PETROLYMPIC LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2013

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Petrolympic Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2013 and 2012 have not been reviewed by the Company's auditors.

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

	As at June 30, 2013	As at December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	$ **328,563**	$ 101,411
Tax credit receivable	**11,660**	11,660
Amounts receivable and other assets (note 4)	**18,618**	303,580
	358,841	416,651
Non-current assets		
Equipment (note 5)	**45,747**	509
Reclamation bond	**8,372**	7,919
Total assets	$ **412,960**	$ 425,079
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	$ **114,729**	$ 275,932
Deferred premium on flow-through shares	**-**	13,143
Loan payable (notes 7 and 14(a)(iv))	**200,000**	-
	314,729	289,075
Non-current liabilities		
Loan payable (notes 7 and 14(a)(iv))	**-**	15,000
Total liabilities	**314,729**	304,075
Equity		
Share capital (note 8)	**6,759,024**	6,792,663
Reserves	**988,700**	3,986,540
Deficit	**(7,649,493)**	(10,658,199)
Total equity	**98,231**	121,004
Total equity and liabilities	$ **412,960**	$ 425,079

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

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)

On behalf of the Board:

(Signed) Mendel Ekstein
Director

(Signed) Frank Ricciuti
Director

Petrolympic Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Operating expenses				
Exploration and evaluation expenditures (note 12)	**$ 25,223**	$ 75,229	**$ 79,763**	$ 176,419
General and administrative (note 13)	**125,358**	210,047	**372,964**	329,465
Operating loss before other items	**(150,581)**	(285,276)	**(452,727)**	(505,884)
Premium on flow-through shares	**-**	-	**13,143**	81,050
Interest income	**-**	-	**-**	205
Depreciation	**(471)**	(54)	**(509)**	(109)
Deferred income tax recovery	**135,426**	-	**135,426**	-
Net loss for the period	**$ (15,626)**	$ (285,330)	**$ (304,667)**	$ (424,738)
Other comprehensive income (loss)				
Items that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	**3,269**	(18)	**3,573**	150
Net loss and comprehensive loss for the period	**$ (12,357)**	$ (285,348)	**$ (301,094)**	$ (424,588)
Basic and diluted net loss per share (note 11)	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding	**86,781,938**	83,077,195	**86,738,913**	83,077,195

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

Petrolympic Ltd.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Operating activities		
Net loss for the period	**$ (304,667)**	$ (424,738)
Adjustment for:		
Depreciation	**2,291**	109
Share-based payment	**261,067**	92,400
Change in unrealized foreign exchange	**3,573**	150
Premium on flow-through shares	**(13,143)**	(81,050)
Deferred income tax recovery	**(135,426)**	-
Non-cash working capital items:		
Amounts receivable and other assets	**284,962**	(70,030)
Accounts payable and accrued liabilities	**(163,203)**	(84,100)
Net cash used in operating activities	**(64,546)**	(567,259)
Investing activity		
Purchase of oil and gas equipment	**(47,529)**	-
Net cash used in investing activity	**(47,529)**	-
Financing activities		
Loan payable (notes 7 and 14(a)(iv))	**185,000**	-
Net proceeds from private placement (note 8(b)(i))	**154,680**	-
Net cash provided by financing activities	**339,680**	-
Net change in cash and cash equivalents	**227,605**	(567,259)
Effect of exchange rate changes on cash held in foreign currencies	**(453)**	-
Cash and cash equivalents, beginning of period	**101,411**	906,131
Cash and cash equivalents, end of period	**$ 328,563**	$ 338,872

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

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

		Reserves				
	Share capital	Equity settled share-based payment reserve	Warrant reserve	Other comprehensive income	Deficit	Total
Balance, December 31, 2011	**$ 6,595,297**	**$ 2,819,581**	**$ 1,022,082**	**$ 20,522**	**$ (9,555,923)**	**$ 901,559**
Foreign currency translation adjustment	-	-	-	150	-	150
Share-based payment (note 9)	-	92,400	-	-	-	92,400
Net loss for the period	-	-	-	-	(424,738)	(424,738)
Balance, June 30, 2012	**$ 6,595,297**	**$ 2,911,981**	**$ 1,022,082**	**$ 20,672**	**$ (9,980,661)**	**$ 569,371**
Balance, December 31, 2012	**$ 6,792,663**	**$ 2,911,981**	**$ 1,059,573**	**$ 14,986**	**$ (10,658,199)**	**$ 121,004**
Private placement, net of costs (note 8(b)(i))	101,787	-	50,893	-	-	152,680
Foreign currency translation adjustment	-	-	-	3,573	-	3,573
Expiry of options	-	(2,291,291)	-	-	2,291,291	-
Previously expired warrants, net of tax effect	(135,426)	-	(1,022,082)	-	1,022,082	(135,426)
Share-based payment (note 9)	-	261,067	-	-	-	261,067
Net loss for the period	-	-	-	-	(304,667)	(304,667)
Balance, June 30, 2013	**$ 6,759,024**	**$ 881,757**	**$ 88,384**	**$ 18,559**	**$ (7,649,493)**	**$ 98,231**

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

1. Nature of operations and going concern

Petrolympic Ltd. (the "Company" or "Petrolympic") was incorporated under the *Business Corporations Act* (Ontario). Petrolympic is an exploration company, engaged in the acquisition, exploration and development of petroleum and natural gas properties. At the date of these unaudited condensed interim consolidated financial statements, the Company has not yet discovered any deposits, nor has it earned any income. The Company's common shares are listed on the TSX Venture Exchange under the symbol PCQ. The primary office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada, M5C, 2C5. The Company's year end is December 31st.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. In the absence of additional financing or strategic alternatives, these factors cast substantial doubt in the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to continue as going concern and was required to realize its assets or discharge is obligations in anything other than the ordinary course of operations. These adjustments could be material.

Petrolympic is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company had a working capital balance of $44,112 at June 30, 2013 (December 31, 2012 - $127,576). For the six months ended June 30, 2013, the Company had a net loss and comprehensive loss of $301,094 (six months ended June 30, 2012 - $424,588). For the six months ended June 30, 2013, the Company had cash inflows of $227,605 (six months ended June 30, 2012 - cash outflows of $567,259). These circumstances cast significant doubt as to the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Committee ("IFRIC"). These 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 as issued by the IASB and interpretations issued by the IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 26, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2012. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2013 could result in restatement of these unaudited condensed interim consolidated financial statements.

2. Significant accounting policies (continued)

Change in accounting policies

(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.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

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.

3. Cash and cash equivalents

	As at June 30, 2013	As at December 31, 2012
Cash	**$ 318,563**	$ 91,411
Cash equivalents	**10,000**	10,000
Total	**$ 328,563**	$ 101,411

4. Amounts receivable and other assets

	As at June 30, 2013	As at December 31, 2012
Sales tax receivable - (Canada)	**$ 10,300**	$ 28,981
Prepaid expenses	**8,318**	24,599
Amount receivable for private placement	**-**	250,000
	$ 18,618	$ 303,580

(Expressed in Canadian Dollars)

5. Equipment

Cost

	Oil and gas equipment	Computers	Total
Balance, December 31, 2012	**$ -**	**$ 5,083**	**$ 5,083**
Additions	47,529	-	47,529
Balance, June 30, 2013	**$ 47,529**	**$ 5,083**	**$ 52,612**

Accumulated depreciation

	Oil and gas equipment	Computers	Total
Balance, December 31, 2012	**$ -**	**$ 4,574**	**$ 4,574**
Depreciation	1,782	509	2,291
Balance, June 30, 2013	**$ 1,782**	**$ 5,083**	**$ 6,865**

Carrying amounts

	Oil and gas equipment	Computers	Total
At December 31, 2012	**$ -**	**$ 509**	**$ 509**
At June 30, 2013	**$ 45,747**	**$ -**	**$ 45,747**

6. Accounts payable and accrued liabilities

	As at June 30, 2013	As at December 31, 2012
Trade payables	**$ 46,886**	$ 194,517
Accrued liabilities	**67,843**	81,415
	$ 114,729	$ 275,932

7. Loan payable

The Company 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 (the "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 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. The Loan is due February 20, 2014.

(Expressed in Canadian Dollars)

8. Share capital

a) Authorized share capital

At June 30, 2013, the authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At June 30, 2013, the issued share capital amounted to $6,759,024.

Issued:

	Number of common shares		Amount
Balance, December 31, 2011 and June 30, 2012	83,077,195	$	6,595,297

	Number of common shares		Amount
Balance, December 31, 2012	86,696,243	$	6,792,663
Private placement, net of costs (i)	2,578,000		101,787
Tax effect from previously expired warrants	-		(135,426)
Balance, June 30, 2013	89,274,243	$	6,759,024

(i) On June 27, 2013, the Company closed the first tranche of its non-brokered private placement ("Private Placement"), pursuant to which it has issued 2,578,000 units of the Company (the "Units") at a price of $0.06 per Unit for aggregate gross proceeds of $154,680. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one common share ("a "Warrant Share") at a price of $0.10 per Warrant Share for a period of 20 months from the date of issuance (the "Expiry Time"). In the event that the common shares of the Company trade at or above $0.20 for a period of thirty (30) consecutive trading days at any time prior to the Expiry Time, the Company may accelerate the Expiry Time by giving at least thirty (30) days prior written notice (the "Notice") to the warrant holders, and in such a case the Warrants shall expire on the 30th day after the date on which such Notice is delivered by the Company or such later expiry date set out in the Notice.

The securities sold under the Private Placement are subject to restrictions on resale for a period of 4 months from the date of closing.

A value of $51,560 was estimated for the 2,578,000 Warrants on the date of grant using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 115% using the historical price history of the Company; risk-free interest rate of 1.13%; and an expected average life of 20 months.

Total share issue costs of $2,000 were charged and allocated $1,333 to share capital and $667 to Warrants.

(Expressed in Canadian Dollars)

9. Stock options

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

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2011	8,133,336	0.35
Expired	(1,533,334)	0.19
Granted (i)	1,200,000	0.12
Balance, June 30, 2012	7,800,002	0.34

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2012	7,800,002	0.34
Expired	(4,800,002)	0.40
Granted (ii)(iii)	4,800,002	0.10
Balance, June 30, 2013	7,800,002	0.16

(i) On April 24, 2012, the Company granted 1,200,000 options of the Company at a price of $0.12 per share, expiring April 24, 2017. 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 $0.10; 111% volatility; risk-free interest rate of 1.68%; 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 $92,400 which was expensed to 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.

(ii) On March 25, 2013, the Company granted 3,333,335 options of the Company 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% 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.

(iii) On June 26, 2013, the Company granted a total of 1,466,667 options to purchase common shares of the Company to directors and an officer at an exercise price of $0.10 per share, expiring on June 26, 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; 110% volatility; risk-free interest rate of 1.69%; 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 $77,734 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.

(Expressed in Canadian Dollars)

9. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2013:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
September 12, 2013	0.40	0.20	800,000	800,000
June 17, 2014	0.295	0.96	750,000	750,000
April 23, 2015	0.28	1.81	150,000	150,000
November 22, 2015	0.20	2.40	100,000	100,000
April 24, 2017	0.12	3.82	1,200,000	1,200,000
March 25, 2018	0.10	4.74	3,333,335	3,333,335
June 26, 2018	0.10	4.99	1,466,667	1,466,667
		3.73	7,800,002	7,800,002

10. Warrants

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

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2011 and June 30, 2012	**-**	**-**

	Number of warrants	Grant date fair value ($)
Balance, December 31, 2012	1,809,524	37,491
Granted (note 8(b)(i))	2,578,000	50,893
Balance, June 30, 2013	**4,387,524**	**88,384**

The following table reflects the actual warrants issued as of June 30, 2013:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
1,809,524	37,491	0.10	June 28, 2014
2,578,000	50,893	0.10	February 27, 2015
4,387,524	**88,384**		

(Expressed in Canadian Dollars)

11. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2013 was based on the loss attributable to common shareholders of $15,626 and $304,667, respectively (three and six months ended June 30, 2012 - loss of $285,330 and $424,738, respectively) and the weighted average number of common shares outstanding of 86,781,938 and 86,738,913, respectively (three and six months ended June 30, 2012 - 83,077,195). Diluted loss per share did not include the effect of 7,800,002 options outstanding (comparative period - 7,800,002 options outstanding) as they are anti-dilutive. Diluted loss per share did not include the effect of 4,387,524 warrants outstanding (comparative period - nil warrants outstanding) as they are anti-dilutive.

12. Exploration and evaluation expenditures

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Québec, Canada (a)				
Gross exploration activities				
General exploration costs	**$ -**	$ -	**$ 32,041**	$ 72,617
Geophysical	**-**	-	**500**	2,500
Permits and licenses	**4,920**	4,920	**9,841**	9,841
Net costs	**$ 4,920**	$ 4,920	**$ 42,382**	$ 84,958
Texas, USA (b)				
Development costs	**$ 18,521**	$ 20,309	**$ 35,599**	$ 41,461
Depreciation	**1,782**	-	**1,782**	-
Net costs	**$ 20,303**	$ 20,309	**$ 37,381**	$ 41,461
Other, net costs	**$ -**	$ 50,000	**$ -**	$ 50,000
Total exploration costs	**$ 25,223**	$ 75,229	**$ 79,763**	$ 176,419

(a) Québec Properties, Québec (Canada)

During the three and six months ended June 30, 2013, the Company's share of exploration and evaluation expenditures on its Québec, Canada property interests net of related tax credits of $nil (three and six months ended June 30, 2012 - $nil) amounted to $4,920 and $42,382, respectively (three and six months ended June 30, 2012 - $4,920 and $84,958, respectively). Total cumulative exploration and evaluation expenditures incurred on its Québec, Canada property interests to June 30, 2013 amounted to $4,238,259 (December 31, 2012 - $4,195,877).

On December 28, 2012, the Company completed a private placement of 3,285,715 flow-through units. In connection with this placement, the Company is obligated to incur approximately $197,000 in exploration expenses by December 31, 2013.

(b) Chittim Ranch Property, Texas (USA)

During the three and six months ended June 30, 2013, the Company's share of exploration and evaluation expenditures on its Chittim Ranch property in Texas (USA) amounted to $20,303 and $37,381, respectively (three and six months ended June 30, 2012 - $20,309 and $41,461, respectively). Total cumulative exploration and evaluation expenditures incurred on its Chittim Ranch property to June 30, 2013 amounted to $1,557,570 (December 31, 2012 - $1,520,189).

(Expressed in Canadian Dollars)

13. General and administrative

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Professional fees	**$ 8,852**	$ 58,516	**$ 17,376**	$ 122,875
Share-based payment (note 9)	**77,734**	92,400	**261,067**	92,400
Management fees	**16,500**	17,000	**33,000**	36,083
Investor relations and promotion	**2,055**	11,825	**9,246**	19,514
Salaries and benefits	**7,687**	11,262	**16,496**	24,696
Administrative and general	**12,303**	12,541	**27,329**	26,304
Reporting issuer costs	**227**	6,503	**8,450**	7,593
	$ 125,358	$ 210,047	**$ 372,964**	$ 329,465

14. Related party balances and transactions

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

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

	Notes	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Marrelli Support Services Inc. ("Marrelli Support")	(i)	**$ 10,746**	$ 18,825	**$ 22,073**	$ 30,719
DSA Corporate Services Inc. ("DSA")	(ii)	**3,137**	8,936	**8,140**	12,186
Fogler Rubinoff LLP ("Fogler")	(iii)	**2,000**	7,574	**14,028**	14,632
Loan payable - Mendel Ekstein	(iv)	**-**	-	**185,000**	-

(i) For the three and six months ended June 30, 2013, the Company expensed $10,746 and $22,073, respectively (three and six months ended June 30, 2012 - $18,825 and $30,719, respectively) 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 June 30, 2013, Marrelli Support was owed $23,060 (December 31, 2012 - $42,936) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three and six months ended June 30, 2013, the Company expensed $3,137 and $8,140, respectively (three and six months ended June 30, 2012 - $8,936 and $12,186, respectively) 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 June 30, 2013, DSA was owed $10,012 (December 31, 2012 - $21,155) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and six months ended June 30, 2013, the Company expensed $2,000 and $14,028, respectively (three and six months ended June 30, 2012 - $7,574 and $14,632, respectively) to Fogler for professional services. The Corporate Secretary of Petrolympic is a partner at Fogler. As at June 30, 2013, Fogler was owed $2,000 (December 31, 2012 - $9,036).

(iv) During the three and six months ended June 30, 2013, the Company received $nil and $185,000, respectively from, the President and CEO of the Company, pursuant to a Loan which the Company and the CEO entered into (see note 7). The total Loan balance as of June 30, 2013 amounted to $200,000 (December 31, 2012 - $15,000). In the fourth quarter of fiscal 2012, $15,000 was advanced to the Company by the President and CEO of the Company.

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

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

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Salaries and benefits	**$ 19,687**	$ 31,078	**$ 40,496**	$ 59,095
Share-based payment	**77,734**	92,400	**261,067**	92,400
Total remuneration	**$ 97,421**	$ 123,478	**$ 301,563**	$ 151,495

Payments to Directors and key management personnel of the Company include certain transactions with related parties in (a) above, and (b) remuneration to Directors and key management personnel of the Company. As at June 30, 2013, Directors and key management personnel of the Company were owed $64,259 (December 31, 2012 - $20,248) for remuneration, excluding amounts disclosed in (a) above.

15. Commitments and contingencies

(a) Québec, Canada

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 June 30, 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.