EastSiberian Plc
(formerly PetroKamchatka Plc)
Condensed Interim Consolidated Financial Statements
(Unaudited)
For the three months ended August 31, 2013

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, EastSiberian Plc discloses that its auditors have not reviewed the unaudited financial statements for the three months ended August 31, 2013

EastSiberian Plc

(formerly PetroKamchatka Plc)
Condensed Interim Consolidated Statements of Financial Position
(United States Dollars)
(Unaudited)

	Note		August 31, 2013		May 31, 2013
Assets					
Current assets:					
Cash and cash equivalents		$	278,019	$	424,368
Accounts receivable			143,890		117,222
Prepaid expenses			28,952		3,641
Total assets		$	**450,861**	$	**545,231**
Equity (Deficiency)					
Share capital	5	$	91,806,942	$	91,806,942
Contributed surplus	5		5,760,482		5,760,482
Foreign currency translation reserve			265,286		265,286
Deficit			(98,949,863)		(98,758,752)
Total equity (deficiency)			**(1,117,153)**		**(926,042)**
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	6	$	1,468,014	$	1,371,273
Convertible note payable	4		100,000		100,000
Total liabilities			**1,568,014**		**1,471,273**
Going concern	2				
Total equity and liabilities		$	**450,861**	$	**545,231**

ON BEHALF OF THE BOARD

“signed”
Maxim Sidorin

“signed”
Graeme Phipps

The notes are an integral part of these condensed interim consolidated financial statements.

EastSiberian Plc

(formerly PetroKamchatka Plc)
Condensed Interim Consolidated Statements of Comprehensive Loss
For the three month periods ended August 31
(United States Dollars, except for share amounts)
(Unaudited)

		2013		2012
Expenses:				
General and administrative expenses	$	191,522	$	535,713
Loss before finance and income taxes		191,522		535,713
Finance income:				
Foreign exchange gain		(411)		(105,332)
Current income taxes		-		86,867
Net loss		**191,111**		**517,248**
Other comprehensive loss		**-**		**-**
Total comprehensive loss for the period	**$**	**191,111**	**$**	**517,248**
Net loss per share:				
Basic and diluted	$	(0.04)	$	(0.11)
Weighted average number of common shares outstanding				
Basic and diluted		4,903,998		4,903,998

The notes are an integral part of these condensed interim consolidated financial statements.

EastSiberian Plc

(formerly PetroKamchatka Plc)
Condensed Interim Consolidated Statements of Changes in Equity
(United States Dollars)
(Unaudited)

	Share Capital	Contributed Surplus	Foreign Currency Translation Reserve	Deficit	Total Equity
Balance at May 31, 2012	**$ 91,806,942**	**$ 5,760,482**	**$ 266,967**	**$ (97,142,873)**	**$ 691,518**
Net loss for the period	-	-	-	(517,248)	(517,248)
Balance at August 31, 2012	**$ 91,806,942**	**$ 5,760,482**	**$ 266,967**	**$ (97,660,121)**	**$ 174,270**
Balance at May 31, 2013	**$ 91,806,942**	**$ 5,760,482**	**$ 265,286**	**$ (98,758,752)**	**$ (926,042)**
Net loss for the period	-	-	-	(191,111)	(191,111)
Balance at August 31, 2013	**$ 91,806,942**	**$ 5,760,482**	**$ 265,286**	**$ (98,949,863)**	**$ (1,117,153)**

The notes are an integral part of these condensed interim consolidated financial statements.

EastSiberian Plc

(formerly PetroKamchatka Plc)
Condensed Interim Consolidated Statements of Cash Flows
For the three month periods ended August 31
(United States Dollars)
(Unaudited)

			2013		2012
Cash flows from operating activities:					
Net loss for the period		$	(191,111)	$	(517,248)
Adjustments for:					
Unrealized foreign exchange gain			-		(13,389)
Change in:					
Accounts receivable			(26,668)		55,270
Prepaid expenses			(25,312)		7,519
Accounts payable and accrued liabilities			96,742		(571,092)
Provisions			-		(242,000)
Net cash (used in) operating activities			(146,349)		(1,280,940)
Cash flows from investing activities:					
Proceeds from disposition of assets held for sale			-		1,595,945
Proceeds from disposition held in trust			-		896,100
Net cash from investing activities			-		2,492,045
Cash flows from financing activities:					
Convertible note payable	4		-		100,000
Net cash from financing activities			-		100,000
Net increase (decrease) in cash and cash equivalents			(146,349)		1,311,105
Cash and cash equivalents beginning of period			424,368		229,460
Effect of exchange rate fluctuations on cash held in foreign currencies			-		3,305
Cash and cash equivalents end of period		**$**	**278,019**	**$**	**1,543,870**

The notes are an integral part of these condensed interim consolidated financial statements.

1. Reporting entity:

EastSiberian Plc (formerly PetroKamchatka Plc) (the "Corporation") was incorporated on December 23, 2008 under the Companies (Jersey) Law 1991. The head office of the Corporation is located at 9 Esplanade, St. Helier, Jersey, JE23QA. The Corporation has principally been engaged in exploration for oil and natural gas in Kamchatka, Russia which activity was conducted pursuant to exploration licenses granted to Russian subsidiaries and affiliates of its wholly-owned Cyprus subsidiary, PetroKamchatka Resources Ltd. ("PKR"). On August 22, 2012, shareholders of the Corporation approved a name change from PetroKamchatka Plc to EastSiberian Plc. In addition, the shareholders approved a consolidation of the Corporation's common shares of 100 to 1. The number of shares issued and outstanding, number of warrants and stock options presented in these consolidated financial statements represent post consolidation quantities.

The Corporation has the following subsidiaries and affiliates:

		Percentage of Ownership	
Name of Subsidiary or Affiliate	Country of Incorporation	August 31, 2013	May 31, 2013
PetroKamchatka Resources Ltd.	Cyprus	100%	100%
OJSC LukinCholot	Russia	90%	90%
CJSC Palana-Exploration	Russia	*Wound up*	100%
CJSC Tigil Exploration	Russia	50%	50%
CJSC Icha Exploration	Russia	50%	50%
PetroKamchatka Services Inc.	Canada	100%	100%
Nabesche River Exploration Ltd.	Canada	100%	100%

PKR owns 90% of OJSC LukinCholot ("LukinCholot") which in turn owned owns 50% of the operations of CJSC Tigil Exploration and CJSC Icha Exploration. PKR is the direct owner of the other subsidiaries. KNOC Kamchatka Petroleum Limited ("KKPL"), a company owned 55% by Korea National Oil Corporation ("KNOC"), owns the remaining interest in the operations.

2. Going concern:

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will realize its assets and discharge its liabilities in the normal course of operations.

At August 31, 2013, the Corporation had a working capital deficiency of $1,117,153 had an accumulated deficit of $98,949,863 and expects to incur further losses in the development of its business. The Corporation has no positive cash flow and there is a significant risk associated with the Corporation's ability to raise additional capital. The working capital deficit and the need to raise capital in the very near term create a material uncertainty as to the Corporation's ability to continue as a going concern.

Management believes the going concern assumption to be appropriate for these condensed interim consolidated financial statements as the Corporation was discussing with potential investors to examine existing producing properties and other development opportunities in Russia. Due to the lack of funding progress to date and the Corporation's liquidity position, management is considering, and may be required to, delist its common shares from TSXV or move the listing to the NEX exchange, further reduce ongoing costs and pursue alternative investment options for the Corporation. **However, it is unable to meet its obligations without a significant capital injection and significant doubt exists about the Corporation's ability to continue as a going concern.** If the going concern assumption was not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to adjust the carrying value of assets and liabilities, and reported expenses.

3. Basis of preparation and adoption of new policies:

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34. Except as disclosed below, the Corporation has consistently applied the same accounting policies disclosed in Note 3 to the audited consolidated financial statements for the year ended May 31, 2013.

Throughout these condensed interim consolidated financial statements additional disclosures relating to the three months ended August 31, 2013 are provided in accordance with IFRS where material to an understanding of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved for issue by the Corporation's board of directors on October 9, 2013.

Adoption of new policies

Effective June 1, 2013 the Corporation adopted the following standards and amendments:

IFRS 10 - Consolidated financial statements; IAS 27 - Separate financial statements

IFRS 10 replaces all the guidance on control and consolidation in IAS 27, Consolidated and separate financial statements, and SIC-12, Consolidation – special purpose entities. Full retrospective application is required in accordance with the transition provisions of the standard, unless impracticable, in which case the group applies it from the earliest practicable date.

IAS 27 was amended following the issuance of IFRS 10. The revised IAS 27 deals only with the accounting for subsidiaries, associates and joint ventures in the separate financial statements of the parent company.

The Corporation has applied the above standards retrospectively. The above standards did not result in changes to the Company's financial statements.

IFRS 11 - Joint Arrangements

IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. Under IAS 31 entities have the choice to proportionately consolidate or equity account for interests in jointly controlled entities. IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures are accounted for using the equity method of accounting whereas for a joint operation the venturer must recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

Under the standard, the two agreements entered into by the Corporation in previous years have each been determined to be a joint operation (note 1). In a joint operation, the contractual arrangement establishes the parties' rights to the assets, obligations for the liabilities relating to the arrangement and the parties' rights to the corresponding revenues and obligations for the corresponding expenses. Accordingly, each joint operator recognizes in its financial statements the assets and liabilities used for the specific task, and recognizes its share of the revenues and expenses in accordance with the contractual arrangement.

There is no material impact on the Corporation's financial statements as a result of this adoption.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

4. Convertible note payable:

On August 26, 2012, the Corporation signed a one year non-interest bearing convertible note in the amount $100,000 with N&M Capital Limited, a corporation controlled by an officer and director of the Corporation. The holder and the Corporation may convert all or any portion of the note into post-consolidation common shares at a price of $0.50 per post-consolidation common share.

5. Share Capital:

(a) Authorized:

An unlimited number of common shares and an unlimited number of preferred shares.

(b) Common shares issued and outstanding:

	August 31, 2013		May 31, 2013	
	Number	Amount	Number	Amount
Share capital, beginning and end of period	4,903,998	$ 91,806,942	4,903,998	$ 91,806,942

6. Related parties transactions and key management remuneration:

The Corporation considers its directors and executives to be key management personnel. Compensation attributed to key management personnel comprising salaries and directors fees for the period ended August 31, 2013 was $125,000 (August 31, 2012 - $228,570). At August 31, 2013, there was $924,651 (May 31, 2013 - $799,651) owing to directors and officers for services performed in the normal course of operations. The directors and officers signed agreements to accept common shares of the Corporation at CAD 0.50 per share for $274,650 of the amount owing at May 31, 2013 and August 31, 2013. The agreements are subject to regulatory approval.

On August 26, 2012, the Corporation signed a one year non-interest bearing convertible note in the amount $100,000 with N&M Capital Limited, a corporation controlled by an officer and director of the Corporation (note 4).