INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2013

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in U.S. Dollars)		**March 31, 2013**		December 31, 2012
Assets				
Current Assets				
Cash and cash equivalents	**$**	**1,934,733**	$	2,700,529
Short-term investments		**37,306,924**		39,788,213
Accounts receivable (Note 4)		**67,672**		120,770
Prepaid expenses and deposits		**15,105**		8,671
Restricted cash (Note 5)		**1,950,137**		10,148,900
		41,274,571		52,767,083
Non-current Assets				
Restricted cash (Note 5)		**5,643,301**		5,643,301
Exploration and evaluation assets (Note 7)		**53,275,946**		49,227,831
Property, plant and equipment (Note 8)		**135,960**		3,738,073
Property, plant and equipment - held for disposal (Note 9)		**3,578,113**		-
	$	**103,907,891**	$	111,376,288
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities (Note 4)	**$**	**7,629,949**	$	13,962,963
Equity tax payable (Note 10)		**758,246**		770,909
		8,388,195		14,733,872
Non-current Liabilities				
Decommissioning obligations		**829,182**		778,256
Equity tax payable (Note 10)		**702,080**		713,804
		9,919,457		16,225,932
Shareholders' Equity				
Share capital (Note 11)		**102,918,335**		102,918,335
Contributed surplus		**28,864,596**		28,735,976
Deficit		**(38,367,805)**		(39,444,311)
Accumulated other comprehensive income		**573,308**		2,940,356
		93,988,434		95,150,356
	$	**103,907,891**	$	111,376,288

See accompanying notes to the interim condensed consolidated financial statements.

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE LOSS

For the three months ended March 31

(Unaudited, expressed in U.S. Dollars)		**2013**		2012
Revenue:				
Interest and other	**$**	**139,463**	$	208,370
Expenses:				
Operating expenses		**-**		141,725
General and administrative		**580,900**		655,317
Foreign exchange loss (gain)		**(1,704,565)**		1,493,155
Stock-based compensation		**128,620**		403,528
Depletion and depreciation		**24,000**		81,297
Finance costs		**34,002**		45,271
		(937,043)		2,820,293
Income (loss) for the period	**$**	**1,076,506**	$	(2,611,923)
Other comprehensive income:				
Currency translation adjustment		**(2,367,048)**		2,068,915
Comprehensive loss for the period	**$**	**(1,290,542)**	$	(543,008)
Income (loss) per share – basic and diluted (Note 11)	**$**	**0.00**	$	(0.01)
Weighted average number of common shares outstanding		**482,547,066**		482,547,066

See accompanying notes to the interim condensed consolidated financial statements.

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31

(Unaudited, expressed in U.S. Dollars)	**2013**	2012
Cash flows provided by (used in):		
Operating activities		
Income (loss)	**$ 1,076,506**	$ (2,611,923)
Adjustments for:		
Unrealized foreign exchange loss (gain)	**(1,746,299)**	1,491,961
Stock-based compensation	**128,620**	403,528
Depletion and depreciation	**24,000**	81,297
Finance costs	**34,002**	45,271
Change in non-cash working capital (Note 14)	**(176,398)**	(120,691)
	(659,569)	(710,557)
Investing activities		
Acquisition of exploration and evaluation assets	**(4,003,115)**	(1,283,524)
Acquisition of property, plant and equipment	**-**	(7,207)
Short-term investments	**1,883,270**	741,752
Change in restricted cash	**8,144,560**	(94,151)
Change in non-cash working capital (Note 14)	**(6,109,952)**	887,867
	(85,237)	244,737
Cash from operating and investing activities	**(744,806)**	(465,820)
Effect of exchange rate on cash	**(20,990)**	41,650
Change in cash	**(765,796)**	(424,170)
Cash, beginning of period	**2,700,529**	9,207,878
Cash, end of period	**$ 1,934,733**	$ 8,783,708

Cash is defined as cash and cash equivalents.

As at March 31, 2013, cash and cash equivalents and short-term investments include CDN$30.0 million, COP$64.8 million and USD$9.7 million (CDN$30.8 million, COP$686.8 million, and USD$8.4 million - March 31, 2012).

See accompanying notes to the interim condensed consolidated financial statements.

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited, expressed in U.S. Dollars)	Number of Common Shares	Share capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2011	482,547,066	$ 102,918,335	$ 19,412,050	$ 7,698,893	$ (19,262,918)	$ 416,025	$ 111,182,385
Loss					(2,611,923)		(2,611,923)
Currency translation adjustment						2,068,915	2,068,915
Stock-based compensation (Note 11)				504,697			504,697
Balance at March 31, 2012	482,547,066	$ 102,918,335	$ 19,412,050	$ 8,203,590	$ (21,874,841)	$ 2,484,940	$ 111,144,074

	Number of Common Shares	Share capital	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2012	**482,547,066**	**$ 102,918,335**	**$ -**	**$ 28,735,976**	**$ (39,444,311)**	**$ 2,940,356**	**$ 95,150,356**
Income					**1,076,506**		**1,076,506**
Currency translation adjustment						**(2,367,048)**	**(2,367,048)**
Stock-based compensation (Note 11)				**128,620**			**128,620**
Balance at March 31, 2013	**482,547,066**	**$ 102,918,335**	**$ -**	**$ 28,864,596**	**$ (38,367,805)**	**$ 573,308**	**$ 93,988,434**

See accompanying notes to the interim condensed consolidated financial statements.

1. REPORTING ENTITY

Petrodorado Energy Ltd. ("Petrodorado" or the "Company") is a public oil and natural gas exploration company primarily engaged in exploration and development activities in Colombia. The Company's head office is located at Suite 3100, 250 – 6th Avenue SW, Calgary, Alberta, Canada, T2P 3H7, with an additional office located in Bogota, Colombia. The Company's shares are listed and publicly traded on the TSX Venture Exchange under the trading symbol PDQ. The Company's oil and gas interests are principally in the pre-production stage and, other than for one block in Colombia, the Company has not yet determined whether all of its petroleum and natural gas properties contain reserves that are economically recoverable. Accordingly, the recoverability of amounts recorded as petroleum and natural gas properties is dependent upon the existence and discovery of economically recoverable oil and gas reserves, confirmation of the Company's interests in the properties, the political stability of Colombia, and the ability of the Company to secure adequate sources of financing to fund the development of its assets and put them into production consequently achieving future profitable operations. The outcome of these matters cannot be predicted with certainty at this time.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" under International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

These interim condensed consolidated financial statements follow the same accounting policies and method of computation as the Company's annual consolidated financial statements for the year ended December 31, 2012, with the exception of certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted and except as described below. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2012.

These interim condensed consolidated financial statements have been prepared on a historical cost basis, are presented in U.S. dollars, and were authorized for issue by the Board of Directors on May 27, 2013.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

On January 1, 2013, the Company adopted new standards with respect to IFRS 10 *"Consolidated Financial Statements"*, IFRS 11 *"Joint Arrangements"*, IFRS 12 *"Disclosure of Interests in Other Entities"*, IFRS 13 *"Fair Value Measurement"*, and complied with amended disclosure requirements as found in IFRS 7 *"Financial Instrument: Disclosures"*. The adoption of these standards had no impact on the amounts recorded for the periods presented in these interim condensed consolidated financial statements.

4. CASH CALLS AND JOINT VENTURE RECEIVABLES AND PAYABLES

Cash calls receivable are comprised of funds advanced to operating partners with respect to exploration and development activities in blocks in which the Company is a non-operating partner. As these funds are expended by the operating partner, recognition of these expenditures is realized as they are booked to exploration and evaluation assets. Cash calls payable are comprised of funds received from non-operating partners with respect to the same activities in blocks in which the Company is the operating partner. As these funds are expended by the Company, the payable is drawn down. Joint venture receivables and payables are amounts due from or to partners on account of capital and operating activities in blocks. At March 31, 2013, the outstanding accounts receivable balance of $67,672 (December 31, 2012 - $120,770) is composed of cash calls receivable of nil (December 31, 2012

– nil), joint venture receivables of nil (December 31, 2012 - $68,331) and trade accounts receivable of $67,672 (December 31, 2012 - $52,439). At March 31, 2013, the outstanding accounts payable and accrued liabilities balance of $7,629,949 (December 31, 2012 - $13,962,963) is composed of cash calls payable of $73,562 (December 31, 2012 - nil), joint venture payables of $5,195,531 (December 31, 2012 - $4,207,876), trade accounts payable of $2,338,613 (December 31, 2012 - $7,891,481), and capital accruals of $22,243 (December 31, 2012 - $1,863,606).

5. RESTRICTED CASH

On June 12, 2009, the Company entered into a joint farm-in participation agreement with an unrelated company (the La Maye Operator) to earn a 20% working interest in four wells in the La Maye Block in the country of Colombia. This agreement required Petrodorado to advance $3,500,000 into an escrow account. Petrodorado authorizes draws on this escrow account as certain development milestones are met. As at March 31, 2013, $1,699,642 (December 31, 2012 - $1,699,642) had been drawn from this account, leaving $1,800,358 (December 31, 2012 - $1,800,358) in the escrow account.

As of March 31, 2013, funds totalling $2,250,137 (December 31, 2012 - $5,438,254) are also included in restricted cash, which relate to projected exploration activities in the Talora Block in the near future. Of this balance, $1,950,137 constitutes assigned funds of the Company as the operator of the Talora block as well as cash calls paid by non-operator partners. Another $300,000 is held as a guarantee deposit on committed exploration activities in the Talora Block as required by the Agencia Nacional De Hidrocarburos (“ANH”).

Additionally, term deposits totalling $3,542,943 (December 31, 2012 - $8,553,589), which were established to secure the Letters of Credit referred to in Note 6 of these statements, are also included in the restricted cash balance. The $5,010,646 deposit instrument that was previously maintained for drilling obligations with ONGC Videsh Ltd. on the CPO-5 Block was redeemed for the funding of associated drilling activities realized during the initial months of 2013.

6. LETTERS OF CREDIT

On December 21, 2010, a $3.0 million letter of credit was issued through a Colombian bank to the ANH in respect to the drilling obligations on the CPO-5 Block. This letter of credit is secured by a $3,121,536 term deposit made at the Colombian bank.

A further $403,920 letter of credit was issued through a Colombian bank on December 20, 2010 to the ANH to guarantee the Company’s capital expenditure obligations with its partner, Pacific Rubiales, in the Tacacho Block. This letter of credit is secured by a $421,407 term deposit made at the Colombian bank.

7. EXPLORATION AND EVALUATION ASSETS

As at January 1, 2012	59,697,822
Additions	19,358,745
Disposals	(11,092,844)
Impairment loss	(18,735,892)
As at December 31, 2012	49,227,831
Additions	4,048,115
As at March 31, 2013	**$ 53,275,946**

For the period ended March 31, 2013, the Company capitalized $128,203 of general and administrative expenses (March 31, 2012 - $143,415) and nil of stock-based compensation (March 31, 2012 - $101,169) to exploration and evaluation assets. The Company does not hold any tangible exploration assets.

8. PROPERTY, PLANT AND EQUIPMENT

Cost	Oil and gas properties	Furniture and equipment	Total
As at January 1, 2012	$ 10,066,437	$ 443,343	$ 10,509,780
Additions	-	71,230	71,230
As at December 31, 2012	10,066,437	514,573	10,581,010
Reclassified to held for disposal (Note 10)	(10,066,437)	-	(10,066,437)
As at March 31, 2013	**$ -**	**$ 514,573**	**$ 514,573**
Accumulated depletion and depreciation			
As at January 1, 2012	$ 6,187,289	$ 197,311	$ 6,384,600
Additions	17,035	157,302	174,337
Impairment loss	284,000	-	284,000
As at December 31, 2012	6,488,324	354,613	6,842,937
Additions	-	24,000	24,000
Reclassified to held for disposal (Note 10)	(6,488,324)	-	(6,488,324)
As at March 31, 2013	**$ -**	**$ 378,613**	**$ 378,613**
Net book value			
As at December 31, 2012	$ 3,578,113	$ 159,960	$ 3,738,073
As at March 31, 2013	**$ -**	**$ 135,960**	**$ 135,960**

9. PROPERTY, PLANT AND EQUIPMENT - HELD FOR DISPOSAL

On March 20, 2013, Petrodorado executed a conditional sale agreement with the operating partner of the Moriche Block in which the Company will relinquish its 49.5% working interest held in the Mauritia Este Prospect within the Moriche Block for total consideration of $3.5 million. Under the agreement, the $3.5 million cash consideration will be paid to the Company by way of pre-determined quarterly installment payments over the 2013 and 2014 calendar years, during which the purchaser of the block has the option to return the rights of the Moriche Block, under specific circumstances including government approval, to the operating partner (and to the Company) for a 90% return of considerations paid to date. Final assignment of ownership to the rights to the Moriche Block will not be completed until all conditions of the conditional sale agreement are fulfilled.

As ownership of the Moriche Black has not transferred due to the conditions in the conditional sale agreement, it remains on the Company's statement of financial position as "Property, plant and equipment - held for disposal". Any installment payments received by the Company prior to final assignment of ownership will be reflected as accounts payable to the operating partner. There were no payments received prior to March 31, 2013. Subsequent to March 31, 2013, Petrodorado has received $1.6 million in installment payments with regards to this agreement.

Cost	$ 10,066,437
Accumulated depletion	(6,488,324)
Net balance	**$ 3,578,113**

10. EQUITY TAX

The Colombian Congress passed a law, effective January 1, 2011, which imposed a one-time 6% equity tax levied on Colombian operations. In 2011, the Company recognized an equity tax expense of $2,580,852 which was based on the Company's net worth in Colombia at January 1, 2011 and is payable in eight equal instalments between 2011 and 2014. The amount recognized is calculated by discounting the future net worth tax payments by the credit-adjusted risk-free rate of 8%.

December 31, 2012	**$ 1,484,713**
Unwinding of discount	**28,076**
Net foreign exchange gain	**(52,463)**
March 31, 2013	**$ 1,460,326**
Current portion	**(758,246)**
Non-current portion	**$ 702,080**

11. SHARE CAPITAL

Common shares

At March 31, 2013, the Company was authorized to issue an unlimited number of common shares, with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared. Outstanding common shares as of March 31, 2013, were 482,547,066 (December 31, 2012 - 482,547,066).

Stock options

The Company has adopted a formal rolling stock option plan whereby options can be granted from time to time to directors, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding. A summary of the changes in stock options is presented below:

	Stock options	**Weighted average exercise price (CDN$)**
Balance, January 1, 2012	37,980,000	$ 0.45
Options issued	5,685,000	0.20
Expired options	(666,667)	0.73
Forfeitures	(1,333,333)	0.55
Stock options amended (old price)	(13,980,000)	0.49
Stock options amended (new price)	13,980,000	0.25
Balance, December 31, 2012 and March 31, 2013	41,665,000	$ 0.33
Exercisable, March 31, 2013	**34,943,327**	**$ 0.35**

The following summarizes information about stock options outstanding as at March 31, 2013:

Exercise prices (CDN$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.17	3,750,000	4.55	1,250,000
0.25	22,915,000	2.79	18,693,327
0.49	15,000,000	1.84	15,000,000
	41,665,000	2.60	34,943,327

During the period ended March 31, 2013, the Company recognized $128,620 (March 31, 2012 - $403,528) of stock-based compensation expense and capitalized nil (March 31, 2012 - $101,169) to exploration and evaluation assets, for a total of $128,620 (March 31, 2012 - $504,697) that was recorded as contributed surplus.

Income (loss) per share

For purposes of the income (loss) per share calculations for the periods ended March 31, 2013 and 2012, there is no difference between the basic loss per share and the diluted loss per share amounts. For the period ended March 31, 2013, 41,665,000 options (March 31, 2012 - 30,388,330) and nil warrants (March 31, 2012 - 180,766,245) were excluded as their impact was anti-dilutive.

12. COMMITMENTS

A summary of the Company's estimated capital commitments (in millions of dollars) are as follows:

Block/Country	Interest	2013	2014	2015	2016	Total
Talora, Colombia (1)	65%	5.5	-	-	-	5.5
Tacacho, Colombia (2)	49.5%	9.3	9.0	-	-	18.3
CPO-5, Colombia (3)	30.0%	-	-	3.6	-	3.6
La Maye, Colombia (4)	20.0%	0.3	1.5	-	-	1.8
San Jaoquin, California (5)	15.0%	2.5	-	-	-	2.5
Total		**17.6**	**10.5**	**3.6**	**-**	**31.7**

1) Net commitment represents 1 well required by September 2013.
2) Petrodorado commitment to acquire and process 480 km^2 of 2D seismic data (to pay 100% of costs up to a maximum of $8 million, 49.5% of costs thereafter).
3) Includes Petrodorado's 30% share of the ANH commitment of 3 exploration wells for the second phase of the exploration program by 2015.
4) Net commitment represents completion of Phase 1 (testing of Noelia-1 well) and execution of Phase 2 (drilling & testing of additional well). These expenditures are funded through the designated escrow account in restricted cash.
5) Petrodorado commitment towards Phase I of the exploration program.

The expenditures provided in the above table represent the Company's estimated cost to satisfy contract requirements. Actual expenditures to satisfy these commitments, initiate production or create reserves may differ from these estimates.

13. SEGMENTED INFORMATION

The Company defines its reportable segments based on geographical locations and the information for this is reported in the following tables for the periods ended March 31, 2013 and 2012.

For the period ended March 31, 2013

	Canada	Colombia	Peru	Total
Revenue:				
Interest and other	$ 119,845	$ 19,618	$ -	$ 139,463
Expenses:				
General and administrative	326,404	254,496	-	580,900
Foreign exchange loss (gain)	(1,732,975)	28,410	-	(1,704,565)
Stock-based compensation	128,620	-	-	128,620
Depletion and depreciation	2,431	21,569	-	24,000
Finance costs	-	34,002	-	34,002
	(1,275,520)	338,477	-	(937,043)
Income (loss) for the period	$ 1,395,365	$ (318,859)	$ -	$ 1,076,506
Assets, March 31, 2013	$ 39,228,954	$ 64,678,937	$ -	$ 103,907,891
Additions to exploration and evaluation assets	$ -	$ 4,048,115	$ -	$ 4,048,115
Additions to property, plant and equipment	$ -	$ -	$ -	$ -

For the period ended March 31, 2012

	Canada	Colombia	Peru	Total
Revenue:				
Interest and other	$ 94,332	$ 114,038	$ -	$ 208,370
Expenses:				
Operating expenses	-	141,725	-	141,725
General and administrative	351,807	303,510	-	655,317
Foreign exchange loss	1,381,599	111,556	-	1,493,155
Stock-based compensation	403,528	-	-	403,528
Depletion and depreciation	2,305	78,992	-	81,297
Finance costs	-	45,271	-	45,271
	2,139,239	681,054	-	2,820,293
Loss for the period	$ (2,044,907)	$ (567,016)	$ -	$ (2,611,923)
Assets, March 31, 2012	$ 44,243,174	$ 63,263,020	$ 10,928,163	$ 118,434,357
Additions to exploration and evaluation assets	$ -	$ 767,329	$ 617,364	$ 1,384,693
Additions to property, plant and equipment	$ -	$ 7,207	$ -	$ 7,207

14. SUPPLEMENTAL CASH FLOW INFORMATION

		March 31, 2013		March 31, 2012
Accounts receivable	**$**	**53,098**	$	(21,576)
Prepaid expenses and deposits		**(6,434)**		4,460
Accounts payable and accrued liabilities		**(6,333,014)**		784,292
Change in non-cash working capital		**(6,286,350)**		767,176
Relating to:				
Operating activities		**(176,398)**		(120,691)
Investing activities		**(6,109,952)**		887,867
Change in non-cash working capital	**$**	**(6,286,350)**	$	767,176

15. SUBSEQUENT EVENT

On May 9, 2013, the Company entered into an agreement regarding a heavy oil opportunity in the San Jaoquin Basin of California for a non-operated working interest of 15% wherein the Company will pay 100% of Phase I, up to a maximum of $2.5 million, with costs in excess of the maximum to be paid at 15%. Within 30 days of the completion of this initial phase, the Company has the option to increase its working interest to 40% (non-operated) by committing an additional $4 million maximum, with costs in excess of the maximum to be paid at 40%, towards Phase II. The Company will also earn a 12% working interest in the Kreyenhagen Shale Oil acreage if it elects to enter Phase II. If the Company elects not to enter Phase II, the Company will retain the original 15% working interest. The Company expects Phase I to be completed by the end of Q3 2013.