PETROLYMPIC

PETROLYMPIC LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

Prepared by:

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Management's Discussion and Analysis dated November 25, 2013

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Petrolympic Ltd. ("Petrolympic" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2013. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2012 and December 31, 2011, together with the notes thereto, and the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2013, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS. Information contained herein is presented as of November 25, 2013, unless otherwise indicated.

As a result of ongoing review and possible amendments by interpretive guidance from the IASB and the IFRIC, IFRS in effect at December 31, 2013, may differ from IFRS and interpretation statements applied in preparing the audited annual consolidated financial statements for the year ended December 31, 2012, and the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2013 and 2012.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Petrolympic common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Petrolympic's website at **www.petrolympic.com** or on SEDAR at **www.sedar.com**.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Petrolympic's interests to contain economic deposits of oil or gas	Financing will be available for future exploration and development of Petrolympic's properties; the actual results of Petrolympic's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Petrolympic's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Petrolympic, and applicable political and economic conditions are favourable to Petrolympic; the price of oil or gas and applicable interest and exchange rates will be favourable to Petrolympic; no title disputes exist with respect to the Company's properties	Oil or gas price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Petrolympic's expectations; availability of financing for and actual results of Petrolympic's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
If the Company excludes the loan of \$200,000 owed to the Chief Executive Officer ("CEO"), the Company's working capital deficit would be adjusted to \$36,852 (December 31, 2012 – working capital of \$127,576) which is not anticipated to be sufficient to carry on business activities for the twelve months ending September 30, 2014, unless select payables are deferred until payment is absolutely required. The loan is due February 20, 2014 The Company expects to incur further losses in the development of its business Should the Company not raise sufficient capital, it may cease to be a reporting issuer The Chittim Ranch well will produce	The operating and exploration activities of the Company for the twelve-month period ending September 30, 2014, and the costs associated therewith, will be consistent with Petrolympic's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Petrolympic	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; changes in the operations currently planned for 2013

sufficient oil to allow the Company to be cash flow positive		
The Company's ability to carry out anticipated exploration and development on its property interests	The exploration and development activities of the Company for the three-months ending December 31, 2013, and the costs associated therewith, will be consistent with Petrolympic's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to Petrolympic	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Plans, costs, timing and capital for future exploration and development of Petrolympic's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for Petrolympic's exploration and development activities and the results thereof will be favourable; actual operating and exploration/development costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Petrolympic; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Petrolympic; the price of oil or gas will be favourable to Petrolympic; no title disputes exist with respect to Petrolympic's properties	Oil or gas price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration/development results will not be consistent with Petrolympic's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to attract and retain skilled staff
Management's outlook regarding future trends	Financing will be available for Petrolympic's exploration/development and operating activities; the price of oil or gas will be favourable to Petrolympic	Oil or gas price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Sensitivity analysis of financial instruments	Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss and comprehensive loss	Changes in debt and equity markets; interest rate and exchange rate fluctuations

	Foreign exchange rates against the US dollar will not be subject to change in excess of plus or minus 5%	
The Company anticipates spending about $230,000 (net) for fiscal 2013 on further exploration work over Company target areas where conventional exploration is taking place. Specifically, the Company will focus on areas not directly affected by Bill 18. This work will satisfy the Company's 2013 flow-through commitment. In addition, the Company anticipates spending $500,000 on well activities at the Chittim Ranch property for fiscal 2013, subject to positive results and an equity financing	Actual costs of the various line items of the budget are consistent with the costs that management anticipates	Costs could vary from management's expectations; changes in the operations currently planned for 2013
Petrolympic will continue to focus its exploration efforts on existing targets located in Québec, Canada, and Texas, USA	New targets are not discovered that take precedence over these targets	Management may change its plans based on future exploration results
Prices and price volatility for oil or gas	The price of oil or gas will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of oil or gas will be favourable	Changes in debt and equity markets and the price of oil or gas; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Petrolympic's ability to predict or control. Please refer to those risk factors included in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Petrolympic's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Petrolympic is incorporated under the *Business Corporations Act (*Ontario*)*. The Company is an exploration stage company and it has not yet determined whether its properties contain reserves that are economically recoverable. The business of exploring for petroleum and natural gas involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable petroleum and natural gas operations.

The underlying value of the Company's interests in petroleum and natural gas properties is dependent upon the existence of such economically recoverable reserves, the Company's ability to obtain the necessary financing to develop the reserves and future profitable production.

The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "PCQ".

Petrolympic's goal is to deliver superior returns to shareholders by concentrating on the acquisition of properties that have the potential to contain petroleum and natural gas. The Company plans to do this by focusing on certain properties, as set out below under "Exploration Activities in Québec", and "Chittim Ranch Property Activities".

Overall Performance

Operations

(a) On November 15, 2013, Petrolympic announced the discovery of a conventional reservoir of natural gas on its joint venture property in the Lower St. Lawrence area (the "Property") located in the Appalachian Basin of Quebec, which was announced by the Operator, Ressources & Energie Squatex Inc., ("Squatex"). The Company holds an interest in 217,370 hectares (536,941 acres) of the Property through a joint venture with Squatex.

While carrying a stratigraphic coring program, which Squatex started in 2010 to evaluate the oil and gas potential of its licences, significant gas flows were first encountered at 1,847 meters-deep in the core hole Massé No.1 in the Mitis River area. The cores were collected and analysed from this depth down to the total depth of the well at 1,874 meters, revealing that the reservoir is hosted in the Silurian Sayabec Formation and consists of a 10 meters-thick interval of hydrothermally dolomitized limestone with high porosity and permeability values up to 20.8% and 1,624 mD, respectively. An effective seal is provided by the overlying fine-grained rocks of the Saint-Leon Formation.

Hydrothermal dolomitization is the generation mechanism of many world-class conventional reservoirs in North America, such as Albion-Scipio in Michigan and Lady-Fern in British Columbia. Contrary to shale gas, these types of reservoirs do not require hydraulic fracturation. The analysis of the gas charge of the reservoir indicates it is composed of 89% methane and devoid from hydrogen sulfide. The Company believes that this clean energy source can be commercialized to close local markets, thus contributing to the economic growth of the region.

In the Lower St. Lawrence of Quebec, the Sayabec Formation has been recognized as a prospective unit since the discovery of an analogue outcrop at surface, dolomitized and filled with bitumen, and the discovery of a naturally fractured interval filled with salt water in an exploratory well drilled in 1969. The Company believes that the discovery of a gas reservoir, however, represents a new and very significant mile step in the appraisal of the hydrocarbon potential of the region and Petrolympic is very proud of participating to this endeavour.

This discovery also echoes the new economic policy announced by the Quebec government in October 2013 this year, which makes a priority of the demonstration of the hydrocarbon potential of the province and the long-term reduction of its dependence on foreign energy sources, through the drilling of exploratory wells in a context of rejuvenated regulations and the complete respect of the environment and the community.

Petrolympic and Squatex are currently evaluating options to finance the pursuit of the exploration efforts and determine the full potential of the identified structure.

Petrolympic also owns a 100% interest in two exploration permits in the same area, referred to as the Matapedia and the Mitis properties. Several conventional plays and exploration leads have been identified in these permits, where oil and gas have been encountered in mining wells in the 90's. Based on proprietary seismic data, the prospective Sayabec Formation is also believed to be present at depth in these two permits.

(b) In 2012, Petrolympic and its partner Squatex developed a new geological coring program and have selected a number of potential sites regionally. The partners proceeded in October 2012 with the drilling of a first location (Massé No.1) in the northeast part of the Lower St. Lawrence acreage. The well reached a depth of 1,710 metres at the end of November 2012 before being stopped because of adverse winter weather. The coring went through West Point Formation-like reefs near 800 metres and a series of thrusted Sayabec reefal carbonate sequences containing porous dolomites. Both Silurian reef sequences presented gas and condensate shows while drilling. .The well was re-entered (Massé No.1A) in mid-June to deepen it through a seismic AVO anomaly indicating a fluid response. This objective was encountered giving very strong gas blows in a porous and permeable Sayabec dolomite and a Val Brillant sandstone between 1,750 m and 1,874 m (measured porosity which locally reaches 20,8% with a permeability of 1,624 mD). Because of important limitations of the drill and the difficulty of containing the gas without having the proper equipment, the well was stopped and completely cemented at the total depth of 1,874 m without being able to perform adequate testing. The rig was then moved 15 kilometres further to the east to a second location for the Sayabec No.1 well. This second site was chosen to verify the presence of dolomitization in the Sayabec limestone over a seismic amplitude anomaly above a stratigraphic wedge out near the eastern limit of the permits. A dolomitized zone was encountered near the base of the Sayabec Formation, but unfortunately, giving only minor gas shows. The well reached 759 meters.

(c) Proceeds from the flow-through shares issued in calendar 2012 have been used on the Company's permits in Québec (Canada) to complete compilation and interpretation studies of recently acquired data from Company target areas where conventional exploration is taking place and to drill the Massé No.1 and Sayabec No.1 core holes.

(d) Petrolympic entered into a financing arrangement for the purposes of funding exploration on the Chittim Ranch property and increasing its working capital, whereby the Company borrowed $200,000 (the "Principal") from Mendel Ekstein, the CEO and the President of the Company ("Lender"), for a term of 12 months, which Principal will bear no interest (but will bear interest at a rate of 30% per annum in the case of a default). In connection with the loan, Petrolympic has entered into a promissory note and other agreements and executed certain documents, including entering into a share pledge agreement (the "Share Pledge Agreement") with the Lender, providing for the pledge by the Company to the Lender of shares in the capital of Petrolympia Inc. and Petrolympic USA, Inc., upon the terms and conditions set out in the Share Pledge Agreement; and

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

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

Financial

At September 30, 2013, the Company had assets of $278,175 (December 31, 2012 - $425,079) and a deficiency of $175,636 (December 31, 2012 – equity of $121,004). At September 30, 2013, the Company had current liabilities of $453,811 (December 31, 2012 - $289,075). The Company had gross exploration and evaluation expenditures of $169,025 and $248,788, respectively, during the three and nine months September 30, 2013 (three and nine months September 30, 2012 - $252,556 and $428,975, respectively) on its petroleum and gas interests.

The Company had cash and cash equivalents of $167,604 at September 30, 2013 (December 31, 2012 - $101,411). The increase in cash and cash equivalents during the nine months ended September 30, 2013, was primarily due to funds received from the CEO, the Private Placement completed on June 27, 2013, and the receipt of funds from the financing completed on December 28, 2012. The cash injection from the loan, Private Placement and financing was offset by corporate overhead costs and exploration activities in Québec (Canada) and Texas (USA).

At September 30, 2013, the Company had a working capital deficiency of $236,852 (December 31, 2012 - $127,576). If the Company excludes the loan of $200,000 owed to the CEO, the Company's working capital deficiency would be adjusted to $36,852 (December 31, 2012 - $127,576). The Company needs to secure additional financing to carry on business activities for the twelve months ending September 30, 2014, in addition to repaying the loan. The loan is due February 20, 2014.

Summary of Land Positions

A) Province of Québec

As at September 30, 2013, Petrolympic had an interest in a total 752,951 hectares (1,860,542 acres) of oil and gas exploration permits in the Appalachian Basin of Québec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula (see map below). The Company's holdings in the St. Lawrence Lowlands are a 30% interest in 216,933 hectares (536,041 acres) through a joint venture with Squatex; a 12% interest in 8,000 hectares (19,768 acres) through the Farmout and Joint Operating Agreement with Canbriam Energy Inc. ("Canbriam"); as well as a 100% interest in 56,152 hectares (138,752 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometres southwest of Montreal. These properties represent a major position in the Utica-

Lorraine and Trenton-Black River plays. Petrolympic also maintains holdings in the Gaspé and Lower St. Lawrence regions, including a 30% interest in 431,178 hectares (1,065,441 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,688 hectares (100,540 acres) located between Rimouski and Matane prospective for hydrothermal dolomite hosted light oil. The following are permits in which Petrolympic holds an interest. Please also refer to the map that follows:

Gaspé Permits 100% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009PG573	01/09/2013	18,705
2009RS305	01/09/2013	21,983
Subtotal		**40,688**

St. Lawrence Lowlands Permits 100% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS302	01/09/2013	21,930
2009RS303	01/09/2013	14,127
2009RS304	01/09/2013	20,095
Subtotal		**56,152**

St. Lawrence Lowlands Permits 30% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS287	01/09/2013	20,871
2009RS288	01/09/2013	17,990
2009RS289	01/09/2013	20,909
2009RS290	01/09/2013	7,248
2009RS291	01/09/2013	22,447
2009RS292	01/09/2013	18,827
2009RS293	01/09/2013	14,580
2009RS294	01/09/2013	21,664
2009RS295	01/09/2013	19,316
2009RS296 (part)	01/09/2013	20,339 *
2009RS297	01/09/2013	16,342
2009RS298 (part)	01/09/2013	24,400 *
Subtotal		**224,933**

* 18% interest in over 8,000 hectares was transferred from Petrolympic to Canbriam from these two permits between surface and the top of the Trenton Formation only.

Gaspé Permits 30% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009PG554	01/09/2013	15,150
2009PG556	01/09/2013	23,666
Subtotal		**38,816**

Lower St. Lawrence 30% Ownership:

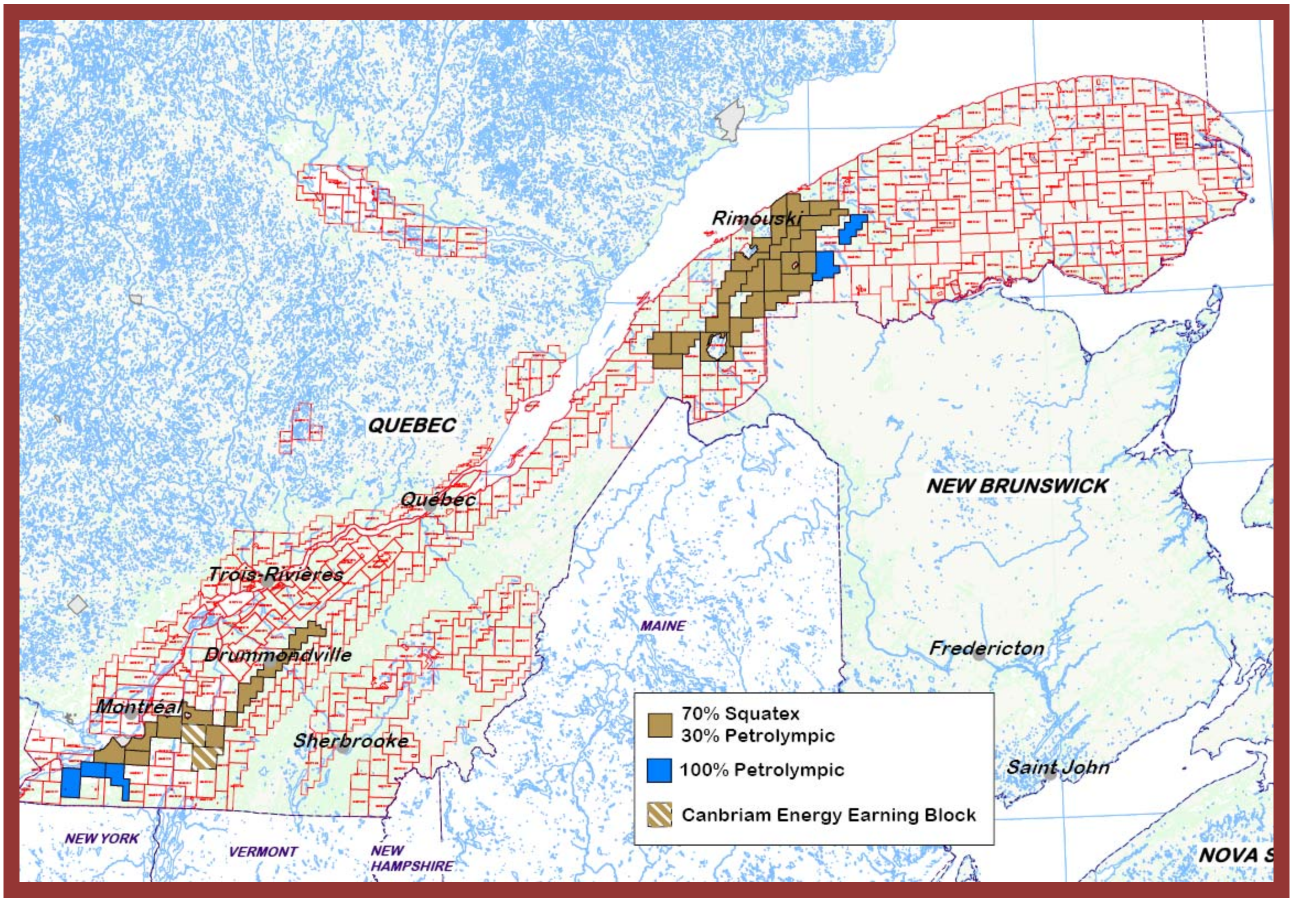
Permit Number	Renewal Date	Area (Hectares)
2009RS299	01/09/2013	18,975
2009RS300	01/09/2013	20,704
2009RS301	01/09/2013	17,136
2009PG552	01/09/2013	10,267
2009PG553	01/09/2013	23,068
2009PG555	01/09/2013	16,438
2009PG557	01/09/2013	9,894
2009PG558	01/09/2013	19,420
2009PG559	01/09/2013	18,737
2009PG560	01/09/2013	19,817
2009PG561	01/09/2013	24,435
2009PG562	01/09/2013	19,847
2009PG563	01/09/2013	22,573
2009PG564	01/09/2013	14,377
2009PG565	01/09/2013	15,370
2009PG566	01/09/2013	21,454
2009PG567	01/09/2013	20,642
2009PG568	01/09/2013	20,668
2009PG569	01/09/2013	17,244
2009PG570	01/09/2013	19,579
2009PG571	01/09/2013	20,951
2009PG572	01/09/2013	16,477
Subtotal		**408,073**

St. Lawrence Lowlands Permits 12% Ownership:

Permit Number	Renewal Date	Area (Hectares)
2009RS296 (part)	01/09/2013	20,339
2009RS298 (part)	01/09/2013	24,400
Subtotal		**44,739**

Canbriam has earned an interest between the surface and the top of the Trenton Formation of over 8,000 hectares to date and could increase its earning to up to 32,000 of the 44,739 hectares.

Map



B) Chittim Ranch, Texas, USA

On May 11, 2011, Petrolympic USA, Inc., a wholly-owned subsidiary of Petrolympic, announced that it had acquired a new property, the Chittim Ranch property in the Maverick Basin, Texas, as the Company shifted its near term operational focus from gas to liquids.

During 2011, Petrolympic entered into an exploration agreement with Texas HBP LLC ("HBP") and Shell Western E&P Inc. ("Shell") to acquire an interest in the Chittim Ranch property. HBP had an exploration agreement with the original lease owner of the property, which was subsequently acquired by Shell. Under the terms of the agreement between HBP and Shell, HBP was required to pay 100% of the costs incurred in the drilling and completion of earning wells. Once each well had been drilled to its objective depth, completed and tested, HBP was to own an 87.5% working interest in the property, with Shell retaining the remaining 12.5% interest. Thereafter, each party was to be responsible for its proportionate share of operating costs.

On April 10, 2012, Petrolympic USA, Inc. received notice that the lease for its Chittim Ranch property had been breached by HBP as operator. On July 3, 2012, the Company announced that it has resolved its dispute with HBP, Big Shell Oil & Gas Inc. and Harvey E. White (the "Big Shell Entities"), pertaining to the Chittim Ranch 80 #2V Well (the "Well") located in the Chittim Ranch Properties.

Settlement Terms

- The Big Shell Entities have consented to the direct assignment to Petrolympic USA, Inc. of an 80.25% working interest (net revenue interest of 60.1875%) in the well and the surrounding 320-acre (130-hectare) leasehold estate (the "Petrolympic Property"), an increase from the originally agreed upon 50% working interest (net revenue interest of 37.5%).
- Petrolympic USA, Inc. is seeking consent from the landowners to a formal assignment of the Petrolympic Property and formally changed the operatorship with the Railroad Commission of Texas.
- Big Shell Entities relinquished operations over the Petrolympic Property to Oil-Lympia Oil and Gas Inc., a subsidiary company of Petrolympic.
- Petrolympic USA, Inc. satisfied all outstanding invoices to third-party vendors and service providers in relation to prior operations on the well.
- Petrolympic USA, Inc. has relinquished any rights under the participation agreement in the balance of the 8,000 acres (3,237 hectares).

Operations

Based on the positive results of the production test completed in January of 2013, management determined the Chittim Ranch 80-2V warranted a completion that would allow a more comprehensive testing of the Edwards Limestone "B" Zone at 3,836'-3,846'.

Beginning on May 6, 2013, reworking of the Chittim Ranch 80-2V well was initiated to complete this well with a rod pump and the installation of surface equipment, including a pumping unit, separator, and tank battery.

Reworking of the well and installation of surface facilities was completed on May 14, 2013, at which time the well was turned on, pumping at six strokes per minute. During the first month of operation, the well averaged a 10% oil cut. Early operations were somewhat hampered as well pressure and at times production volumes were in excess of the separator's capacity. The well was shut-in from July 6, 2013, through July 9, 2013, while the separator was replaced with a larger capacity heater treater and a larger sheave was installed on the pumping unit to allow the pump speed to be increased to eight strokes per minute.

On July 17, 2013, daily oil production showed a marked decrease. On July 19, 2013, the well was not producing any fluid, indicating either a problem with the down-hole pump or a hole in the tubing. Subsequently, the well was shut-in until a work over rig could be contracted to pull the pump for repair and test the tubing.

During the period, the well was reworked. The Company repaired the down hole pump and pressure tested the tubing. The Company is currently testing production.

The Company cannot quantify what the cash inflows might be from the well. Petrolympic plans to produce the oil from this reservoir for its maximum economic value and subsequently move up the pipe and test other zones encountered during the drilling.

Exploration Activities in Québec

The government of Québec made several changes in June 2011 to the legislative and regulatory framework for oil and gas production. The adoption of Bill 18, an Act to limit oil and gas activities, introduced three changes aimed at:

- banning oil and gas activity on islands in the river and estuary portion of the St. Lawrence;
- exempting holders of exploration licences from performing the work required under the Mining Act for up to three years from the introduction of the legislation; and
- extending the validity of all exploration licences in Québec for the same period as the moratorium.

In addition, the Ministère du Développement Durable, de l'Environnement et des Parcs (the "MDDEP") amended the regulation respecting the application of the Environment Quality Act. As a result, an environmental authorization certificate is required for all shale drilling and fracking operations. The amendment also requires companies to hold a public consultation before applying for a certificate for this type of work. Lastly, concerning strategic environmental assessments, the MDDEP has adopted a regulation aimed at providing information on shale drilling and fracking operations.

The government announced in the fall further changes to come to the Mining Act governing the exploration and exploitation of hydrocarbons and also declared a moratorium on shale gas exploration in the St. Lawrence Lowlands while new studies are taking place by the Bureau d'audiences publiques sur l'environnement.

Some of Petrolympic's exploration activities will face delays due to these government decisions.

Petrolympic and Squatex can renew annually all their exploration permits until September 2019. Bill 18 is now allowing a further extension of the ownership of the permits for up to three more years while the government of Québec completes a strategic environmental assessment on shale gas development.

Specifically, the following permits are not directly affected by Bill 18, since shale gas is not the target of exploration:

- Gaspé Permits (100% ownership by Petrolympic);
- St. Lawrence Lowlands Permits (100% ownership by Petrolympic);
- Gaspé Permits (30% ownership by Petrolympic); and
- Lower St. Lawrence (30% ownership by Petrolympic).

The following permits located above the Utica Shale Fairway are directly affected by Bill 18:

- St. Lawrence Lowlands Permits (12% ownership by Petrolympic); and
- St. Lawrence Lowlands Permits (30% ownership by Petrolympic).

Petrolympic 100% Owned Permits

Gaspésie Peninsula

No additional work was performed on these permits during the nine months ended September 30, 2013. The Company has enough exploration credits from its past exploration activities to cover the minimum work obligation to keep the Gaspé permits in good standing until August 31, 2014, and with Bill 18, the permits are in good standing for a further period of up to three additional years as long as annual rents are paid by Petrolympic.

St. Lawrence Lowlands

No additional work was performed on these permits during the nine months ended September 30, 2013. The Company has enough exploration credits from its past exploration activities to cover the minimum work obligation to keep the St. Lawrence Lowlands permits in good standing until August 31, 2014, and with Bill 18, the permits are in good standing for a further period of up to three additional years as long as annual rents are paid by Petrolympic.

Squatex-Petrolympic Joint Venture Lands

Lower St. Lawrence - Gaspé Joint Permits

The Company is currently evaluating and exploring this property together with Squatex to target hydrothermal dolomite and reefs hosting conventional light oil, where oil showings have been previously observed in geological outcrops and coring programs.

Geological sampling was undertaken during the summers of 2009 and 2010 to measure the total carbon content and the maturity of the rocks in order to correct government geological maps. In 2010, a series of core holes totaling 1,107 metres was drilled to complement the field geological sampling. In the spring of 2011 two additional deep core holes totaling 1,047 metres were completed to help link previous seismic results with the geology at depth. During Q2 2012, a revised interpretation of the structural impacts of faults was completed using a new hypothesis based on recent coring and sampling results. These new results have enabled the development of further leads and prospects, and in September 2012, Petrolympic and its partner, Squatex, decided to drill the Masse No.1 coring well in the Municipality of Ste-Jeanne d'Arc, near the Mitis River, to study the local stratigraphic sequence and to test possibilities of the presence of conventional light oil in fractured Silurian rocks.

Because of the important depth to be reached, the well was equipped with a blow-out preventer installed on a 150 metre cemented casing (10% of the expected total depth). The coring was stopped in November 2012 at a depth of 1,710 metres because of adverse winter weather. The well was suspended, allowing for further tests and the possibility of resuming drilling in 2013. The well was supervised by a team of five geologists and engineers and drilled through highly perturbated beds of the St. Leon Formation before reaching near 800 metres reefal carbonate sequences similar to the West Point Formation, followed by a series of thrusted beds from the base of Silurian, including a 15 metre thick porous dolomite from the Sayabec reef. Both reef sequences presented gas and condensate shows during drilling and were sampled.

Cores were studied in detail and further tests and analysis were conducted in the first part of 2013. Results of this preliminary work allowed the decision in May 2013 to deepen the well and to drill a second location, the Sayabec No.1 well. In mid-June, the Massé No.1A well was re-entered to drill through a seismic AVO anomaly indicating a fluid response. This zone was encountered, giving very strong gas blows (89% Methane) in a porous and permeable Sayabec dolomite and also in the Val Brillant sandstone. The porous zone extends between 1,790 m and 1,874 m. The cores collected starting at 1,847m exhibit a 10 meters thick zone which contains a measured porosity which locally reaches 20,8% with a permeability of 1,624 mD. The preliminary geophysical interpretation done by Squatex indicates that the prospective zone of AVO anomalies can extend over a surface of more than 20 km^2, which, by using the parameters measured during drilling, could result in a reservoir which could contain a volume up to 100 BCF. Further work and analysis must be performed to fully appraise and confirm the potential of the Massé structure. In early September, the decision to first reprocess other seismic lines in the area was taken in order to possibly visualize the porosity zone extension.

Because of important depth limitations of the mining rig used to core the Massé well and the difficulty of containing the gas without having the proper equipment, the well had to be stopped and the hole was subsequently cemented at the total depth of 1,874 m without adequate testing being performed.

The rig was then moved in July 15 kilometers further to the east to a second location to drill the Sayabec No.1 well. This site was chosen to verify the possible presence of dolomitization in the Sayabec limestone over a seismic amplitude anomaly above a stratigraphic wedge out near the eastern limit of the permits. Again, a dolomitized zone was encountered near the base of the Sayabec Formation, but unfortunately, encountering only minor gas shows. The well reached 759 meters, stopping in Ordovician rocks of the Quebec Group.

St. Lawrence Lowlands Joint Permits

The last exploration work performed in the St. Lawrence Lowlands by Petrolympic, Squatex and Canbriam was the drilling of the Farnham No. 1 well and the recording and interpretation of a 40-kilometre 2D seismic survey in 2010 to further refine target areas and locate the best sites to be drilled. The resulting data and profiles have been integrated into a database with all other data acquired to plan future work over the area while waiting for the strategic environmental study to be completed by the Québec government. Petrolympic remains confident that shale gas will be developed safely in the Québec Lowlands in the near future.

Exploration and evaluation expenditures

Québec	Nine Months Ended, September 30, 2013 $	Nine Months Ended, September 30, 2012 $
General exploration costs	137,040	180,436
Geophysical	500	2,500
Permits and licences	24,446	24,446
Net costs incurred	**161,986**	**207,382**

Québec	Three Months Ended, September 30, 2013 $	Three Months Ended, September 30, 2012 $
General exploration costs	104,999	107,819
Permits and licences	14,605	14,605
Net costs incurred	**119,604**	**122,424**

For the three and nine months ended September 30, 2013, the Company spent $119,604 and $161,986, respectively (comparative period - $122,424 and $207,382, respectively) on its permit interests for interpretation studies of acquired data and the drilling of the Massé No.1 and Sayabec No.1 core holes. The Company anticipates spending about $230,000 (net of Squatex's share) for fiscal 2013 on further exploration work over Company target areas where conventional exploration is taking place. Specifically, the Company will focus on areas not directly affected by Bill 18. This work will satisfy the Company's 2013 flow-through commitment. Due to sufficient aggregate historical expenditures, the Company is allowed but not required to incur further costs on its permits in fiscal 2013. Bill 18, voted in June 2011 by the government of Québec, is extending the life of the Company's permits and exempting work obligations for up to an additional three years. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

Technical Disclosure

The above technical disclosure under the heading "Exploration Activities in Québec" has been prepared under the supervision of Paul Laroche, P. Eng., P. Geo., and a "qualified person" within the meaning of National Instrument 51-101.

Chittim Ranch Property Activities

The Company anticipates spending $500,000 on well activities at the Chittim Ranch property, subject to positive results and the completion of an equity financing. The Company has obtained a loan in the amount of $200,000 from its CEO which will fund a portion of the 2013 Chittim Ranch activities in the amount of $100,000.

Chittim Ranch Property	Nine Months Ended, September 30, 2013 $	Nine Months Ended, September 30, 2012 $
Development costs	82,884	171,593
Depreciation	3,918	nil
Net costs incurred	**86,802**	**171,593**

Chittim Ranch Property	**Three Months Ended, September 30, 2013 $**	**Three Months Ended, September 30, 2012 $**
Development costs	47,285	130,132
Depreciation	2,136	nil
Net costs incurred	**49,421**	**130,132**

Trends

The general concern over the exploitation of shale gas in the Province of Québec could delay some of the expected or proposed exploration work. Management, in conjunction with the Board of Directors, will continue to monitor these developments and their effect on the Company's business.

In addition to the risks outlined in this MD&A, the Company has identified the extreme volatility occurring in the financial markets recently as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Petrolympic are considered risk assets and are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Petrolympic to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Environmental Liabilities

The Company is not aware of any environmental liabilities or obligations associated with its petroleum and natural gas interests. The Company is conducting its operations in a manner consistent with governing environmental legislation.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Summary of Quarterly Results

Three Months Ended	Total Assets $	Profit or Loss	
		Total $	Per Share $
September 30, 2013	278,175	(225,566) [1]	(0.00)
June 30, 2013	412,960	(15,626) [2]	(0.00)
March 31, 2013	416,327	(289,041) [3]	(0.00)
December 31, 2012	425,079	(307,219) [4]	(0.00)
September 30, 2012	405,846	(370,319) [5]	(0.00)
June 30, 2012	664,320	(285,330) [6]	(0.00)
March 31, 2012	945,910	(139,408) [7]	(0.00)
December 31, 2011	1,161,658	(240,132) [8]	(0.00)

Notes:

(1) Net loss of $225,566 principally relates to exploration and evaluation expenditures of $169,025, professional fees of $20,181, management fees of $15,000, administrative and general of $9,197, salaries and benefits of $8,273 and operating expenses related to general working capital purposes.

(2) Net loss of $15,626 principally relates to exploration and evaluation expenditures of $25,223, share-based payment of $77,734, management fees of $16,500, professional fees of $8,852, reporting issuer costs of $227, administrative and general of $12,303 and operating expenses related to general working capital purposes. This was offset by an income-tax recovery of about $135,426.

(3) Net loss of $289,041 principally relates to exploration and evaluation expenditures of $54,540, share-based payment of $183,333, management fees of $16,500, professional fees of $8,524, reporting issuer costs of $8,223, administrative and general of $15,026 and operating expenses related to general working capital purposes.

(4) Net loss of $307,219 principally relates to exploration and evaluation expenditures of $236,883, professional fees of $32,492, investor relations and promotion of $3,923, management fees of $16,501, administrative and general of $1,311 and operating expenses related to general working capital purposes.

(5) Net loss of $370,319 principally relates to exploration and evaluation expenditures of $252,556, professional fees of $63,332, investor relations and promotion of $15,498, management fees of $20,499, administrative and general of $9,981 and operating expenses related to general working capital purposes.

(6) Net loss of $285,330 principally relates to salaries and benefits of $11,262, exploration and evaluation expenditures of $75,229, professional fees of $58,516, management fees of $17,000, administrative and general of $12,541, investor relations and promotion of $11,825 and operating expenses related to general working capital purposes.

(7) Net loss of $139,408 principally relates to professional fees of $64,359, investor relations and promotion of $7,689, management fees of $19,083 and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $205.

(8) Net loss of $240,132 principally relates to professional fees of $80,668, investor relations and promotion of $61,679, management fees of $44,862 and operating expenses related to general working capital purposes. These expenses were offset by interest and other income of $1,240.

The Company's results have fluctuated from period to period due to the timing of exploration expenditures in each period. In addition, administrative expenses have fluctuated from period to period depending on higher or lower support costs for the Company's exploration program in Québec (Canada) and Texas (USA).

Discussion of Operations

Nine months ended September 30, 2013, compared with nine months ended September 30, 2012

Petrolympic's net loss totaled $530,233 for the nine months September 30, 2013, with basic and diluted loss per share of $0.01. This compares with a net loss of $795,057 with basic and diluted loss per share of $0.01 for the nine months September 30, 2012. The decrease in the net loss of $264,824 was principally because:

- Exploration and evaluation expenditures for the nine months ended September 30, 2013, were $248,788 (nine months ended September 30, 2012 - $428,975), a decrease of $180,187 compared to the same period in 2012. The Company's exploration program in Québec (Canada) and Texas (USA) is ongoing.

  Exploration and evaluation expenditures have fluctuated from period to period due to the timing and funding of the Company's exploration program in Québec (Canada) and Texas (USA).

- During the nine months ended September 30, 2013, the Company recognized income of $13,143 (nine months ended September 30, 2012 - $81,050) due to the retirement of the liability for the deferred premium on flow-through shares.

- Operating expenses such as management fees, administrative and general, professional fees, investor relations and promotion, reporting issuer costs and salaries and benefits excluding share-based payment totaled $168,438 for the nine months ended September 30, 2013 (nine months ended September 30, 2012 - $354,797). The decrease of $186,359 is due mainly to cost saving initiatives implemented by the Company.

- On March 25, 2013, the Company granted 3,333,335 options at a price of $0.10 per share, expiring March 25, 2018. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of $0.07; 119% volatility; risk-free interest rate of 1.32%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was $183,333, which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to equity settled share-based payment reserve. These options have fully vested.

On June 26, 2013, the Company granted a total of 1,466,667 options to purchase common shares of the Company to directors and an officer at an exercise price of $0.10 per share, expiring on June 26, 2018. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of $0.07; 110% volatility; risk-free interest rate of 1.69%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was $77,734, which was expensed in the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to equity settled share-based payment reserve. These options have fully vested.

On April 24, 2012, the Company granted 1,200,000 options of the Company at a price of $0.12 per share, expiring April 24, 2017. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: a five year expected average life; share price of $0.10; 111% volatility; risk-free interest rate of 1.68%; and a dividend yield of 0%. Volatility is calculated based on the changes in historical stock prices over the expected life of the options. The fair value assigned to these options was $92,400, which was expensed to the unaudited condensed interim consolidated statement of loss and comprehensive loss with a corresponding amount allocated to equity settled share-based payment reserve. These options have fully vested.

Several variables were used when determining the value of stock options using the Black-Scholes option pricing model:

Expected term: the Company used the expected term of five years for the options granted, which is the maximum term ascribed to the stock options issued. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.

Volatility: the Company used historical information on the market price of its common shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options are granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term at the date of the grant of the stock options. The risk-free interest rate will vary depending on the date of grant of the stock options and their expected term.

Dividend yield: the Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any income from operations. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used to value the stock options.

- During the nine months ended September 30, 2013, a deferred income tax recovery of $135,426 resulted from expired warrants.

Three months ended September 30, 2013, compared with three months ended September 30, 2012

Petrolympic's net loss totaled $225,566 for the three months September 30, 2013, with basic and diluted loss per share of $0.00. This compares with a net loss of $370,319 with basic and diluted loss per share of $0.00 for the three months September 30, 2012. The decrease in the net loss of $144,753 was principally because:

- Exploration and evaluation expenditures for the three months ended September 30, 2013, were $169,025 (three months ended September 30, 2012 - $252,566), a decrease of $83,541 compared to the same period in 2012. The Company's exploration program in Québec (Canada) and Texas (USA) is ongoing.

  Exploration and evaluation expenditures have fluctuated from period to period due to the timing and funding of the Company's exploration program in Québec (Canada) and Texas (USA).

- Operating expenses such as management fees, administrative and general, professional fees, investor relations and promotion, reporting issuer costs and salaries and benefits totaled $56,541 for the three months ended September 30, 2013 (three months ended September 30, 2012 - $117,732). The decrease of $61,191 is due mainly to cost saving initiatives implemented by the Company.

Liquidity and Capital Resources

The activities of the Company, principally the acquisition and exploration of properties prospective for petroleum and natural gas, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the nine months ended September 30, 2013, the Company completed a Private Placement raising gross proceeds of $154,680. In addition, the Company received a loan of $200,000 from Mendel Ekstein, the CEO and the President of the Company, for a term of 12 months, which principal will bear no interest (but will bear interest at a rate of 30% per annum in the case of a default). There is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable, if at all. See "Risk Factors" below.

The Company has no operating revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of September 30, 2013, the Company had 89,274,243 common shares issued and outstanding, 7,000,002 options and 4,387,524 warrants outstanding, which would raise $1,346,003 if exercised in full. This is not anticipated until the market price of the Company's traded common shares increases.

Current liabilities increased to $453,811 at September 30, 2013, from $289,075 at December 31, 2012, primarily due to a loan of $185,000 received from the CEO. The total loan balance at September 30, 2013 amounted to $200,000 (December 31, 2012 - $15,000). The Company's cash and cash equivalents as at September 30, 2013, are not sufficient to satisfy current liabilities as well as future anticipated costs. Excluding the loan payable of $200,000, the Company's cash and cash equivalents are not sufficient to satisfy current liabilities as well as future anticipated costs at September 30, 2013. It must be noted that the Company is searching for financing alternatives and attempting to generate cash inflows from its Chittim Ranch well to satisfy the loan of $200,000 prior to its maturity date as well as general operating costs.

Cash used in operating activities was $216,272 for the nine months ended September 30, 2013. Operating activities were affected by the net increase in non-cash working capital balances of $241,764 because of a decrease in amounts receivable and other assets of $265,885 and a decrease in accounts payable and accrued liabilities of $24,121. The Company also recorded depreciation of equipment of $4,427, premium on flow-through shares of $13,143 and share-based payment of $261,067.

Cash provided by financing activities was $339,680 for the nine months ended September 30, 2013. As mentioned previously, the CEO provided $200,000 to the Company. $185,000 was provided in Q1 2013 and $15,000 was provided in Q4 2012. In addition, the Company received $154,680 from the Private Placement that closed on June 27, 2013.

To date, the cash resources of the Company are held with two major Canadian chartered banks. The Company has no debt other than an outstanding loan to an officer and director of the Company which bears zero interest, except in the case of default. Its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

The Company's liquidity risk from financial instruments is minimal as surplus cash is invested in investment grade term deposit certificates. As of September 30, 2013, surplus cash was invested in bank-backed guaranteed investment certificates worth $10,000, and this amount was included in cash and cash equivalents.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Investing activities include the cash components of the cost of acquisition and exploration of its petroleum and natural gas interests. Currently, the Company's operating expenses are averaging approximately $15,000 to $50,000 per month for management fees, month-to-month professional fees and other working capital related expenses. The Company anticipates spending about $230,000 (net of Squatex's share) for fiscal 2013 on further exploration work over Company target areas where conventional exploration is taking place. Specifically, the Company will focus on areas not directly affected by Bill 18. This work will satisfy the Company's 2013 flow-through commitment. In addition, the Company anticipates spending $500,000 on well activities at the Chittim Ranch property for fiscal 2013, subject to positive results and an equity financing. It must be noted that the Company is attempting to develop the Chittim Ranch well at the date of this MD&A. If successful, the Company may have recurring cash inflows from the well from its net revenue interest. At this time, the Company cannot quantify what the cash inflows might be. Based on the rate of expenditure, the Company will have to raise equity capital in calendar 2013 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company. In addition, the Company will attempt to defer the payment of accounts payable until payment is absolutely required. If payment is not made, it is expected that certain vendors may withhold services, which may affect the Company's ongoing business activities.

The CEO provided $200,000 to Petrolympic for the purposes of funding exploration on the Chittim Ranch property in the amount of $100,000 and increasing its working capital. The borrowed funds will be returned to the CEO once a financing is completed.

The Company believes it has sufficient cash resources to meet its 2013 flow-through commitment of about $230,000 ($138,000 spent), however it will require additional funding to repay the loan outstanding, cover administrative overhead for the twelve months ending September 30, 2014, as well as Chittim Ranch activities in the amount of $100,000. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly. However, to meet long-term business plans, discovery of a petroleum and natural gas reserve is an important component of the Company's financial success.

Change in Accounting Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2012. The following new standards have been adopted:

(i) IFRS 10 – Consolidated Financial Statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control consists of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(ii) IFRS 11 - Joint Arrangements ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 - Interest in Joint Ventures and SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: joint operations and joint ventures. A joint operation exists when the parties have rights to the assets and obligations for the liabilities of a joint arrangement. A joint venture exists when the parties have rights to the net assets of a joint arrangement. Assets, liabilities, revenues and expenses in a joint operation are accounted for in accordance with the arrangement. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iii) IFRS 12 – Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off-balance-sheet vehicles. At January 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

(iv) IFRS 13 – Fair Value Measurement, effective for the Company beginning on January 1, 2013, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. At January 1, 2013, the Company adopted this pronouncement. There was no material impact on the Company's unaudited condensed interim consolidated financial statements given the existing asset and liability mix to which fair value accounting applies.

(v) Amendments to IAS 1 - Presentation of Financial Statements - During the period, the Company adopted IAS 1 - Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption did not impact the Company's financial results.

Recent Accounting Pronouncements

(i) IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

(ii) IAS 32 - Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

Financial Instruments

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Financial instruments included in amounts receivable consist of sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of September 30, 2013. Management believes that the credit risk with respect to financial instruments included in amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at September 30, 2013, the Company had cash and cash equivalents of $167,604 (December 31, 2012 - $101,411) to settle current liabilities of $453,811 (December 31, 2012 - $289,075). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms except for the loan payable, which is due February 20, 2014. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company is currently looking for an equity or debt financing transaction to advance its business activities and pay back the loan of $200,000 provided by its CEO.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk with respect to the expenditures incurred by its US subsidiaries.

(c) Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices (oil and natural gas), individual equity movements and the stock market in general to determine what course of action it should take.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a nine month period:

(i) The Company has no debt other than an outstanding loan in the amount of $200,000 to an officer of the Company which bears zero interest, except in the case of default. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss and comprehensive loss.

(ii) The Company has subsidiaries with balances denominated in US dollars. Sensitivity to a plus or minus 5% change in exchange rates would lead to approximately a $900 gain/loss in the reported net loss and comprehensive loss for the nine months ended September 30, 2013.

Share Capital

As at the date of this MD&A, the Company had 89,274,243 issued and outstanding common shares.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
750,000	June 17, 2014	$0.295
150,000	April 23, 2015	$0.28
100,000	November 22, 2015	$0.20
1,200,000	April 24, 2017	$0.12
3,333,335	March 25, 2018	$0.10
1,466,667	June 26, 2018	$0.10
800,000	November 21, 2018	$.175
7,800,002		

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
1,809,524	June 28, 2014	$0.10
2,578,000	February 27, 2015	$0.10
4,387,524		

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Related Party Transactions

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

As at September 30, 2013, Mendel Ekstein, an officer and director of the Company, controls or indirectly controls 26,030,936 common shares of the Company, or approximately 29% of the total common shares outstanding. As at September 30, 2013, Andreas Jacob, a director of the Company, controls or indirectly controls 11,967,625 common shares of the Company, or approximately 13% of the total common shares outstanding. As at September 30, 2013, directors and/or officers of the Company who control less than 10% of the common shares of the Company, collectively control 292,510 common shares of the Company or less than 1% of the total common shares outstanding. To the knowledge of directors and officers of Petrolympic, the remainder of the Company's outstanding common shares are widely held. These holdings can change at any time at the discretion of the owner.

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

Names	**Nine Months Ended September 30, 2013 $**	**Nine Months Ended September 30, 2012 $**
Marrelli Support Services Inc. ("Marrelli Support") (i)	41,175	41,444
DSA Corporate Services Inc. ("DSA") (ii)	12,140	16,216
Fogler Rubinoff LLP ("Fogler") (iii)	22,548	17,735
Loan payable - Mendel Ekstein (iv)	185,000	nil
Total	**260,863**	**75,395**

Names	Three Months Ended September 30, 2013 $	Three Months Ended September 30, 2012 $
Marrelli Support (i)	19,102	10,725
DSA (ii)	4,000	4,030
Fogler (iii)	8,520	3,103
Total	**31,622**	**17,858**

(i) For the three and nine months September 30, 2013, the Company expensed $19,102 and $41,175, respectively (three and nine months September 30, 2012 - $10,725 and $41,444, respectively) to Marrelli Support for the services of Carmelo Marrelli to act as Chief Financial Officer ("CFO") of the Company. In addition, Marrelli Support also provides bookkeeping services to the Company. Carmelo Marrelli is the president of Marrelli Support. The amounts charged by Marrelli Support are based on what Marrelli Support usually charges its regular clients. The Company expects to continue to use Marrelli Support for an indefinite period of time. As at September 30, 2013, Marrelli Support was owed $16,344 (December 31, 2012 - $42,936) and this amount was included in accounts payable and accrued liabilities.

(ii) For the three and nine months September 30, 2013, the Company expensed $4,000 and $12,140, respectively (three and nine months September 30, 2012 - $4,030 and $16,216, respectively) to DSA for corporate secretarial services. DSA is a private company controlled by Carmelo Marrelli, the CFO of the Company. Carmelo Marrelli is also the corporate secretary and sole director of DSA. The amounts charged by DSA are based on what DSA usually charges its regular clients. The Company expects to continue to use DSA for an indefinite period of time. As at September 30, 2013, DSA was owed $4,974 (December 31, 2012 - $21,155) and this amount was included in accounts payable and accrued liabilities.

(iii) For the three and nine months September 30, 2013, the Company expensed $8,520 and $22,548, respectively (three and nine months September 30, 2012 - $3,103 and $17,735, respectively) to Fogler for professional services. The amounts charged by Fogler are based on what Fogler usually charges its regular clients. The Company expects to continue to use Fogler for an indefinite period of time. The Corporate Secretary of Petrolympic is a partner at Fogler. As at September 30, 2013, Fogler was owed $12,754 (December 31, 2012 - $9,036).

(iv) During the three and nine months September 30, 2013, the Company received $nil and $185,000, respectively from Mendel Ekstein, the President and CEO of the Company, pursuant to a loan which the Company and CEO entered into. The total loan balance as of September 30, 2013, amounted to $200,000 (December 31, 2012 - $15,000). In the fourth quarter of fiscal 2012, $15,000 was advanced to the Company.

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

Salaries and Benefits	Nine Months Ended September 30, 2013 $	Nine Months Ended September 30, 2012 $
Mendel Ekstein (CEO)	36,000	43,083
Andreas Jacob (Vice-President)	24,744	30,135
Total	**60,744**	**73,218**

Salaries and Benefits	Three Months Ended September 30, 2013 $	Three Months Ended September 30, 2012 $
Mendel Ekstein (CEO)	12,000	3,500
Andreas Jacob (Vice-President)	8,248	10,623
Total	**20,248**	**14,123**

Share-based Payment	Nine Months Ended September 30, 2013 $	Nine Months Ended September 30, 2012 $
Mendel Ekstein (CEO)	57,867	15,400
Andreas Jacob (Vice-President)	57,867	11,550
Alain Fleury (Director)	36,667	7,700
Miles Pittman (Director)	36,666	7,700
Robert Kinsey (Consultant)	nil	7,700
Adam Sweras (Officer)	35,334	7,700
Roger Creamer (Director)	nil	26,950
Frank Ricciuti (Director)	36,666	7,700
Total	**261,067**	**92,400**

Share-based Payment	Three Months Ended September 30, 2013 $	Three Months Ended September 30, 2012 $
Total	**nil**	**nil**

Payments to directors and key management personnel of the Company include (a) related party transactions with, and (b) remuneration to, directors and key management personnel of the Company. As at September 30, 2013, directors and key management personnel of the Company were owed $80,992 (December 31, 2012 - $20,248) for remuneration, excluding amounts in (a) above. The Company is deferring payments to directors and key management personnel until a financing is completed.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Capital Management

Petrolympic manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, comprising share capital, reserves and deficit, which at September 30, 2013, totalled a deficiency of $175,636 (December 31, 2012 – equity of $121,004).

This is done by the Board of Directors' review and acceptance of exploration budgets that are achievable with existing resources and the timely matching and release of the next stage of expenditures with financial resources from private placements or other fund raisings.

The Company is not subject to any material externally imposed capital requirements or covenants other than the obligation to incur eligible expenditures with respect to the flow-through shares issued. Management reviews the Company's capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the three and nine months ended September 30, 2013.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail farm-ins, farm-outs, acquisitions and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements respecting any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's MD&A for the fiscal year ended December 31, 2012, available on SEDAR at **www.sedar.com**.

Commitments

(a) Québec, Canada

As at September 30, 2013, Petrolympic holds an interest in 752,951 hectares (1,860,542 acres) of oil and gas exploration permits in the Appalachian Basin of Québec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula (See map on page 11). The Company's holdings in the St. Lawrence Lowlands are a 30% interest in 216,933 hectares (536,041 acres) through a joint venture with Squatex; a 12% interest in 8,000 hectares (19,768 acres) through the Farmout and Joint Operating Agreement with Canbriam; as well as a 100% interest in 56,152 hectares (138,752 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometres southwest of Montreal. These properties represent a major position in the Utica-Lorraine and Trenton-Black River plays. Petrolympic also maintains holdings in the Gaspé and Bas-St. Lawrence regions, including a 30% interest in 431,178 hectares (1,065,441 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,688 hectares (100,540 acres) located between Rimouski and Matane prospective for hydrothermal dolomite hosted light oil.

In order to maintain its petroleum and natural gas permits in good standing, the Company must pay an annual rent of $0.10 per hectare (changing to $0.50 per hectare starting in 2014) and incur minimum exploration expenditures equivalent to $0.50 per hectare in the first year, increasing by $0.50 per hectare every subsequent year to a maximum of $2.50. After the first five-year period, which will end in September 2014, the Company has the option to renew the permits each year for a maximum of another five years, with the obligation of incurring aggregate minimum annual exploration and rental expenditures of $3.00 per hectare (changing to $5.00 per hectare starting in 2014).

Annual rentals and minimum exploration expenditures are reduced by past expenditures exceeding the minimum amounts due.

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact.

At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

Annual rental and minimum exploration expenditures to keep all permits (100% interest permits plus 30% of Squatex's permits) are unknown.

(b) Flow-through shares

Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As at September 30, 2013, the Company is committed to incurring approximately $230,000, of which approximately $138,000 has been spent, in Canadian Exploration Expenditures by December 31, 2013, arising from the flow-through offerings.

Subsequent Event

On November 21, 2013, Petrolympic announced that a total of 800,000 options to purchase common shares of the Company have been granted to directors at an exercise price of $0.175 per share, expiring on November 21, 2018. The grant is to replace the 800,000 options that expired on September 12, 2013.