Leader en exploration pétrolière au Québec

Management Report for the period ended March 31, 2013

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INTERIM MANAGEMENT REPORT FOR THE SECOND QUARTER ENDED MARCH 31, 2013

This interim management report has been approved by the Board of Directors. It is an addition and supplement to the quarterly financial statements and should be read in conjunction with them and the audited financial statements for the fiscal year ended September 30, 2012.

This report presents the view of Management on current Company activities and is accompanied by the financial results as at March 31, 2013. It may also cite significant events that occurred after March 31, 2013 and provides an overview of activities planned for the coming months.

The reporting currency is the Canadian dollar (CAD) and all amounts presented in this report are in Canadian dollars.

1. DATE

The effective date of this management report for the period ended March 31, 2013 is May 15, 2013.

2. INCORPORATION AND MISSION

Incorporated under Part 1A of the Quebec Companies Act and governed by the provisions of the Quebec Business Corporations Act, Pétrolia is an oil and gas exploration company. It has been listed on the TSX Venture Exchange since February 16, 2005, under the symbol PEA.

The Company's oil and gas properties are at the exploration stage, and the Company’s long-term profitability is tied in part to the cost and success of the exploration programs and subsequent development. The Company has not yet established whether its properties contain economically feasible reserves.

The Company’s primary activities are the exploration and development of its oil and gas properties. In order to achieve its objectives, the Company has to form partnerships with other industry stakeholders.

3. FORWARD-LOOKING STATEMENTS

Some of the statements made in this report may constitute forward-looking statements. Such statements relate to future events or future economic results anticipated by Pétrolia and are therefore subject to known and unknown risks, uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Accordingly, a decision to invest in Pétrolia’s shares should at no time be based on these forward-looking statements. Pétrolia disclaims any intention or obligation to update these forward-looking statements.

4. HIGHLIGHTS OF THE SECOND QUARTER ENDED MARCH 31, 2013

- Announcement of the initial results of the geochemical, mineralogical and permeability/porosity analyses of three stratigraphic coreholes taken on Anticosti Island in 2012. The results of the geochemical analyses are better than those previously used in resource calculations and lead to a revision of the estimates produced (press release dated January 14, 2013);

- Completion of drilling at the Bourque 1 and Bourque 2 wells. The drill-stem tests indicated the presence of reservoirs containing oil, condensate and natural gas (press release dated January 30, 2013);

- Volume of wet natural gas initially in place at the Bourque project estimated at over 1 Tcf by Sproule Associates (press release dated April 10, 2013);

- Continuation of the temporary suspension of drilling at the Haldimand 4 well following Gaspé's adoption of a municipal bylaw (see section 8.1);

- Disclosure of a toxicological evaluation of the products to be used in the drilling fluids at the Haldimand 4 well prepared by a toxicologist from the department of environmental and occupational health at the Université de Montréal. The toxicologist's report indicated that none of the products present toxicity issues (press release dated February 26, 2013).

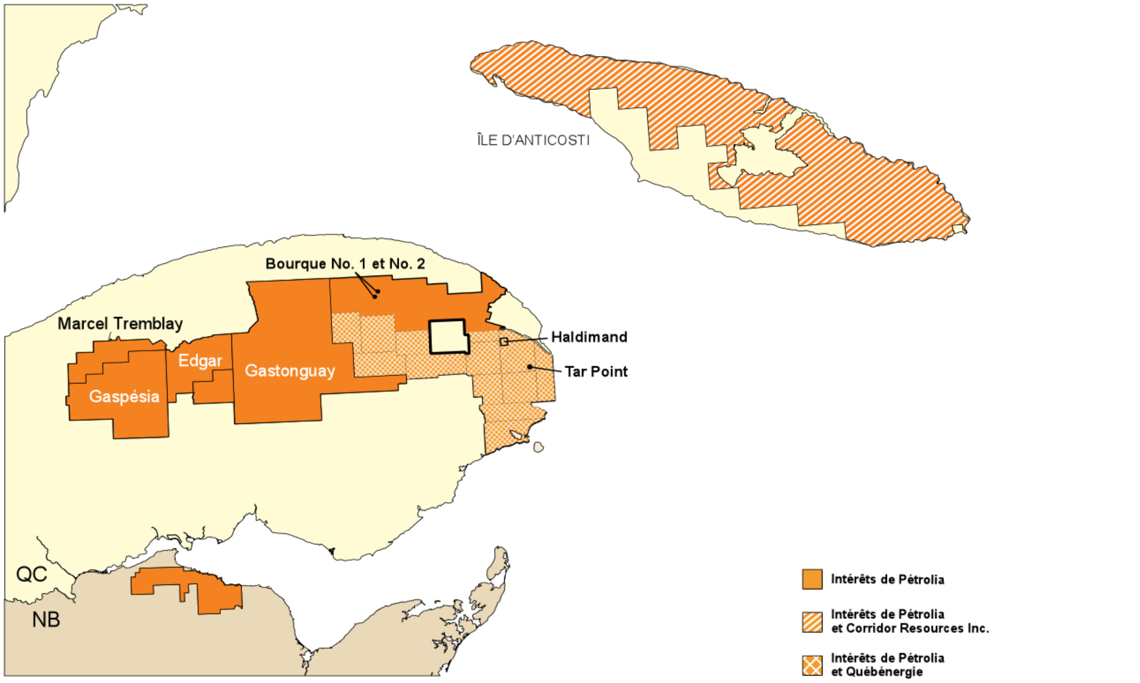
5. STRATEGY AND OUTLOOK

The Company's objective is to discover marketable oil resources and put them into production as quickly as possible, with the goal of becoming profitable. In the pursuit of this mission, the Company never loses sight of the importance of the safety of individuals, environmental protection and community relations. Pétrolia achieves this objective by holding rights over promising licences and signing agreements with partners with the necessary technical and financial expertise. The Company installs wells according to scientific and technical principles, relying on best industry practices for its drilling activities. It also pays particular attention to community relations and the local socio-economic context in which it operates.

6. LICENCES AND PARTNERSHIPS

Pétrolia holds licences for and interests in an area of over 14,000 km^2, i.e. close to 20% of the overall Quebec territory currently under lease.

The following map shows the areas in which Pétrolia hold interests, as well as those covered by the partnership agreements.



Pétrolia prides itself on being a responsible Quebec oil and gas company whose goal is to produce oil to meet a significant portion of Quebec's energy needs.

7. PROPERTIES AND WORKS

7.1. Haldimand property

Discovered in 2006, the Haldimand property is located on the peninsula of the same name on the outskirts of the town of Gaspé. The resources initially in place have been estimated at nearly 70 million barrels by an independent expert (Sproule Associates), which placed the quantity of potentially recoverable oil at 7.7 million barrels.

Objectives

Putting the Haldimand deposit into production is a priority for the Company and may be one of the keys to oil and gas development in the Gaspé. Of all of Pétrolia's projects, Haldimand is the closest to production.

Work

A better understanding of the Haldimand reservoir and its production mechanism has been acquired through lab and field studies and analyses. The reservoir is made up of York River Formation sandstone intersected by a network of natural fractures that allow oil to flow freely. Pétrolia's work indicates that horizontal well bores may be used at Haldimand to intercept as many natural fractures as possible without having to resort to fracturing.

Preparatory work for drilling at Haldimand 4 was completed in fall 2012. Drilling at Haldimand 4 was temporarily suspended following the adoption of a municipal bylaw in Gaspé.

At the start of the third quarter, on the basis of the legal opinion it obtained, Pétrolia filed a motion for declaratory judgment with the Superior Court. Pétrolia resorted to court action to resolve the dispute after the waiting period, when no alternative solution for protecting Pétrolia's rights was identified.

Pétrolia has launched a website dedicated to the Haldimand project, allowing visitors to obtain information about the project and monitor its development: haldimand.petroliagaz.com.

Environmental studies and work

The Company is developing a scientific and environmental monitoring information acquisition program.

Pétrolia is working with scientists at Quebec universities. Professor René Lefebvre and his team at the INRS-ETE have developed a program to acquire specific knowledge about the effect of the work on the physical environment. Launched in November 2011, the program will run for five years. Results of this work will be made public on a regular basis. Additional information will be available on Pétrolia's website.

Pétrolia is very proud of the innovative and promising relationship it has developed with Quebec's universities from the earliest stages of its activities, as well as the universities' involvement with industry stakeholders.

7.2. Bourque property

The Bourque property is located 30 km east of the town of Murdochville and is important to Pétrolia. In April 2013, following an analysis of the results of the 2012 drilling campaign by the independent firm Sproule, the volume of wet natural gas initially in place in four prospective zones located in the same geological formation was estimated at over one trillion cubic feet (1 Tcf). The potential of this discovery increases the interest in Pétrolia's other licences in the Gaspé, where similar geological conditions exist.

A work program based on Sproule's recommendations is currently being developed. The purpose of this work will be to identify the production characteristics of the Forillon Formation and to confirm reserves.

Objectives

During drilling of the Bourque 1 and Bourque 2 wells, reservoir zones were identified and Pétrolia decided to make evaluation of this potential one of its objective. In April 2013, confirmation of the commercial potential for natural gas, condensate and oil in the naturally fractured zone made it possible to identify a new exploration target for this project.

In this region, hydrocarbon production would promote substantial economic development associated with raw material processing and the influx of other industries to the region.

Drilling work
In the last quarter, the Company completed drilling at Bourque 1 and Bourque 2. During drilling operations, eight drill-stem tests were taken at various intervals. Numerous shows of hydrocarbons (natural gas, condensates and light petroleum) were registered during the drilling and testing (press release dated October 31, 2012).

A work program based on Sproule's recommendations is currently being developed. The purpose of this work will be to identify the production characteristics of the Forillon Formation and to confirm reserves.

On April 10, 2013, Pétrolia released the results of the resource evaluation carried out by Sproule Associates Limited (Sproule) (press release dated April 10, 2013). According to the evaluation, the volume of natural gas initially in place in four "prospects" located on the Bourque property is estimated at over 1 Tcf (one trillion cubic feet). Sproule's estimate did not cover the area between the Bourque 1 and Bourque 2 wells (press release dated April 10, 2013).

The four prospects are located in the Forillon Formation and are conventional low permeability carbonate reservoirs (tight gas carbonate reservoirs). The results for each of the prospects are provided in the table below.

Bourque project [1,2]
Gross unrisked undiscovered gas initially in place
Estimated by Sproule International Limited
as at March 31, 2013

Prospect	Formation	Gas (Bcf) [2,3]			
		Low [4] (P90)	Best [5] (P50)	High [6] (P10)	Mean [7]
Bourque North	Forillon	125	367	1,099	**524**
Bourque Central	Forillon	33	118	433	**194**
Bourque South	Forillon	63	165	452	**221**
Bourque 2 Area	Forillon	26	75	207	**102**
Total [8]					**1,041**

1. Undiscovered hydrocarbons initially in place (equivalent to undiscovered resource) is the quantity of hydrocarbons estimated, at a given date, to be contained in an accumulation that remains to be discovered. The recoverable portion of hydrocarbons initially in place and not discovered is described as "prospective resource" and the rest as unrecoverable. Only volumes in place are presented here, since no development project aiming at recovering undiscovered hydrocarbons has been defined. **There is no certainty that any portion of the undiscovered resources, irrespective of risk, will be discovered and, if discovered, there is no certainty that they will be developed and, if developed, there is no certainty as to when such development will or will not take place and whether this development will be commercially viable for any portion of these resources.**

2. The estimated volume of undiscovered unrisked hydrocarbons is a raw estimate (100% of the whole project); no adjustment has been made to take into account the shares of interests over the territory covered by the estimate and before deduction of any royalty. **Pétrolia holds a 99% interest and the portion pertaining to it must be reduced accordingly.**

3. Bcf means billion cubic feet.

4. The low estimate is considered a conservative estimate of the quantity actually in place. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually in place will equal or exceed the low estimate.

5. The best estimate is considered the best estimate of the quantity actually in place. If probabilistic methods are used, it is equally likely that the quantity actually in place will be greater or less than the best estimate and there should be at least a 50% probability (P50) that the quantities actually in place will equal or exceed the best estimate.

6. The high estimate is considered an optimistic estimate of the quantity actually in place. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually in place will equal or exceed the low estimate.

7. Statistical aggregation is the process of probabilistically aggregating distributions that represent estimates of resource quantities at a reservoir, prospect or portfolio level. Arithmetic summation and statistical aggregation of the means are methods that yield similar results. From a statistical standpoint, arithmetic summation of low, best and high estimates is not appropriate. Both the arithmetic and statistical summation of the unrisked prospects may be misleading, because they assume success for each of the prospect entities. The chances of this occurring are extremely unlikely. Actual recovery will likely be less and may be significantly less, or even zero.

8. Volumes may not balance due to rounding.

Pétrolia has launched a website dedicated to the Bourque project, allowing visitors to obtain information about the project and monitor its development: bourque.petroliagaz.com.

7.3. Anticosti property

Hydrocarbon source rock: a primary exploration target
In 2010, source rock oil and gas made international headlines due to their significant production potential.

On June 29, 2011, Pétrolia revealed its estimate of oil and gas resources in place in the Macasty shale. Produced by Sproule Associates Limited of Calgary, the best estimate of the total volume of oil initially in place was set at30.9 billion barrels.

Work

In 2012, the partners completed a campaign involving three exploration coreholes to further evaluate the source rock potential of the Macasty Formation on Anticosti Island. Three cores were taken, all from the western part of the island. Initial results indicate higher values than those previously obtained, which will therefore lead to a revision of the estimated resources in place.

The results of the analyses of the cores from the Macasty shale on Anticosti Island indicate higher values than those used previously to calculate the resources for this area of the island. The estimates will therefore be revised (press release dated January 14, 2013).

The results of the three cores indicate remarkable average values for total organic carbon (TOC) of 4% for the entire thickness of the Macasty shale. The data regarding amount of hydrocarbons present in the rock (S1) indicate very strong potential for hydrocarbon production in the Macasty Formation, with average values of 4.48 mg/g at Princeton Lake, 3.20 mg/g at Highcliff and 2.21 mg/g at Oil River. The results of the analyses performed by the Weatherford and TerraTek labs are provided in the table below.

	Anticosti				**U.S. – Ohio**
Corehole	Chaloupe	Princeton Lake	Highcliff	Oil River	Production wells
Drilling year	2010	2012	2012	2012	
Properties analyzed					
Macasty thickness	40 m	**91.5 m**	**57 m**	28 m	40 m
Average TOC[1] (including best 10 m[2] interval)	4.34%	**4.02%** **5.90%**	**3.99%** **5.50%**	4.00%	Between 2 and 4%
Average S_1[3] (including best 10 m[2] interval)	3.08 mg/g	**3.48 mg/g** **5.71 mg/g**	**3.20 mg/g** **4.59 mg/g**	2.21 mg/g	>2 mg/g

1. TOC stands for total organic carbon.
2. The 10-m interval is a part of the Macasty Formation where the TOC and S1 values are the highest. The value presented in the table is an average.
3. S1 is the amount of hydrocarbon present in the rock.

Since the geochemical results were obtained, permeability/porosity and mineralogy analyses have been performed. The permeability results showed that the average permeability value for each corehole is higher than 0.0001 mD. As for porosity, the average value varies from 4 to 6.4%. Lastly, the Macasty Formation is primarily made up of nearly 50% carbonates, 20% silica-feldspar and 30% clays.

Pétrolia pursued its work program to analyze samples of drill cuttings and cores available from the Ministère des Ressources naturelles core sample library to enhance its knowledge of Macasty's total organic content (TOC) and thermal maturity (Ro). These data will make it possible to more accurately determine where the greatest oil potential is on the Island and identify the best locations for upcoming drilling.

Environmental research

The Company is also developing a scientific and environmental monitoring information acquisition program. In keeping with its desire to respect the environment and invest in research, Pétrolia has ordered hydrogeological work and is participating in a research chair on white-tailed deer.

8. Operating results and cash position

For the second quarter, the Company's income consisted of interest income from cash of $30,294, compared with $39,555 for the same period of 2012, project management income of $24,687, and rental income of $3,072, compared with $5,902 and $2,994 respectively in the same quarter of 2012.

During the quarter, the Company issued 400,000 shares for a consideration of $240,000. These 400,000 shares were issued during the exercising of share options.

As at March 31, 2013, the Company had cash and cash equivalents of $1,432 057, a decrease of $8,810,205 since September 30, 2012. The Company spent $13,671,449 on exploration and evaluation assets and $2,396 677 on its operating activities.

As at March 31, 2013, working capital stood at $6,786,196. Management does not believe it will have sufficient cash to meet its obligations and projected expenses until September 30, 2013. However, the Company is in the process of finalizing a loan guaranteed by is reimbursable tax credits to enable it to meet its short-term obligations. Any shortfall may be met in a number of ways in the future, including but not limited to the issuance of new debt or equity instruments, additional cost-cutting measures and/or the introduction of new partners.

Analysis of operating and administrative expenses

Operating and administrative expenses dropped by $74,957 in the second quarter, mainly due to the cost of non-recurring activities undertaken in the second quarter of 2012.

The main differences in the operating and administrative expenses are:

- Share-based payments: 150,000 options valued at $128,700 were granted in March 2013, compared with 75,000 options in February 2012 for a value of $36,968.
- Salaries and benefits: Administrative expense-related payroll increased slightly. Administrative staff was hired to respond to the needs of the community and government authorities.
- Promotion and entertainment: Advertising and promotional expenses increased from the second quarter of 2012, mainly due to social acceptability activities.
- Professional fees: The professional fees expense decreased considerably, due to non-recurring fees for settlement of legal disputes, financing, hiring and recruiting staff.
- Depreciation of property, plant and equipment: The increase in the depreciation expense is mainly due to the depreciation of five reservoirs and of leasehold improvements to the new office space.

Summary of quarterly results

The information for the summary of quarterly results is based on International Financial Reporting Standards (IFRS).

	2013	2012				2011		
	March	**December**	**September**	**June**	**March**	**December**	**September**	**June**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Income	27,759	41,127	93,806	50,430	48,451	78,489	75,160	51,373
Profit or loss	(538,863)	(1,141,104)	(494,129)	(675,032)	(699,230)	(1,150,642)	(443,251)	(672,511)
Net earnings per share								
Basic	(0.008)	(0.017)	(0.010)	(0.012)	(0.013)	(0.022)	(0.010)	(0.013)
Diluted	(0.008)	(0.017)	(0.010)	(0.012)	(0.013)	(0.022)	(0.010)	(0.013)

Income essentially consists of interest earned and project revenue for each quarter. Operating and administrative expenses were fairly stable from quarter to quarter. The main changes in quarterly losses or earnings are explained as follows:

2011 – May	Recognition of share-based payment of $160,750
2011 – September	Restatement of all share-based payment for the year using the graded vested method; this restatement had a non-monetary impact of $185,258
2011 - December	Recognition of share-based payment of $558,992
2012 - February	Recognition of share-based payment of $80,700
2012 - December	Recognition of share-based payment of $913,906
2013 - March	Recognition of share-based payment of $128,700

Related party transactions

The Company’s related parties include other related parties and key management personnel, as described below.

Unless otherwise indicated, none of the transactions involve special terms or conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	Six-month period ended March 31, 2013	2012
	$	$
Short-term employee benefits:		
Salaries and benefits	393,257	243,337
Attendance fees	64,083	62,417
Total short-term benefits	457,340	305,754
Share-based payments	737,100	410,944
Total remuneration	1,194,440	716,698

During the 2013 reporting period, key management exercised 460,000 options (60,000 in 2012) granted under the share-based compensation plan. An amount of $120 000 was granted to two managers within the framework of the program of loan for the exercise of options to buy shares. The loans have a maximal term of 9 months and bearing interest at the Bank of Canada one day rate.

Related parties

Transactions were carried out with two companies whose main officer (holding a minority interest) also serves on Pétrolia's Board:

	Six-month period ended March 31, 2013	2012
	$	$
Statement of financial position:		
Exploration and evaluation assets	7,842	2,394
Statement of comprehensive income:		
Other expenses	-	4,548

The balance due from these companies is $18,199 at March 31, 2013 (March 31, 2012 – $23,884).

The Company entered into the following transactions with a company whose director also sits on Pétrolia's board:

	Six-month period ended March 31, 2013	2012
	$	$
Statement of comprehensive income:		
Salaries and benefits	1,069	2,153
Office supplies and transportation	615	500

The balance due from this Company is $12,380 at March 31, 2013 (March 31, 2012 – $2,228).

The Company entered into the following transactions with a close relative of a member of management, who provided services to the Company:

	Six-month period ended March 31,	
	2013	**2012**
	$	**$**
Statement of financial position:		
Property, plant and equipment	-	8,607

The balance owing this supplier is $0 at March 31, 2013 (March 31, 2012 – $0).

These transactions took place in the normal course of business and were measured at their exchange value, which is the consideration established and accepted by related parties.

Financial instrument disclosure

Risk management policy

The Company's financial assets and liabilities expose it to various risks. The following analysis provides an assessment of the risks:

Credit risk

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and trade and other receivables. The Company's cash and cash equivalents are held with or are issued by first-class financial institutions. The majority of receivables are sums owed by governments, partners and related parties. Therefore, Management considers the risk of non-performance on these instruments to be very minimal.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due or do so only at excessive cost. The Company finances its growth by issuing shares and selling interests in some of its oil assets. One of Management's main financial objectives is to maintain an optimal level of liquidity by actively managing its exploration activities. All of the Company's financial liabilities have a maturity of less than one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market conditions. There are three types of market risk: interest rate risk, currency risk, and other price risks. The Company is exposed to interest rate risk.

a) Interest rate risk

Interest rate risk refers to the impact of interest rate fluctuations on the value of investments.

The Company is exposed to interest rate risk on its fixed-rate financial instruments. For the period ended March 31, 2013, an increase or decrease of 1% in the interest rates in effect at that date, with all other variables remaining equal, would have generated a profit or loss of $17,958 (2012 – $28,900).

Fair value

The fair value of investments is determined as follows:

Guaranteed investment certificates: Given their recent issuance, the fair value corresponds to their cost.
Money market fund: Given its short-term maturity, the fair value corresponds to its cost.
As regards the loan, the carrying value approximates the fair value due to the variable interest rate on the debt.

Fair value hierarchy
Financial instruments recognized at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements.
The three levels of the fair value hierarchy are:

Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities: cash is found at this level.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): cash equivalents and investments are found at this level.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

There was no transfer in the valuation of financial assets between levels 1 and 2 during the period.

Judgments, estimates and assumptions

For a complete description of the judgments, estimates and assumptions made by Management in the preparation of its annual financial statements for the year ended September 30, 2012, see Note 5 of the Financial Statements.

Future changes in accounting policies

For a complete description of future changes in accounting policies, see Note 3 of the Financial Statements for the year ended September 30, 2012.

Significant accounting policies and transition to IFRS

For a complete description and detailed presentation of the significant accounting policies used by the Company and the transition to IFRS, see Notes 4 and 26 of the Financial Statements for the year ended September 30, 2012.

Capital management

For a complete description of the Company's capital management policy, see Note 20 of the Financial Statements for the year ended September 30, 2012.

Internal controls

Given that the Company is an emerging issuer, the officers do not have to make any certifications concerning the establishment and maintenance of control, or the disclosure of information and internal controls related to financial reporting as defined in Regulation 52-109.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations in the certificates, more specifically, that the documents filed on SEDAR are reliable. The officers will ensure that once the convergence process is completed, they will still be able to sign their certification.

Other information

a) Supplemental documents
Certain supplemental documents, including prior management reports and press releases, are available online at www.sedar.com in the documents section or on Pétrolia's website at www.petroliagaz.com.

b) Regulation 51-102 Section 5.2

Exploration expenses for the six-month period ended March 31, 2013 are detailed as follows:

	Geology	**Geophysics**	**Drilling**	**Analysis**	**Capacity test**	**General expenses**	**Options**	**Completion**	**Site maintenance**	**Total**
	$	$	$	$	$	$	$	$	$	$
Anticosti	24,293	6,640	1,074,881	12,759	-	12,645	21,500	-	-	1,152,718
Gastonguay	-	-	-	-	-	-	39	-	-	39
Gaspésia Marcel-Tremblay Edgar	637	-	-	-	-	3,800	2,618	-	-	7,055
Gaspé	13,067	480	-	5,890	-	65,939	3,406	720	-	89,502
Bourque	17,070	8,776	9,873,499	1,000	-	11,761	40,090	-	-	9,952,196
Haldimand	270,472	1,920	2,047,732	-	51,470	8,587	35,264	-	42,218	2,457,663
Tar Point	-	-	-	-	-	3,239	8,577	-	-	11,816
Dalhousie	-	-	-	-	-	-	460	-	-	460
	325,539	**17,816**	**12,996,112**	**19,649**	**51,470**	**105,971**	**111,954**	**720**	**42,218**	**13,671,449**

Exploration expenses for the six-month period ended March 31, 2012 are detailed as follows:

	Geology	**Geophysics**	**Drilling**	**Analysis**	**Capacity test**	**General expenses**	**Options**	**Provision**	**Site maintenance**	**Total**
	$	$	$	$	$	$	$	$	$	$
Anticosti	26,891	23,286	10,878	52,090	-	1,600	38,910	(37,500)	-	116,155
Gastonguay	-	-	-	-	-	-	77	-	-	77
Gaspésia Marcel-Tremblay Edgar	8,026	12,833	-	-	-	1,010	6,433	-	-	28,302
Gaspé	31,449	28,778	4,069	1,185	560	34,226	6,108	-	-	106,375
Bourque	10,214	1,854	45,778	8,190	-	1,645	3,154	-	-	70,835
Haldimand	374,944	75,521	105,385	3,780	909,306	27,500	62,434	-	67,377	1,626,247
Tar Point	10,853	-	-	-	291,844	1,456	14,815	-	4,100	323,068
Dalhousie	2,818	804	1,500	-	-	(287,954)	1,054	-	-	(281,778)
	465,195	**143,076**	**167,610**	**65,245**	**1,201,710**	**(220,517)**	**132,985**	**(37,500)**	**71,477**	**1,989,281**

c) Regulation 51-102 Section 5.3

Information on shares issued, warrants and share options as at May 15, 2013:

Common shares**:** 68,002,800 shares have been issued and are outstanding.

Share options outstanding: The share options granted to directors, members of senior management, employees and service providers are as follows:

- 327,500 options exercisable at a price of $1.25 per share until July 7, 2013
- 60,000 options exercisable at a price of $0.74 per share until May 21, 2014
- 270,000 options exercisable at a price of $0.89 per share until February 25, 2015
- 672,500 options exercisable at a price of $0.50 per share until December 8, 2015
- 75,000 options exercisable at a price of $1.31 per share until February 25, 2016
- 500,000 options exercisable at a price of $1.69 per share until May 18, 2016
- 1,266,000 options exercisable at a price of $1.52 per share until December 4, 2016
- 75,000 options exercisable at a price of $1.51 per share until February 22, 2017
- 2,220,000 options exercisable at a price of $1.02 per share until February 22, 2017

Management's responsibility for financial information

Management is responsible for Pétrolia's financial statements, which have been approved by the Board of Directors on recommendation of the Audit Committee. The financial statements have been prepared by Management in accordance with International Financial Reporting Standards and audited by the Company's auditors. The financial statements include certain amounts that are based on the use of estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

Rimouski, May 15, 2013
On behalf of the Board

(signed) André Proulx
André Proulx
President