Crest Petroleum Corp.

(A Capital Pool Company)

INTERIM FINANCIAL STATEMENTS

For the three months ended May 31, 2013

Expressed in Canadian Dollars

(unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Crest Petroleum Corp.
Statement of Financial Position
(Expressed in Canadian dollars – unaudited)

	Notes		May 31, 2013		February 28, 2013
ASSETS					
Current assets					
Cash	5	$	5,083	$	16,762
Short-term investments	5		206,300		206,300
Accounts receivable	6		1,329		1,329
Prepaid expenditures			1,104		-
TOTAL ASSETS		**$**	**213,816**	**$**	**224,391**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7	$	12,999	$	20,133
TOTAL LIABILIITES			**12,999**		**20,133**
SHAREHOLDERS' EQUITY					
Share capital	4		293,082		293,082
Reserves	4		45,600		45,600
Deficit			(137,866)		(134,424)
TOTAL EQUITY			**200,816**		**204,258**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**213,816**	**$**	**224,391**

On behalf of the Board:

"Adam Cegielski", Director   *"James Greig"*, Director

Crest Petroleum Corp.
Statement of Comprehensive Loss
(Expressed in Canadian dollars – unaudited)

	Notes	Three month period ended May 31, 2013	Three month period ended May 31, 2012
Expenses			
Bank charge and interest		$ 47	$ 23
Office and general		2,188	-
Professional fees		370	4,000
Registration and filing fees		837	19,600
Loss before income taxes		(3,442)	(23,623)
Net and comprehensive loss for the period		**(3,442)**	**(23,623)**
Loss per share – basic and diluted	4	**$ (0.00)**	**$ (0.01)**

Crest Petroleum Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars – unaudited)

	Share Capital				
	Number of shares	Amount	Reserves	Deficit	Total
Balance at February 29, 2012	**3,000,000**	**$ 150,000**	**$ -**	**$ (5,682)**	**$ 144,318**
Shares issued for cash	2,000,000	200,000	-	-	200,000
Share issue costs	-	(48,518)	-	-	(48,518)
Fair value of agents warrants	-	(8,400)	8,400	-	-
Share-based compensation	-	-	37,200	-	37,200
Net loss for the period	-	-	-	(128,742)	(128,742)
Balance at February 28, 2013	**3,000,000**	**$ 293,082**	**$ 45,600**	**$ (134,424)**	**$ 204,258**
Balance at February 28, 2013	**3,000,000**	**$ 293,082**	**$ 45,600**	**$ (134,424)**	**$ 204,258**
Comprehensive loss for the period	-	-	-	(3,442)	(3,442)
Balance at May 31, 2013	**5,000,000**	**$ 293,082**	**$ 45,600**	**$ (137,866)**	**$ 200,816**

Crest Petroleum Corp.
Statement of Cash Flows
(Expressed in Canadian dollars – unaudited)
For the three month period ended May 31, 2013

	Note	Three month period ended May 31, 2013	Three month period ended May 31, 2012
Operating activities			
Loss for the period		$ (3,442)	$ (23,623)
Changes in non-cash working capital items:			
Prepaid expenditures		(1,104)	-
Accounts payable and accrued liabilities	7	(7,134)	-
Accounts receivable	6	-	(2,232)
Net cash flows used in operating activities		(11,679)	(25,855)
Financing activities			
Issue of shares for cash		-	-
Share issuance costs		-	-
Net cash flows from (used in) financing activities		-	-
Increase (decrease) in cash and cash equivalents		(11,679)	(25,855)
Cash and cash equivalents, beginning		16,762	139,318
Cash and cash equivalents, ending		**$ 5,083**	**$ 113,463**

1. Description of business and nature of operations

Crest Petroleum Corp. (the "Company") was incorporated on January 24, 2012, under the laws of the province of British Columbia, Canada. The Company is a Capital Pool Company ("CPC"), as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The head and registered office of the Company is located at 800 - 1199 West Hastings Street, Vancouver B.C., V6E 3T5.

The Company's principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business ("Qualifying Transaction") subject to receipt of shareholder approval and acceptance by the regulatory authorities for the purpose of obtaining a listing on the Exchange and becoming an issuer. The Company has not commenced operations and has no significant assets other than cash. The Company has commenced the process of identifying potential acquisitions, however to date, the Company has not yet identified a company or assets for a potential Qualifying Transaction.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential operations is dependent upon the ability of the Company to obtain additional funding.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under Exchange policies, at which time, the Exchange may suspend or delist the Company's shares from trading.

These financial statements were approved and authorized for issuance by the Board of Directors of Crest Petroleum Corp. on July 26, 2013.

2. Significant accounting policies and basis of preparation

These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the year ended February 28, 2013, using the significant accounting policies outlined below.

a) Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

b) ***Significant accounting judgments, estimates and assumptions***

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. Significant accounting policies and basis of preparation (cont'd)

b) *Significant accounting judgments, estimates and assumptions (cont'd)*

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of future tax assets and liabilities. Actual results may differ from those estimates and judgments.

c) *Deferred financing costs*

Deferred financing costs relate directly to the proposed issuance of common shares by the Company. The costs will reduce the carrying value for financial statement purposes for those shares when issued by the Company. Upon completion of the financing, the deferred transaction and financing costs incurred will be charged against share capital.

d) *Share capital*

Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

e) *Loss per share*

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For the period presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company.

Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

f) *Financial instruments*

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2. Significant accounting policies and basis of preparation (cont'd)

f) Financial instruments (cont'd)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses, for future acquisition, with the exception that a maximum of the lesser of 30% of the gross proceeds realized or $210,000 may be used for the purposes other than evaluating businesses or assets. These restrictions apply until the completion of a Qualifying Transaction by the Company, as defined under the policies of the Exchange, and except as otherwise provided in the policies of the Exchange.

2. Significant accounting policies and basis of preparation (cont'd)

h) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.
Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Future income tax:

Future income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of future income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the future income tax asset to be utilized.

Future income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Future income tax assets and future income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the future income taxes relate to the same taxable entity and the same taxation authority.

3. Accounting standards issued but not yet effective

Amended standard IAS 1 "Presentation of Financial Statements"

In June 2011, the IASB issued amendments to IAS 1 – *Presentation of Financial Statements* ("IAS 1") that requires an entity to group items presented in the statement of other comprehensive income on the basis of whether they may be reclassified to profit or loss subsequent to initial recognition. For those items presented before tax, the amendments to IAS 1 also require that the tax related to the two separate groups be presented separately. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012, with earlier application permitted. The Company does not anticipate this amendment to have a significant impact on its financial statements.

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". 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.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS9 is effective for annual periods beginning on or after January 1, 2013.

(Expressed in Canadian dollars – unaudited)

3. Accounting standards issued but not yet effective (cont'd)

New standard IFRS 13 "Fair Value Measurement"

In May 2011, as a result of the convergence project undertaken by the IASB with the US Financial Accounting Standards Board to develop common requirements for measuring fair value and for disclosing information about fair value measurements, the IASB issued IFRS 13 – *Fair Value Measurement* ("IFRS 13"). IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 13 defines fair value and sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized.

The Company does not anticipate the application of IFRS 13 to have a significant impact on its financial statements.

4. Share capital

Authorized share capital

Unlimited number of common shares, without par value.

Issued share capital

At May 31, 2013 there were 5,000,000 issued and fully paid common shares.

On February 10, 2012, the Company received payment for and issued 3,000,000 common shares at a price of $0.05 per share for aggregate cash proceeds of $150,000.

On June 26, 2012, the Company completed its IPO that consisted of 2,000,000 common shares of the Company at a price of $0.10 each for aggregate gross proceeds of $200,000. On completion, the agent was paid an 8% cash commission. On closing, the Company also paid the agent's expenses relating to the completion of the IPO including reasonable fees and disbursements of its legal counsel and searches as well as corporate finance fees totaling $10,000 paid in cash. The Company granted the agent an option to acquire up to 160,000 common shares of the Company at $0.10 per share for a two year period up until and including June 26, 2014.

Share issuance costs

In connection with the IPO, as of February 28, 2013, the Company had recognized issuance costs that included cash payments totaling $48,518.

Warrants

A summary of share purchase warrants activity for the three month period from February 28, 2013 to May 31, 2013 is as follows:

	Number of Warrants	Exercise Price
Balance, February 28, 2013	160,000	$0.10
Issued	-	-
Balance, May 31, 2013	**160,000**	

(Expressed in Canadian dollars – unaudited)

4. Share capital (cont'd)

Warrants (cont'd)

Details of share purchase warrants outstanding as of May 31, 2013 are:

Expiry Date	Number of Warrants	Exercise Price
June 26, 2014	160,000	$0.10
	160,000	

The weighted average remaining contractual life of the share purchase warrants outstanding at May 31, 2013 is 1.07 years.

Options

During the year ending February 28, 2013, the Company granted 500,000 options with an exercise price of $0.10 and a contractual life of 5 years to Directors of the Company and share-based compensation expense of $37,200 was recorded. There were no options previously outstanding.

5. Cash and cash equivalents

The components of cash are as follows:

	May 31, 2013	February 28, 2013
Cash at bank	$ 5,083	$ 16,762
Short-term investment (guaranteed investment certificate)	206,300	206,300
	$ 211,383	**$ 223,062**

6. Accounts receivable

Receivables consist of interest receivable.

7. Accounts payable and accrued liabilities

	May 31, 2013	February 28, 2013
Accounts payable	$ 12,999	$ 20,133
Amounts due to related parties (note 8)	-	-
	$ 12,999	**$ 20,133**

8. Related party transactions

There were no related party transactions during the three month period ended May 31, 2013

9. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

During the period ended May 31, 2013, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As at May 31, 2013, all of the Company's non-derivative financial liabilities are due within one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk, and other price risk. The Company is primarily exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a low exposure to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are exposed to interest rate fluctuations on renewal.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company currently operates only in Canada and is not exposed to this risk.

(Expressed in Canadian dollars – unaudited)

9. Financial risk management (cont'd)

Market risk (cont'd)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to this risk.

Categories of financial instruments

		May 31, 2013		February 28, 2013
Cash	$	5,083	$	16,762
Short-term investments (Guaranteed investment certificate)		206,300		206,300
Loans and receivables:				
Receivables		1,329		1,329
	$	212,712	$	224,391

Financial liabilities included in the statement of financial position are as follows:

		May 31, 2013		February 28, 2013
Non-derivative financial liabilities:				
Accounts payable	$	12,999	$	20,133
		12,999		20,133

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents are classified as level 1.

10. Capital management

The Company's objectives when managing capital are to ensure its ability to continue as a going concern and allow it to identify an appropriate business or asset in order to complete a qualifying transaction. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets, including successful capital deployment. The Company considers its capital structure to include Shareholders' equity, debt and working capital. The Company prepares annual budgets in order to facilitate the management of its capital requirements. To maintain or adjust the capital structure, the Company may from time to time, issue common shares, raise debt, adjust its capital spending or change dividends paid to manage its current and projected debt levels. The Company is not subject to any external financial covenants.

11. Subsequent events

There are no subsequent events.