PETRODORADO
Excellence with Agility

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in U.S. Dollars)	**March 31, 2015**	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	**$ 237,158**	$ 904,985
Short-term investments	**14,378,523**	15,347,440
Accounts receivable (Note 4)	**121,473**	106,237
Restricted cash (Note 5)	**246,664**	233,104
	14,983,818	16,591,766
Non-current Assets		
Restricted cash (Note 5)	**2,575,610**	2,575,610
Exploration and evaluation assets (Note 7)	**10,700,000**	10,700,000
Property, plant and equipment	**25,621**	33,946
Property, plant and equipment - held for disposal (Note 8)	**3,578,113**	3,578,113
	$ 31,863,162	$ 33,479,435
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 4)	**$ 3,976,348**	$ 4,200,790
Non-current Liabilities		
Decommissioning obligations	**890,832**	884,380
	4,867,180	5,085,170
Shareholders' Equity		
Share capital (Note 9)	**102,918,335**	102,918,335
Contributed surplus	**29,901,575**	29,836,794
Deficit	**(101,364,173)**	(101,206,210)
Accumulated other comprehensive loss	**(4,459,755)**	(3,154,654)
	26,995,982	28,394,265
	$ 31,863,162	$ 33,479,435

See accompanying notes to the interim condensed consolidated financial statements.

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31

(Unaudited, expressed in U.S. Dollars)		**2015**		2014
Revenue:				
Interest and other	**$**	**34,289**	$	78,225
Expenses:				
General and administrative		**653,006**		1,023,049
Impairment of exploration and evaluation assets (Note 7)		**619,598**		-
Foreign exchange gain		**(1,159,910)**		(75,362)
Stock-based compensation		**64,781**		311,193
Depletion and depreciation		**8,325**		8,827
Finance costs		**6,452**		19,994
		192,252		1,287,701
Loss for the period	**$**	**(157,963)**	$	(1,209,476)
Other comprehensive income:				
Currency translation adjustment		**(1,305,101)**		(803,017)
Comprehensive loss for the period	**$**	**(1,463,064)**	$	(2,012,493)
Loss per share – basic and diluted (Note 9)	**$**	**(0.00)**	$	(0.03)
Weighted average number of common shares outstanding		**48,254,707**		48,254,707

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)	**2015**	2014
Cash flows provided by (used in):		
Operating activities		
Loss	**$ (157,963)**	$ (1,209,476)
Adjustments for:		
Impairment of exploration and evaluation assets	**619,598**	-
Unrealized foreign exchange gain	**(1,127,420)**	(121,521)
Stock-based compensation	**64,781**	311,193
Depletion and depreciation	**8,325**	8,827
Finance costs	**6,452**	19,994
Abandonment costs paid	**-**	(80,781)
Change in non-cash working capital (Note 12)	**(15,887)**	(170,810)
	(602,114)	(1,242,574)
Investing activities		
Acquisition of exploration and evaluation assets	**(619,598)**	(1,266,734)
Short-term investments	**804,664**	1,131,265
Change in restricted cash	**(13,860)**	(51,055)
Change in non-cash working capital (Note 12)	**(223,791)**	(862,021)
	(52,585)	(1,048,545)
Cash from operating and investing activities	**(654,699)**	(2,291,119)
Effect of exchange rate on cash	**(13,128)**	(27,688)
Change in cash	**(667,827)**	(2,318,807)
Cash, beginning of period	**904,985**	3,102,848
Cash, end of period	**$ 237,158**	$ 784,041

Cash is defined as cash and cash equivalents.

As at March 31, 2015, cash and cash equivalents and short-term investments include CDN$2.0 million, COP$260.8 million and USD$12.9 million (CDN$7.0 million, COP$84.7 million, and USD$10.6 million - March 31, 2014).

See accompanying notes to the interim condensed consolidated financial statements.

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, expressed in U.S. Dollars)	**Number of Common Shares**	**Share Capital**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
Balance at December 31, 2013	48,254,707	$ 102,918,335	$ 29,223,332	$ (40,789,752)	$ (1,642,554)	$ 89,709,361
Loss				(1,209,476)		(1,209,476)
Currency translation adjustment					(803,017)	(803,017)
Stock-based compensation (Note 9)			311,193			311,193
Balance at March 31, 2014	48,254,707	$ 102,918,335	$ 29,534,525	$ (41,999,228)	$ (2,445,571)	$ 88,008,061

	Number of Common Shares	**Share Capital**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
Balance at December 31, 2014	**48,254,707**	**$ 102,918,335**	**$ 29,836,794**	**$ (101,206,210)**	**$ (3,154,654)**	**$ 28,394,265**
Loss				**(157,963)**		**(157,963)**
Currency translation adjustment					**(1,305,101)**	**(1,305,101)**
Stock-based compensation (Note 9)			**64,781**			**64,781**
Balance at March 31, 2015	**48,254,707**	**$ 102,918,335**	**$ 29,901,575**	**$ (101,364,173)**	**$ (4,459,755)**	**$ 26,995,982**

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 (the "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 which is held for disposal, 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.

On November 27, 2014, the Company received final approval from the TSX Venture Exchange, and obtained Articles of Amendment in the days that followed, to perform a consolidation of the issued and outstanding common shares of the Company (the "Consolidation") on a basis of ten pre-Consolidation common shares for one post-Consolidation common share. The completed Consolidation follows ratification and approval for the Board of Directors to perform such a Consolidation on a basis of up to twenty pre-Consolidation common shares for one post-Consolidation common share as given by the shareholders at the annual general and special meeting of shareholders held on July 25, 2014. Effective at the opening of trading on December 1, 2014, Petrodorado's shares commenced trading on the TSX Venture Exchange on a consolidated basis. As a result, all share and per share amounts including those related to stock options have been restated for all periods to reflect this ten for one consolidation.

2. GOING CONCERN

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future. In December 2014, with the decline in global oil prices and the Company's unsuccessful efforts to address the short-term exploration activities of the operator of the CPO-5 Block, the Board of Directors commenced an evaluation of the short and long-term outlook of the Company. In January 2015, with existing market conditions prevalent, a new mandate was put forth by the Board of Directors to management to perform a cautious re-assessment of the Company's strategy going forward. This included the analysis of all opportunities available to the Company, including strategic dispositions, farm-outs or other monetizing transactions with third parties to eliminate and/or reduce the cash outflow budgeted and committed to occur on the Company's exploration blocks. While the Company may attempt to eliminate all budgeted exploration and development plans, there are still several committed exploration and development expenditures as further outlined in Note 10, that are well in excess of current capital available to the Company and that may require additional financial resources in order to fully finance all of these operational activities. During the three months ended March 31, 2015, expenditures were financed principally from proceeds from past share issuances.

During the period ended March 31, 2015, the Company incurred a net loss of $0.2 million and used $0.6 million of cash flow in its operating activities. As at March 31, 2015, the Company only had working capital of $11.0 million which is not considered sufficient to fund administrative budget and capital commitment amounts that exist for the upcoming year and beyond. The Company anticipates that it will be released from its $3.0 million accounts payable related to the conditional sale of the Moriche Block, which would increase working capital; however, there is no certainty regarding this matter. As the Company will continue to exhaust its financial resources to fund existing administrative budgets and capital commitments for the foreseeable future, there is considerable uncertainty as to the future operating ability of the Company as it will be contingent upon the Company's ability to successfully identify and procure necessary capital, which may be by way of strategic dispositions, farm-outs or other monetizing transactions.

As mentioned above, the Company has contractually committed exploration and development amounts as outlined in Note 10, of which the most significant of these commitments relates to the Tacacho Block totaling $18.8 million. As the Company is not the operator of the Tacacho Block there can be no certainty of the timing of these capital commitments, which may commence sometime in 2015, leaving the Company potentially cash deficient, depending also on the outcome of the Company's ongoing strategic analysis to evaluate available opportunities. As a result, these conditions may raise significant doubt about the Company's ability to continue as a going concern.

Management believes that the going concern assumption is appropriate for these interim condensed consolidated financial statements and that the Company will be able to meet its budgeted capital and administrative costs as well as its other potential capital commitments during the upcoming year and beyond when considering the Company's current mandate to evaluate all available opportunities. There is no guarantee that the Company will be successful in these endeavors and no certainty as to the timing of the Company's impending non-operated exploration commitments, in particular Tacacho. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, these consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities, and these adjustments could be significant.

3. 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, 2014, with the exception of certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted. 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, 2014.

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, 2015.

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. Amounts that constitute total accounts receivable and accounts payable and accrued liabilities for the periods ended March 31, 2015 and December 31, 2014, are as follows:

	2015	2014
Accounts receivable (Trade accounts receivable)	**$ 121,473**	$ 106,237

Trade accounts payable	**$ 306,117**	$ 372,821
Cash calls payable	**91,689**	44,188
Joint venture payables	**576,526**	781,765
Moriche payable (Note 8)	**3,002,016**	3,002,016
Accounts payable and accrued liabilities	**$ 3,976,348**	$ 4,200,790

5. RESTRICTED CASH

As of March 31, 2015, funds totalling $546,664 (December 31, 2014 - $533,104) are also included in restricted cash, which relate to projected exploration activities in the Talora Block. Of this balance, $246,664 (December 31, 2014 - $233,104) constitutes assigned funds of the Company as the operator of the Talora block as well as cash calls paid by a non-operator partner. Another $300,000 is held as term deposits which secure the letters of credit on committed exploration activities in the Talora Block as required by the Agencia Nacional de Hidrocarburos ("ANH") referred to in Note 6 of these statements.

Additionally, term deposits totalling $2,275,610 (December 31, 2014 - $2,275,610), 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.

Accordingly, amounts that constitute total current and non-current restricted cash balances for the periods ended March 31, 2015 and December 31, 2014, are as follows:

	2015	2014
Current restricted cash (Talora Block joint venture funds)	**$ 246,664**	$ 233,104

Term Deposit - Talora Block Phase II Guarantee	**$ 300,000**	$ 300,000
Term Deposit - CPO-5 Block Phase II Guarantee	**1,850,000**	1,850,000
Term Deposit - Tacacho Block Phase I Guarantee	**425,610**	425,610
Non-current restricted cash	**$ 2,575,610**	$ 2,575,610

6. LETTERS OF CREDIT

Letters of credit are issued through Colombian banks to the ANH for contractual exploration obligations for each phase on the exploration blocks in which the Company has a participation interest. A $300,000 letter of credit for Phase II obligations was issued to the ANH on October 12, 2013, and is secured by a $300,000 term deposit made at the Colombian bank.

On July 8, 2013, a $1,850,000 letter of credit was issued through a Colombian bank to the ANH with respect to Phase II drilling obligations on the CPO-5 Block. This letter of credit is secured by a $1,850,000 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 Phase I capital expenditure obligations with on the Tacacho Block. This letter of credit is secured by a $425,610 term deposit made at the Colombian bank.

In the event of non-compliance with contractual arrangements, the ANH has the right to draw down on those amounts constituted within the before-mentioned letters of credit.

7. EXPLORATION AND EVALUATION ASSETS

As at January 1, 2014	$	63,907,290
Additions	$	4,330,458
Impairment loss		(57,537,748)
As at December 31, 2014		10,700,000
Additions		619,598
Impairment loss		(619,598)
As at March 31, 2015	**$**	**10,700,000**

During the period ended March 31, 2015, the Company determined that impairments of $619,598 (March 31, 2014 - nil) were to be recognized on its exploration and evaluation assets related to the Company's Colombian exploration blocks. These exploration blocks were written down to recoverable values as of December 31, 2014. With no change in the estimated recoverable value of these exploration blocks, all costs incurred during the first quarter of 2015 are considered impaired.

8. 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 Block has not transferred due to the conditions in the 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. As of March 31, 2015, Petrodorado had received $3.0 million in installment payments with regards to this agreement that are included in accounts payable and accrued liabilities.

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

9. SHARE CAPITAL

Common shares

At March 31, 2015, 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.

On December 1, 2014, the Company completed a share consolidation in which one post-consolidation common share replaced ten pre-consolidation common shares. All information relating to the weighted average number of common shares outstanding, issued and outstanding common shares, stock options and per share amounts have been adjusted retroactively to reflect the impact of the ten for one share consolidation in these consolidated financial statements. Outstanding common shares as of March 31, 2015, were 48,254,707 (March 31, 2014 - 48,254,707).

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, 2014	3,966,500	$ 3.20
Options issued	2,107,500	0.70
Options forfeited/cancelled	(1,857,833)	3.33
Expired options	(1,265,167)	4.11
Balance, December 31, 2014	2,951,000	$ 0.95
Options forfeited	(143,334)	0.70
Expired options	(546,666)	1.47
Balance, March 31, 2015	**2,261,000**	**$ 0.84**
Exercisable, March 31, 2015	**1,438,998**	**$ 0.86**

The following summarizes information about stock options outstanding as at March 31, 2015:

Exercise prices (CDN$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.70	1,666,000	3.85	1,110,664
1.00	400,000	3.45	133,334
1.70	195,000	2.55	195,000
	2,261,000	**3.67**	**1,438,998**

All options were allocated an estimated fair value using the Black-Scholes option pricing model. No options were granted during the period ended March 31, 2015. For options granted during the period ended March 31, 2014, assumptions of an expected forfeiture rate of 10%, a risk-free interest rate of 1.51%, an expected dividend yield of 0%, an expected stock price volatility of 102%, and expected option life of 5 years were used to estimate a fair value of CDN $0.357.

During the period ended March 31, 2015, the Company recognized $64,781 (March 31, 2014 - $311,193) of stock-based compensation expense that was recorded as contributed surplus.

Income (loss) per share

For purposes of the loss per share calculations for the periods ended March 31, 2015 and 2014, there is no difference between the basic loss per share and the diluted loss per share amounts. For the period ended March 31, 2015, 2,261,000 options (March 31, 2014 - 4,824,000) were excluded as their impact was anti-dilutive.

10. COMMITMENTS

A summary of the Company's estimated capital commitments (in millions of dollars) as of March 31, 2015, are as follows:

Block/Country	Interest	2015	2016	Total
Talora, Colombia (1)	70.0%	2.1	-	2.1
Tacacho, Colombia (2)	49.5%	18.8	-	18.8
CPO-5, Colombia (3)	30.0%	6.8	1.2	8.0
La Maye, Colombia (4)	20.0%	0.8	-	0.8
Buganviles, Colombia (5)	59.5%	0.4	-	0.4
Total		**28.9**	**1.2**	**30.1**

1) Represents Petrodorado's 70% share of the commitment value stipulated in the ANH block contract to drill 1 exploration well by July 2015.
2) Petrodorado's commitment to acquire and process 512 km of 2D seismic data (to pay 100% of costs up to a maximum of $8 million, 49.5% of costs thereafter). Currently, budgeted operations are delayed due to security concerns in the region with current ANH deadlines suspended until the security concerns are addressed. The commencement date for seismic acquisition is unknown at this time.
3) Includes Petrodorado's 30% share of the commitment value to drill 1 appraisal well and acquire 406 km^2 of 3D seismic (currently planned for 2015), and 1 exploration well for the second phase of the exploration program by April 2016 as stipulated in the ANH block contract.
4) Represents Petrodorado's 20% share of the Phase II ANH commitment for the acquisition and processing of 80 km of 2D seismic data or 50 km^2 of 3D seismic data in the northern area of the block in 2015, pending resolution of operator issues.
5) Petrodorado's net share of the commitment value for abandonment and reclamation obligations on existing wells as currently budgeted by the operator of the block.

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. The expenditures in the above table are based on the latest possible date required per contract and may be incurred at an earlier date which may be out of the control of the Company when they serve in a non-operator partner role. The Company is the non-operator partner on all blocks except Talora.

11. 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, 2015 and 2014.

For the period ended March 31, 2015

	Canada	Colombia	United States	Total
Revenue:				
Interest and other	$ 21,252	$ 13,037	$ -	$ 34,289
Expenses:				
General and administrative	296,738	355,433	835	653,006
Impairment of exploration and evaluation assets	-	619,598	-	619,598
Foreign exchange gain	(1,146,223)	(13,687)	-	(1,159,910)
Stock-based compensation	64,781	-	-	64,781
Depletion and depreciation	607	7,718	-	8,325
Finance costs	-	6,339	113	6,452
	(784,097)	975,401	948	192,252
Net income (loss) for the period	$ 805,349	$ (962,364)	$ (948)	$ (157,963)
Assets, March 31, 2015	$ 14,208,119	$ 17,655,043	$ -	$ 31,863,162
Additions to exploration and evaluation assets	$ -	$ 619,598	$ -	$ 619,598

For the period ended March 31, 2014

	Canada	Colombia	United States	Total
Revenue:				
Interest and other	$ 43,359	$ 34,866	$ -	$ 78,225
Expenses:				
General and administrative	628,661	394,265	123	1,023,049
Foreign exchange loss (gain)	(111,383)	36,021	-	(75,362)
Stock-based compensation	311,193	-	-	311,193
Depletion and depreciation	557	8,270	-	8,827
Finance costs	-	19,884	110	19,994
	829,028	458,440	233	1,287,701
Loss for the period	$ (785,669)	$ (423,574)	$ (233)	$ (1,209,476)
Assets, March 31, 2014	$ 17,199,295	$ 74,854,970	$ 2,319,709	$ 94,373,974
Additions to exploration and evaluation assets	$ -	$ 845,506	$ 412,009	$ 1,257,515

12. SUPPLEMENTAL CASH FLOW INFORMATION

For the periods ending March 31	**2015**	2014
Accounts receivable	**$ (15,236)**	$ 542
Accounts payable and accrued liabilities	**(224,442)**	(1,033,373)
Change in non-cash working capital	**(239,678)**	(1,032,831)
Relating to:		
Operating activities	**(15,887)**	(170,810)
Investing activities	**(223,791)**	(862,021)
Change in non-cash working capital	**$ (239,678)**	$ (1,032,831)