INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

PETRODORADO ENERGY LTD.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in U.S. Dollars)	**September 30, 2013**	December 31, 2012
Assets		
Current Assets		
Cash and cash equivalents	**$ 4,084,033**	$ 2,700,529
Short-term investments	**23,249,307**	39,788,213
Accounts receivable (Note 4)	**90,277**	120,770
Prepaid expenses and deposits	**823**	8,671
Restricted cash (Note 5)	**3,133,778**	10,148,900
	30,558,218	52,767,083
Non-current Assets		
Restricted cash (Note 5)	**7,325,622**	5,643,301
Exploration and evaluation assets (Note 7)	**58,130,438**	49,227,831
Property, plant and equipment (Note 8)	**89,730**	3,738,073
Property, plant and equipment - held for disposal (Note 9)	**3,578,113**	-
	$ 99,682,121	$ 111,376,288
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 4)	**$ 5,825,560**	$ 13,962,963
Equity tax payable (Note 10)	**698,277**	770,909
	6,523,837	14,733,872
Non-current Liabilities		
Decommissioning obligations	**841,528**	778,256
Equity tax payable (Note 10)	**-**	713,804
	7,365,365	16,225,932
Shareholders' Equity		
Share capital (Note 11)	**102,918,335**	102,918,335
Contributed surplus	**29,091,077**	28,735,976
Deficit	**(38,815,842)**	(39,444,311)
Accumulated other comprehensive income (loss)	**(876,814)**	2,940,356
	92,316,756	95,150,356
	$ 99,682,121	$ 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 INCOME (LOSS)

For the three and nine months ended September 30

	For the three months ended		For the nine months ended	
(Unaudited, expressed in U.S. Dollars)	**2013**	2012	**2013**	2012
Revenue:				
Oil and gas revenue, net of royalties	**$ -**	$ -	**$ -**	$ 111,429
Interest and other	**124,003**	140,006	**390,571**	454,141
	124,003	140,006	**390,571**	565,570
Expenses:				
Operating expenses	**-**	(190,105)	**-**	431,112
General and administrative	**734,358**	615,827	**2,193,285**	1,737,267
Gain on divestiture	**-**	(4,752,650)	**-**	(4,752,650)
Foreign exchange loss (gain)	**1,852,758**	3,019,471	**(2,947,441)**	3,009,574
Stock-based compensation	**109,348**	358,221	**355,101**	932,999
Depletion and depreciation	**22,125**	8,916	**70,230**	163,825
Finance costs	**26,774**	39,443	**90,927**	127,951
	2,745,363	(900,877)	**(237,898)**	1,650,078
Income (loss) for the period	**$ (2,621,360)**	$ 1,040,883	**$ 628,469**	$ (1,084,508)
Other comprehensive income:				
Currency translation adjustment	**2,386,669**	4,136,876	**(3,817,170)**	3,886,486
Comprehensive income (loss) for the period	**$ (234,691)**	$ 5,177,759	**$ (3,188,701)**	$ 2,801,978
Income (loss) per share – basic and diluted (Note 11)	**$ (0.01)**	$ 0.00	**$ 0.00**	$ (0.00)
Weighted average number of common shares outstanding	**482,547,066**	482,547,066	**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 and nine months ended September 30

(Unaudited, expressed in U.S. Dollars)	**For the three months ended 2013**	For the three months ended 2012	**For the nine months ended 2013**	For the nine months ended 2012
Cash flows provided by (used in):				
Operating activities				
Income (loss)	**$ (2,621,360)**	$ 1,040,883	**$ 628,469**	$ (1,084,508)
Adjustments for:				
Gain on divestiture	**-**	(4,752,650)	**-**	(4,752,650)
Unrealized foreign exchange loss (gain)	**1,924,953**	3,068,533	**(2,910,214)**	2,828,781
Stock-based compensation	**109,348**	358,221	**355,101**	932,999
Depletion and depreciation	**22,125**	8,916	**70,230**	163,825
Finance costs	**26,774**	39,443	**90,927**	127,951
Equity taxes paid	**(376,858)**	(396,092)	**(761,990)**	(788,079)
Change in non-cash working capital (Note 14)	**26,223**	261	**(341,307)**	(246,320)
	(888,795)	(632,485)	**(2,868,784)**	(2,818,001)
Investing activities				
Acquisition of exploration and evaluation assets	**(2,166,774)**	(7,755,971)	**(8,857,607)**	(10,689,071)
Acquisition of property, plant and equipment	**-**	-	**-**	(71,230)
Short-term investments	**9,898,281**	(1,779,371)	**15,622,478**	2,348,958
Proceeds on Peru divestiture	-	15,253,288	-	15,253,288
Change in restricted cash	**(4,774,619)**	(4,151,659)	**5,280,687**	(5,012,949)
Change in non-cash working capital (Note 14)	**1,242,724**	4,643,348	**(7,757,755)**	5,464,509
	4,199,612	6,209,635	**4,287,803**	7,293,505
Cash from operating and investing activities	**3,310,817**	5,577,150	**1,419,019**	4,475,504
Effect of exchange rate on cash	**1,333**	74,154	**(35,515)**	63,958
Change in cash	**3,312,150**	5,651,304	**1,383,504**	4,539,462
Cash, beginning of period	**771,883**	8,096,036	**2,700,529**	9,207,878
Cash, end of period	**$ 4,084,033**	$ 13,747,340	**$ 4,084,033**	$ 13,747,340

Cash is defined as cash and cash equivalents.

As at September 30, 2013, cash and cash equivalents and short-term investments include CDN$22.0 million, COP$8.8 million and USD$6.0 million (CDN$30.4 million, COP$96.5 million, and USD$14.9 million - September 30, 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					(1,084,508)		(1,084,508)
Currency translation adjustment						3,886,486	3,886,486
Stock-based compensation (Note 11)				1,283,284			1,283,284
Balance at September 30, 2012	482,547,066	$ 102,918,335	$ 19,412,050	$ 8,982,177	$ (20,347,426)	$ 4,302,511	$ 115,267,647

	Number of Common Shares	**Share Capital**	**Warrants**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**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					**628,469**		**628,469**
Currency translation adjustment						**(3,817,170)**	**(3,817,170)**
Stock-based compensation (Note 11)				**355,101**			**355,101**
Balance at September 30, 2013	**482,547,066**	**$ 102,918,335**	**$ -**	**$ 29,091,077**	**$ (38,815,842)**	**$ (876,814)**	**$ 92,316,756**

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 November 29, 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 September 30, 2013, the outstanding accounts receivable balance of $90,277 (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 $90,277 (December 31, 2012 - $52,439). At September 30, 2013, the outstanding accounts payable and accrued liabilities balance of $5,825,560 (December 31, 2012 - $13,962,963) is composed of cash calls payable of $273,604 (December 31, 2012 - nil), joint venture payables of $2,891,199 (December 31, 2012 - $4,207,876), trade accounts payable of $386,694 (December 31, 2012 - $7,891,481), capital accruals of $57,585 (December 31, 2012 - $1,863,606), and amount payables from installment payments received with regards to the sale of the Moriche Block (Note 9) of $2,216,478 (December 31, 2012 - nil).

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 September 30, 2013, $1,884,438 (December 31, 2012 - $1,699,642) had been drawn from this account leaving $1,615,562 (December 31, 2012 - $1,800,358) in the escrow account.

As of September 30, 2013, funds totalling $3,446,693 (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, $3,133,778 constitutes assigned funds of the Company as the operator of the Talora block as well as cash calls paid by non-operator partners that will be used for the upcoming drilling of the Verdal 2X well. Another $312,915 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 $5,397,145 (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 Phase I 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 and a new term deposit of $1,850,000 was put in place for Phase II drilling obligations on the CPO-5 Block.

6. LETTERS OF CREDIT

On December 21, 2010, a $3.0 million letter of credit was issued through a Colombian bank to the ANH with respect to the Phase I drilling obligations on the CPO-5 Block. This letter of credit is secured by a $3,121,535 term deposit made at the Colombian bank. Additionally, 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 capital expenditure obligations with its partner, Pacific Rubiales, in the Tacacho Block. This letter of credit is secured by a $425,610 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	8,902,607
As at September 30, 2013	**$ 58,130,438**

For the nine months ended September 30, 2013, the Company capitalized $406,717 of general and administrative expenses (September 30, 2012 - $200,067) and nil of stock-based compensation (September 30, 2012 - $350,285) 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 9)	(10,066,437)	-	(10,066,437)
As at September 30, 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	-	70,230	70,230
Reclassified to held for disposal (Note 9)	(6,488,324)	-	(6,488,324)
As at September 30, 2013	**$ -**	**$ 424,843**	**$ 424,843**
Net book value			
As at December 31, 2012	$ 3,578,113	$ 159,960	$ 3,738,073
As at September 30, 2013	**$ -**	**$ 89,730**	**$ 89,730**

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. As of September 30, 2013, Petrodorado has received $2.2 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**

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	**$**	**1,484,713**
Unwinding of discount		**72,655**
Net foreign exchange gain		**(97,101)**
Payments made in this period		**(761,990)**
September 30, 2013	**$**	**698,277**
Current portion		**(698,277)**
Non-current portion	**$**	**-**

11. SHARE CAPITAL

Common shares

At September 30, 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 September 30, 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	41,665,000	$ 0.33
Options issued	4,000,000	0.10
Expired options	(750,000)	0.25
Balance, September 30, 2013	**44,915,000**	**$ 0.31**
Exercisable, September 30, 2013	**35,436,667**	**$ 0.35**

On September 9, 2013, the Company granted 4,000,000 options to acquire common shares to a new employee, at a price of CDN $0.10 per common share. The options are for a five year term, expiring on September 9, 2018, and vest one-third on the first anniversary date, one-third on the second anniversary date and one-third on the third anniversary date from the date of grant. Of the options previously granted to exiting employees, 750,000 expired on August 4, 2013.

The following summarizes information about stock options outstanding as at September 30, 2013:

Exercise prices (CDN$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.10	4,000,000	4.95	-
0.17	3,750,000	4.05	1,250,000
0.25	22,165,000	2.27	19,186,667
0.49	15,000,000	1.34	15,000,000
	44,915,000	2.35	35,436,667

All options were allocated an estimated fair value using the Black-Scholes option pricing model. For options granted during the nine months ended September 30, 2013, assumptions of an expected forfeiture rate of 10%, a risk-free interest rate of 2.10%, an expected dividend yield of 0%, an expected stock price volatility of 96.48%, and expected option life of 5 years were used to estimate a fair value of CDN $0.0316.

During the nine months ended September 30, 2013, the Company recognized $355,101 (September 30, 2012 - $932,999) of stock-based compensation expense and capitalized nil (September 30, 2012 - $350,285) to exploration and evaluation assets, for a total of $355,101 (September 30, 2012 - $1,283,284) that was recorded as contributed surplus.

Income (loss) per share

For purposes of the income (loss) per share calculations for the three and nine months ended September 30, 2013 and 2012, there is no difference between the basic income (loss) per share and the diluted income (loss) per share amounts. For the periods ended September 30, 2013, 44,915,000 options (September 30, 2012 – 37,915,000) and nil warrants (September 30, 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)	65.0%	4.6	-	-	-	4.6
Tacacho, Colombia (2)	49.5%	-	18.2	-	-	18.2
CPO-5, Colombia (3)	30.0%	-	-	-	3.6	3.6
La Maye, Colombia (4)	20.0%	-	1.8	-	-	1.8
San Jaoquin, California (5)	15.0%	0.7	-	-	-	0.7
Total		**5.3**	**20.0**	**-**	**3.6**	**28.9**

1) Net commitment represents 1 well required by the end of November 2013.
2) Petrodorado's commitment to acquire and process 512 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 2016.
4) Net commitment represents completion of Phase I (testing of Noelia-1 well) and execution of Phase II (drilling & testing of additional well). These expenditures are funded through the designated escrow account in restricted cash.
5) Petrodorado's remaining 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 three and nine months ended September 30, 2013 and 2012.

For the three months ended September 30, 2013

	Canada	Colombia	United States	Total
Revenue:				
Interest and other	$ 95,983	$ 28,020	$ -	$ 124,003
Expenses:				
General and administrative	407,466	276,133	50,759	734,358
Foreign exchange loss	1,843,195	9,563	-	1,852,758
Stock-based compensation	109,348	-	-	109,348
Depletion and depreciation	558	21,567	-	22,125
Finance costs	-	26,774	-	26,774
	2,360,567	334,037	50,759	2,745,363
Loss for the period	$ (2,264,584)	$ (306,017)	$ (50,759)	$ (2,621,360)
Assets, September 30, 2013	$ 27,182,699	$ 70,582,693	$ 1,916,729	$ 99,682,121
Additions to exploration and evaluation assets	$ -	$ 403,622	$ 1,763,152	$ 2,166,774
Additions to property, plant and equipment	$ -	$ -	$ -	$ -

For the nine months ended September 30, 2013

	Canada	Colombia	United States	Total
Revenue:				
Interest and other	$ 324,371	$ 66,200	$ -	$ 390,571
Expenses:				
General and administrative	1,196,253	822,462	174,570	2,193,285
Foreign exchange gain	(2,924,977)	(22,464)	-	(2,947,441)
Stock-based compensation	355,101	-	-	355,101
Depletion and depreciation	5,525	64,705	-	70,230
Finance costs	-	90,927	-	90,927
	(1,368,098)	955,630	174,570	(237,898)
Income (loss) for the period	$ 1,692,469	$ (889,430)	$ (174,570)	$ 628,469
Assets, September 30, 2013	$ 27,182,699	$ 70,582,693	$ 1,916,729	$ 99,682,121
Additions to exploration and evaluation assets	$ -	$ 7,139,455	$ 1,763,152	$ 8,902,607
Additions to property, plant and equipment	$ -	$ -	$ -	$ -

For the three months ended September 30, 2012

	Canada	Colombia	Peru	Total
Revenue:				
Interest and other	$ 117,013	$ 22,993	$ -	$ 140,006
Expenses:				
Operating expenses	-	- 190,105	-	(190,105)
General and administrative	494,554	121,273	-	615,827
Gain on divestiture	-	-	(4,752,650)	(4,752,650)
Foreign exchange loss	2,960,424	59,047	-	3,019,471
Stock-based compensation	358,221	-	-	358,221
Depletion and depreciation	2,430	6,486	-	8,916
Finance costs	-	39,443	-	39,443
	3,815,629	36,144	(4,752,650)	(900,877)
Income (loss) for the period	$ (3,698,616)	$ (13,151)	$ 4,752,650	$ 1,040,883
Assets, September 30, 2012	$ 50,571,334	$ 77,231,054	$ -	$ 127,802,388
Additions to exploration and evaluation assets	$ -	$ 8,081,792	$ -	$ 8,081,792
Disposals to exploration and evaluation assets (book value)	$ -	$ -	$ (11,092,844)	$ (11,092,844)
Additions to property, plant and equipment	$ -	$ -	$ -	$ -

For the nine months ended September 30, 2012

	Canada	Colombia	Peru	Total
Revenue:				
Oil and gas revenue, net of royalties	$ -	$ 111,429	$ -	$ 111,429
Interest and other	307,589	146,552	-	454,141
	307,589	257,981	-	565,570
Expenses:				
Operating expenses	-	431,112	-	431,112
General and administrative	1,183,229	554,038	-	1,737,267
Gain on divestiture	-	-	(4,752,650)	(4,752,650)
Foreign exchange loss	2,784,413	225,161	-	3,009,574
Stock-based compensation	932,999	-	-	932,999
Depletion and depreciation	7,040	156,785	-	163,825
Finance costs	-	127,951	-	127,951
	4,907,681	1,495,047	(4,752,650)	1,650,078
Income (loss) for the period	$ (4,600,092)	$ (1,237,066)	$ 4,752,650	$ (1,084,508)
Assets, September 30, 2012	$ 50,571,334	$ 77,231,054	$ -	$ 127,802,388
Additions to exploration and evaluation assets	$ -	$ 10,354,859	$ 781,997	$ 11,136,856
Disposals to exploration and evaluation assets (book value)	$ -	$ -	$ (11,092,844)	$ (11,092,844)
Additions to property, plant and equipment	$ -	$ 71,230	$ -	$ 71,230

14. SUPPLEMENTAL CASH FLOW INFORMATION

For periods ending September 30	Three months ended		Nine months ended	
	2013	2012	**2013**	2012
Accounts receivable	**$ (16,232)**	$ (2,051,948)	**$ 30,493**	$ (2,014,845)
Prepaid expenses and deposits	**(401)**	10,787	**7,848**	(8,296)
Accounts payable and accrued liabilities	**1,285,580**	6,092,564	**(8,137,403)**	6,649,124
Accounts payable removed with disposition	**-**	592,206	**-**	592,206
Change in non-cash working capital	**1,268,947**	4,643,609	**(8,099,062)**	5,218,189
Relating to:				
Operating activities	**26,223**	261	**(341,307)**	(246,320)
Investing activities	**1,242,724**	4,643,348	**(7,757,755)**	5,464,509
Change in non-cash working capital	**$ 1,268,947**	$ 4,643,609	**$ (8,099,062)**	$ 5,218,189

15. SUBSEQUENT EVENTS

Employee Resignations

On October 21, 2013, Mr. Krishna Vathyam, President and Chief Executive Officer, resigned from the Company and relinquished his position as a Director. On October 25, 2013, Mr. Emir Arzola, Chief Reservoir Manager, Mr. Max Rolla, Vice President of Exploration, and one other employee also resigned from the Company. Estimated one-time severance payments to these individuals which will be recognized in the fourth quarter of 2013 are approximately $1.0 million.

These individuals held 17,750,000 options to acquire common shares of which 5,250,000 expired in November 2013 with the remaining 12,500,000 to expire in January 2014. The January 2014 options are exercisable at a weighted average strike price of CDN $0.41 prior to their expiration.

Arbitration Proceedings

On October 4, 2013, Sintana Energy Inc. ("Sintana") announced the commencement of an arbitration action through the International Chamber of Commerce against Petrodorado as the Operator of the Talora Block located in the Magdalena Basin of Colombia. Sintana and Petrodorado entered into a Farmout Agreement dated October 16, 2011 ("Agreement") to further the exploration and development of the Talora Block. Sintana contends that Petrodorado committed multiple breaches of the Agreement and is entitled to the return of all amounts paid with regards to the Agreement and associated activity in the Talora Block, which is estimated at approximation $12.0 million.

The Company intends to vigorously defend itself with respect to this arbitration action and Management believes it is probable that they will be successful in their defense. Management views this action to be without merit and, as such, can not reliably measure the exposure to the Company at this time. However, Management believes that any amount incurred on account of this action will be negligible. In the event the Company is successful in defending this arbitration action, the commitment as outlined in Note 12 for Talora for 2013 would be reduced by approximately $2.0 million, reflecting Sintana’s interest under the terms of the Agreement.