolympic USA Inc., a wholly-owned subsidiary of Petrolympic, announced that it has acquired a new property, the Chittim Ranch property in the Maverick Basin, Texas, as the Company shifts its near term operational focus from gas to liquids.

During 2011, Petrolympic entered into an exploration agreement with Texas HBP LLC ("HBP") and Shell Western E&P Inc. ("Shell") (the "Exploration Agreement") to acquire an interest in the Chittim Ranch property. HBP had an exploration agreement with the original lease owner of the property, which was subsequently acquired by Shell. Under the terms of the agreement between HBP and Shell, HBP was required to pay 100% of the costs incurred in the drilling and completion of earning wells. Once each well has been drilled to its objective depth, completed and tested, HBP was to own an 87.5% working interest in the property, with Shell retaining the remaining 12.5% interest. Thereafter, each party was to be responsible for its proportionate share of operating costs.

On April 10, 2012, Petrolympic USA Inc. received notice that the lease for its Chittim Ranch property had been breached by HBP as operator. On July 3, 2012, the Company announced that it has resolved its dispute with HBP, Big Shell Oil & Gas Inc. and Harvey E. White (the "Big Shell Entities"), pertaining to the Chittim Ranch 80 #2V Well (the "Well") located in the Chittim Ranch Properties.

Settlement Terms

- The Big Shell Entities have consented to the direct assignment to Petrolympic USA Inc. of an 80.25% working interest (net revenue interest of 60.1875%) in the Well and the surrounding 320–acre (130-hectare) leasehold estate (the "Petrolympic Property"), an increase from the originally agreed upon 50% working interest (net revenue interest of 37.5%).
- Petrolympic USA Inc. is seeking consent from the landowners to a formal assignment of the Petrolympic Property and formally changed the operatorship with the Railroad Commission of Texas.
- Big Shell Entities relinquished operations over the Petrolympic Property to Oil-Lympia Oil and Gas Inc., a subsidiary company of Petrolympic.
- Petrolympic USA Inc. satisfied all outstanding invoices to third-party vendors and service providers in relation to prior operations on the Well.
- Petrolympic USA Inc. has relinquished any rights under the participation agreement in the balance of the 8,000 acres (3,237 hectares).

Operations

On February 13, 2013, Petrolympic announced the results of the production test of the Well located in Maverick County, Texas, USA, in which the Company owns 80.25% working interest with net revenue interest of 60.1875%. Oil-Lympia Oil & Gas Inc., an indirect subsidiary of the Company, is the operator for the Well.

During the last week of January 2013, Mesa Southern Well Servicing, LP tested the Well and confirmed the production rates at 24-32 bbls per day. Production testing is being performed at the Well at the date of this MD&A. If successful, the Company may have recurring cash inflows from the Well from its net revenue interest. However, the Company cannot quantify what the cash inflows could be.

Petrolympic plans to produce the oil from this reservoir for its maximum economic value and subsequently move up the pipe and test other zones encountered during the drilling.

Exploration Activities in Québec

The government of Québec has made several changes in June 2011 to the legislative and regulatory framework for oil and gas production. The adoption of Bill 18, an Act to limit oil and gas activities, introduced three changes aimed at:

- banning oil and gas activity on islands in the river and estuary portion of the St. Lawrence;
- exempting holders of exploration licences from performing the work required under the Mining Act for up to three years from the introduction of the legislation; and
- extending the validity of all exploration licences in Québec for the same period as the moratorium.

In addition, the Ministère du Développement Durable, de l'Environnement et des Parcs (the "MDDEP") amended the regulation respecting the application of the Environment Quality Act. As a result, an environmental authorization certificate is required for all shale drilling and fracking operations. The amendment also requires companies to hold a public consultation before applying for a certificate for this type of work. Lastly, concerning strategic environmental assessments, the MDDEP has adopted a regulation aimed at providing information on shale drilling and fracking operations.

The newly elected government announced in the fall further changes to come to the Mining Act ruling the exploration and exploitation of hydrocarbons and also declared a moratorium on shale gas exploration while new studies are taking place by the Bureau d'audiences publiques sur l'environnement (BAPE).

Some of Petrolympic's exploration activities will face some delay due to these government decisions.

Petrolympic and Squatex can renew annually all their exploration permits until September 2019. Bill 18 is now allowing a further extension of the ownership of the permits for up to three more years while the government of Québec completes a strategic environmental assessment on shale gas development.

Specifically, the following permits are not directly affected by Bill 18, since shale gas is not the target of exploration:

- Gaspé Permits (100% Ownership by Petrolympic);
- St. Lawrence Lowlands Permits (100% Ownership by Petrolympic);
- Gaspé Permits (30% Ownership by Petrolympic); and
- Lower St. Lawrence (30% Ownership by Petrolympic).

The following permits located above the Utica Shale Fairway are directly affected by Bill 18:

- St. Lawrence Lowlands Permits (12% Ownership by Petrolympic); and
- St. Lawrence Lowlands Permits (30% Ownership by Petrolympic).

Petrolympic 100% Owned Permits

Gaspésie Peninsula

No additional work was performed on these permits during the three months ended March 31, 2013. The Company has enough exploration credits from its past exploration activities to cover the minimum work obligation to keep the Gaspé permits in good standing until August 31, 2013, and with Bill 18, the permits are in good standing for a further period of up to three additional years as long as annual rents are paid by Petrolympic.

St. Lawrence Lowlands

No additional work was performed on these permits during the three months ended March 31, 2013. The Company has enough exploration credits from its past exploration activities to cover the minimum work obligation to keep the St. Lawrence Lowlands permits in good standing until August 31, 2013, and with Bill 18, the permits are in good standing for a further period of up to three additional years as long as annual rents are paid by Petrolympic.

Squatex-Petrolympic Joint Venture Lands

Lower St. Lawrence - Gaspé Joint Permits

The Company is currently evaluating and exploring this property together with Squatex to target hydrothermal dolomite and reefs hosting conventional and unconventional light oil, where oil showings have been previously observed in geological outcrops and coring programs.

Geological sampling was undertaken during the summers of 2009 and 2010 to measure the total carbon content and the maturity of the rocks in order to correct government geological maps. In 2010, a series of core holes totaling 1,107 metres was drilled to complement the field geological sampling. In the spring of 2011 two additional deep core holes totaling 1,047 metres were completed to help link previous seismic results with the geology at depth. During Q2 2012, a revised interpretation of the structural impacts of faults was completed using a new hypothesis based on recent coring and sampling results. These new results have enabled the development of further leads and prospects, and in September 2012, Petrolympic and its partner, Squatex, decided to drill the Masse No.1 coring well in the Municipality of Ste-Jeanne d'Arc, near the Mitis River, to study the local stratigraphic sequence and to test possibilities of the presence of conventional light oil in fractured Silurian rocks.

Because of the important depth to be reached, the well was equipped with a blow-out preventer installed on a 150 metre cemented casing (10% of the expected total depth). The coring was stopped in November 2012 at a depth of 1,710 metres because of adverse winter weather. The well was suspended, allowing for further tests and the possibility of resuming drilling in 2013. The well was supervised by a team of five geologists and engineers and drilled through highly perturbated beds of the St. Leon Formation before reaching near 800 metres reefal carbonates sequences similar to the West Point Formation, followed by a series of thrusted beds from the base of Silurian, including a 15 metre thick porous dolomite from the Sayabec reef. Both reef sequences presented gas and condensate shows during drilling and were sampled. Cores will be studied in detail and further tests and analysis will be conducted in 2013. Results of this work will determine whether the well should be deepened.

St. Lawrence Lowlands Joint Permits

The last exploration work performed in the St. Lawrence Lowlands by Petrolympic, Squatex and Canbriam was the drilling of the Farnham No. 1 well and the recording and interpretation of a 40-kilometre 2D seismic survey in 2010 to further refine target areas and locate the best sites to be drilled. The resulting data and profiles have been integrated into a database with all other data acquired to plan future work over the area while waiting for the strategic environmental study to be completed by the Québec government.

Exploration and evaluation expenditures

Québec	Three Months Ended, March 31, 2013 $	Three Months Ended, March 31, 2012 $
General exploration costs	32,041	72,617
Geophysical	500	2,500
Permits and licences	4,921	4,921
Net costs incurred	**37,462**	**80,038**

Petrolympic remains confident that shale gas will be developed safely in the Québec Lowlands in the near future. The Company has also been exploring its properties in the Lower St. Lawrence/ Gaspé Region of

Québec together with Squatex to target hydrothermal dolomite, reefs and naturally fractured rocks hosting conventional light oil.

For the three months ended March 31, 2013, the Company spent $37,462 (comparative period - $80,038) on its permit interests for interpretation studies of acquired data and the drilling of the Masse No.1 deep coring. The Company anticipates spending about $230,000 (net of Squatex's share) for fiscal 2013 on further exploration work over Company target areas where conventional exploration is taking place. Specifically, the Company will focus on areas not directly affected by Bill 18. This work will satisfy the Company's 2013 flow-through commitment. Due to sufficient aggregate historical expenditures, the Company is allowed but not required to incur further costs on its permits in fiscal 2013. Bill 18, voted in June 2011 by the government of Québec, is extending the life of the Company's permits and exempting work obligations for up to an additional three years. 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.

Technical Disclosure

The above technical disclosure under the heading "Exploration Activities in Québec" has been prepared under the supervision of Paul Laroche, P. Eng., P. Geo., and a "qualified person" within the meaning of National Instrument 51-101.

Chittim Ranch Property Activities

The Company anticipates spending $500,000 on well activities at the Chittim Ranch property, subject to positive results and the completion of an equity financing. The Company has obtained a Loan in the amount of $200,000 from its CEO which will fund a portion of the 2013 Chittim Ranch activities in the amount of $75,000.

Chittim Ranch Property	Three Months Ended, March 31, 2013 $	Three Months Ended, March 31, 2012 $
General exploration costs	12,111	nil
Consulting	4,967	21,152
Net costs incurred	**17,078**	**21,152**

Trends

The general concern over the exploitation of shale gas in the Province of Québec could delay some of the expected or proposed exploration work. Management, in conjunction with the Board of Directors, will continue to monitor these developments and their effect on the Company's business.

In addition to the risks outlined in this MD&A, the Company has identified the extreme volatility occurring in the financial markets recently as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Petrolympic are considered risk assets and are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Petrolympic to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its petroleum and natural gas interests. The Company is conducting its operations in a manner consistent with governing environmental legislation.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Summary of Quarterly Results

Three Months Ended	Total Assets $	Profit or Loss	
		Total $	Per Share $
March 31, 2013	416,327	(289,041) [1]	(0.00)
December 31, 2012	425,079	(307,219) [2]	(0.00)
September 30, 2012	405,846	(370,319) [3]	(0.00)
June 30, 2012	664,320	(285,330) [4]	(0.00)
March 31, 2012	945,910	(139,408) [5]	(0.00)
December 31, 2011	1,161,658	(240,132) [6]	(0.00)
September 30, 2011	1,107,708	(410,715) [7]	(0.01)
June 30, 2011	1,437,566	(1,277,239) [8]	(0.02)

Notes:

(1) Net loss of $289,041 principally relates to exploration and evaluation expenditures of $54,540, share-based payment of $183,333, management fees of $16,500, professional fees of $8,524, reporting issuer costs of $8,223, administrative and general of $15,026 and operating expenses related to general working capital purposes.

(2) Net loss of $307,219 principally relates to exploration and evaluation expenditures of $236,883, professional fees of $32,492, investor relations and promotion of $3,923, management fees of $16,501, administrative and general of $1,311 and operating expenses related to general working capital purposes.

(3) Net loss of $370,319 principally relates to exploration and evaluation expenditures of $252,556, professional fees of $63,332, investor relations and promotion of $15,498, management fees of $20,499, administrative and general of $9,981 and operating expenses related to general working capital purposes.

(4) Net loss of $285,330 principally relates to salaries and benefits of $103,662, exploration and evaluation expenditures of $75,229, professional fees of $58,516, management fees of

$17,000, administrative and general of $12,541, investor relations and promotion of $11,825 and operating expenses related to general working capital purposes.

(5) Net loss of $139,408 principally relates to professional fees of $64,359, investor relations and promotion of $7,689, management fees of $19,083 and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $205.

(6) Net loss of $240,132 principally relates to professional fees of $80,668, investor relations and promotion of $61,679, management fees of $44,862 and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $1,240.

(7) Net loss of $410,715 principally relates to exploration and evaluation expenditures of $245,104, professional fees of $42,275, management fees of $42,000 and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $264.

(8) Net loss of $1,277,239 principally relates to exploration and evaluation expenditures of $1,058,982, professional fees of $92,042, management fees of $49,045 and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $2,133.

The Company's results have fluctuated from period to period due to the timing of exploration expenditures in each period. In addition, administrative expenses have fluctuated from period to period depending on higher or lower support costs for the Company's exploration program in Québec (Canada) and Texas (USA).

Discussion of Operations

<u>Three months ended March 31, 2013, compared with three months ended March 31, 2012</u>

Petrolympic's net loss totaled $289,041 for the three months March 31, 2013, with basic and diluted loss per share of $0.00. This compares with a net loss of $139,408 with basic and diluted loss per share of $0.00 for the three months March 31, 2012. The increase in the net loss of $149,633 was principally because:

- Exploration and evaluation expenditures for the three months ended March 31, 2013, were $54,540 (three months ended March 31, 2012 - $101,190), a decrease of $46,650 compared to the same period in 2012. The Company's exploration program in Québec (Canada) and Texas (USA) is ongoing.

  Exploration and evaluation expenditures have fluctuated from period to period due to the timing and funding of the Company's exploration program in Québec (Canada) and Texas (USA).

- Operating expenses such as management fees, administrative and general, professional fees, investor relations and promotion, reporting issuer costs and salaries and benefits excluding share-based payment totaled $64,273 for the three months ended March 31, 2013 (three months ended March 31, 2012 - $119,418. The decrease of $55,145 is due mainly to cost saving initiatives implemented by the Company.

- During the three months ended March 31, 2013, the Company recognized income of $13,143 (three months ended March 31, 2012 - $81,050) due to the retirement of the liability for the deferred premium on flow-through shares.

- On March 25, 2013, the Company granted 3,333,335 options at a price of $0.10 per share, expiring March 25, 2018. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five-year expected average life; share price of $0.07; 119.4% volatility; risk-free interest rate of 1.32%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was $183,333, which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to equity settled share-based payment reserve. These options have fully vested.

  Several variables were used when determining the value of stock options using the Black-Scholes valuation model:

  Expected term: the Company used the expected term of five years for the 3,333,335 options, which is the maximum term ascribed to the stock options issued. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.

  Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options are granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

  Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of grant of the stock options and their expected term.

  Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any income from operations. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used to value the stock options.

Liquidity and Capital Resources

The activities of the Company, principally the acquisition and exploration of properties prospective for petroleum and natural gas, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the three months ended March 31, 2013, the Company did not have any equity transactions. However, the Company received a Loan of $200,000 from Mendel Ekstein, the CEO and the President of the Company, for a term of 12 months, which Principal will bear no interest (but will bear interest at a rate of 30% per annum in the case of a default). There is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable, if at all. See "Risk Factors" below.

The Company has no operating revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of March 31, 2013, the Company had 86,696,243 common shares issued and outstanding, 7,800,002 options and 1,809,524 warrants outstanding, which would raise $2,581,536 if exercised in full. This is not anticipated until the market price of the Company's traded common shares increases.

Current liabilities increased to $400,727 at March 31, 2013, from $289,075 at December 31, 2012, primarily due to the Loan of $200,000 received from the CEO of the Company. The Company's cash and cash equivalents as at March 31, 2013, are not sufficient to satisfy current liabilities. Excluding the loan payable of $200,000, the Company's cash and cash equivalents is sufficient to satisfy current liabilities at March 31, 2013. It must be noted that the Company is searching for financing alternatives and or attempting to generate cash inflows from its Chittim Ranch Well to satisfy the Loan of $200,000 prior to its maturity date.

Cash provided by operating activities was $77,629 for the three months ended March 31, 2013. Operating activities were affected by the net increase in non-cash working capital balances of $196,138 because of a decrease in amounts receivable and other assets of $271,343 and a decrease in accounts payable and accrued liabilities of $75,205. The Company also recorded depreciation of equipment of $38, premium on flow-through shares of $13,143 and share-based payment of $183,333.

Cash provided by financing activities was $185,000 for the three months ended March 31, 2013. As mentioned previously, the CEO loaned $200,000 to the Company. $185,000 was loaned in Q1 2013 and $15,000 was loaned in Q4 2012.

To date, the cash resources of the Company are held with two major Canadian chartered banks. The Company has no debt other than an outstanding loan to an officer and director of the Company which bears zero interest, except in the case of default. Its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

The Company's liquidity risk from financial instruments is minimal as surplus cash is invested in investment grade term deposit certificates. As of March 31, 2013, surplus cash was invested in bank-backed guaranteed investment certificates worth $10,000, and this amount was included in cash and cash equivalents.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Investing activities include the cash components of the cost of acquisition and exploration of its petroleum and natural gas interests. Currently, the Company's operating expenses are averaging approximately $20,000 to $25,000 per month for management fees, month-to-month professional fees and other working capital related expenses. The Company anticipates spending about $230,000 (net of Squatex's share) for fiscal 2013 on further exploration work over Company target areas where conventional exploration is taking place. Specifically, the Company will focus on areas not directly affected by Bill 18. This work will satisfy the Company's 2013 flow-through commitment. In addition, the Company anticipates spending $500,000 on well activities at the Chittim Ranch property for fiscal 2013, subject to positive results and an equity financing. It must be noted that production testing is being performed at the Chittim Ranch Well at the date of this MD&A. If successful, the Company may have recurring cash inflows from the Well from its net revenue interest. At this time, the Company cannot quantify what the cash inflows could be. Based on the rate of expenditure, the Company will have to raise equity capital in calendar 2013 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. In addition, the Company will attempt to defer the payment of accounts payable until payment is absolutely required. If payment is not made, it is expected that certain vendors may withhold services which may affect the Company's ongoing business activities.

The CEO loaned $200,000 to Petrolympic for the purposes of funding exploration on the Chittim Ranch property in the amount of $75,000 and increasing its working capital. The borrowed funds will be returned to the CEO once a financing is completed.

The Company believes it has sufficient cash resources to meet its 2013 flow-through commitment of about $230,000 and administrative overhead for the twelve months ending March 31, 2014, as well as Chittim Ranch activities in the amount of $75,000. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly. However, to meet long-term business plans, discovery of a petroleum and natural gas reserve is an important component of the Company's financial success.

Change in Accounting Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2012. The following new standards have been adopted:

(i) IFRS 10 – Consolidated Financial Statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(ii) IFRS 11 - Joint Arrangements ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 - Interest in Joint Ventures and SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: joint operations and joint ventures. A joint operation exists when the parties have rights to the assets and obligations for the liabilities of a joint arrangement. A joint venture exists when the parties have rights to the net assets of a joint arrangement. Assets, liabilities, revenues and expenses in a joint operation are accounted for in accordance with the arrangement. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iii) IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iv) IFRS 13 – Fair Value Measurement is effective for the Company beginning on January 1, 2013, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements given the existing asset and liability mix of the Company to which fair value accounting applies.

(v) Amendments to IAS 1 - Presentation of Financial Statements - During the quarter, the Company adopted IAS 1 - Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption did not impact the Company's financial results.

Recent Accounting Pronouncements

(i) IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

(ii) IAS 32 - Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

Financial Instruments

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and commodity and equity price risk). Risk management is carried out by the Company's management team 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.

(i) 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. Cash and cash equivalents are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Financial instruments included in amounts receivable consist of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of March 31, 2013. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

(ii) 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 matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2013, the Company had cash and cash equivalents of $363,872 (December 31, 2012 - $101,411) to settle current liabilities of $400,727 (December 31, 2012 - $289,075). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms except the loan payable which has a maturity of twelve months. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company is currently looking for an equity or debt financing transaction to advance the Company's business activities and pay back the Loan of $200,000 provided by the CEO of the Company.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk with respect to the expenditures incurred by its US subsidiaries.

(c) Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices (oil and natural gas), individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

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) The Company has no debt other than an outstanding loan to an officer of the Company which bears zero interest, except in the case of default. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss and comprehensive loss.

(ii) The Company has subsidiaries with balances denominated in US dollars. Sensitivity to a plus or minus five percentage point change in exchange rates would lead to a $1,100 gain/loss in the reported net loss and comprehensive loss for the three months ended March 31, 2013.

Share Capital

As at the date of this MD&A, the Company had 86,696,243 issued and outstanding common shares. As at the date of this MD&A, the Company had 1,809,524 warrants outstanding with an exercise price of $0.10 and expiry date of June 28, 2014.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
666,667	June 16, 2013	$0.90
800,000	June 23, 2013	$0.90
800,000	September 12, 2013	$0.40
750,000	June 17, 2014	$0.295
150,000	April 23, 2015	$0.28
100,000	November 22, 2015	$0.20
1,200,000	April 24, 2017	$0.12
3,333,335	March 25, 2018	$0.10
7,800,002		

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed 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 condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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

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

Names	Three Months Ended March 31, 2013 $	Three Months Ended March 31, 2012 $
Marrelli Support Services Inc. ("Marrelli Support") (i)	11,327	11,894
DSA Corporate Services Inc. ("DSA") (ii)	5,003	3,250
Fogler Rubinoff LLP ("Fogler") (iii)	12,028	7,058
Loan payable - Mendel Ekstein	185,000	
Total	**213,358**	**22,202**

(i) For the three months March 31, 2013, the Company expensed $11,327 (three months March 31, 2012 - $11,894) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") 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, 2013, Marrelli Support was owed $34,565 (December 31, 2012 - $42,936) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three months March 31, 2013, the Company expensed $5,003 (three months March 31, 2012 - $3,250) to DSA for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli, the CFO of the Company. Carmelo Marrelli is also the corporate secretary and sole director of DSA. As at March 31, 2013, DSA was owed $22,240 (December 31, 2012 - $21,155) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three months March 31, 2013, the Company expensed $12,028 (three months March 31, 2012 - $7,058) to Fogler for professional services. The Corporate Secretary of Petrolympic is a partner at Fogler. As at March 31, 2013, Fogler was owed $23,239 (December 31, 2012 - $9,036).

(iv) During the three months March 31, 2013, the Company received $185,000 from Mendel Ekstein, the President and CEO of the Company, pursuant to the loan agreement which the Company and CEO entered into. The total Loan balance as of March 31, 2013 amounted to $200,000. In the fourth quarter of fiscal 2012, $15,000 was advanced to the Company by the President and CEO of the Company.

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

Salaries and Benefits	Three Months Ended March 31, 2013 $	Three Months Ended March 31, 2012 $
Mendel Ekstein (CEO)	12,000	14,583
Andreas Jacob (Vice-President)	8,809	13,434
Total	**20,809**	**28,017**

Share-based Payments	Three Months Ended March 31, 2013 $	Three Months Ended March 31, 2012 $
Mendel Ekstein (CEO)	36,667	nil
Andreas Jacob (Vice-President)	36,667	nil
Alain Fleury (Director)	36,667	nil
Miles Pittman (Director)	36,666	nil
Frank Ricciuti (Director)	36,666	nil
Total	**183,333**	**nil**

Payments to directors and key management personnel of the Company include (a) related party transactions with, and (b) remuneration to, directors and key management personnel of the Company. As at March 31, 2013, directors and key management personnel of the Company were owed $40,496 (December 31, 2012 - $20,248) for remuneration.

Capital Management

Petrolympic manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, comprising share capital, reserves and deficit, which at March 31, 2013, totalled $15,600 (December 31, 2012 - $121,004).

This is done by the Board of Directors' review and acceptance of exploration budgets that are achievable with existing resources and the timely matching and release of the next stage of expenditures with financial resources from private placements or other fund raisings.

The Company is not subject to any material externally imposed capital requirements or covenants other than the obligation to incur eligible expenditures with respect to the flow-through shares issued. Management reviews the Company's capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2013.

Proposed Transactions

None

Risks Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's MD&A for the fiscal year ended December 31, 2012, available on SEDAR at **www.sedar.com**.

Commitments

(a) Québec, Canada

As at March 31, 2013, Petrolympic holds an interest in 752,951 hectares (1,860,542 acres) of oil and gas exploration permits in the Appalachian Basin of Québec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula (See map on page 8). The Company's holdings in the St. Lawrence Lowlands are a 30% interest in 216,933 hectares (536,041 acres) through a joint venture with Squatex; a 12% interest in 8,000 hectares (19,768 acres) through the Farmout and Joint Operating Agreement with Canbriam; as well as a 100% interest in 56,152 hectares (138,752 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometres southwest of Montreal. These properties represent a major position in the Utica-Lorraine and Trenton-Black River plays. Petrolympic also maintains holdings in the Gaspé and Bas-St. Lawrence regions, including a 30% interest in 431,178 hectares (1,065,441 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,688 hectares (100,540 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, which will end in September 2014, 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.

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

The Company's operations are subject to government environmental 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.

Annual rental and minimum exploration expenditures to keep all permits (100% interest permits plus 30% of Squatex's permits) are unknown.

(b) Flow-through shares

Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As at March 31, 2013, the Company is committed to incurring approximately $230,000, of which approximately $33,000 has been spent, in Canadian Exploration Expenditures by December 31, 2013, arising from the flow-through offerings.