



Western Plains Petroleum Ltd.
Unaudited Condensed Financial Statements
March 31, 2012

NOTICE OF NO AUDITOR REVIEW

Pursuant to National Instrument 51-102 Part 4, subsection 4.3(3) (a), the accompanying unaudited condensed Financial Statements have been prepared by management and the Company's independent auditors have not performed a review of these condensed Financial Statements.

Western Plains Petroleum Ltd.
Condensed Statements of Financial Position
Expressed in Canadian dollars

Unaudited

	Notes	March 31, 2012	December 31, 2011
Assets			
Current assets			
Trade and other receivables	12(a)	1,342,979	1,469,272
Deposits and prepaid expenses		42,685	45,285
Total current assets		1,385,664	1,514,557
Non-current assets			
Property and equipment	3	8,380,073	8,019,074
Total assets		9,765,737	9,533,631
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,419,674	3,336,841
Bank debt	4	1,375,000	125,000
Total current liabilities		3,794,674	3,461,841
Non-current liabilities			
Decommissioning provisions	5	1,134,300	1,139,400
Total liabilities		4,928,974	4,601,241
Equity			
Share capital	6(a)	7,334,127	7,334,127
Contributed surplus		744,845	744,845
Deficit		(3,242,209)	(3,146,582)
Total equity		4,836,763	4,932,390
Total liabilities and equity		9,765,737	9,533,631

Going Concern – Note 1
Commitments and Contingencies – Note 9
Subsequent events – Notes 11
Related Parties Transactions – Note 10

See accompanying notes to the condensed financial statements

Approved by the Board of Directors: “Signed David Forrest” “Signed Leigh Stewart”

Western Plains Petroleum Ltd.
Condensed Statements of Comprehensive Income (Loss)
Expressed in Canadian dollars
Unaudited

Three months ended March 31	Notes	2012	2011
Revenue			
Petroleum revenue		794,119	647,728
Expenses			
Royalties		156,100	106,330
Production and transportation		422,408	285,221
General and administrative		134,586	104,656
Transaction		-	51,208
Depletion and depreciation		161,000	151,000
		874,094	698,415
Operating loss		(79,975)	(50,687)
Finance expense	7	(15,652)	(9,356)
Loss before income taxes		(95,627)	(60,043)
Income tax recovery - deferred		-	61,000
Total comprehensive income (loss)		(95,627)	957
Basic and diluted income (loss) per share		(0.00)	0.00
Weighted average common shares outstanding		55,101,153	55,101,153

See accompanying notes to the condensed financial statements.

Western Plains Petroleum Ltd.
Condensed Statements of Changes in Shareholders' Equity
Expressed in Canadian dollars
Unaudited

	Common Shares	Common Shares	Warrants	Contributed Surplus	Deficit	Total Equity
Notes	6(a)	6(a)				
	#	\$	\$	\$	\$	\$
Balance, January 1, 2011	55,101,153	7,334,127	54,000	615,845	(3,134,810)	4,869,162
Total comprehensive income	-	-	-	-	957	957
Balance, March 31, 2011	55,101,153	7,334,127	54,000	615,845	(3,133,853)	4,870,119
Balance, December 31, 2011	55,101,153	7,334,127	-	744,845	(3,146,582)	4,932,390
Total comprehensive loss	-	-	-	-	(95,627)	(95,627)
Balance, March 31, 2012	55,101,153	7,334,127	-	744,845	(3,242,209)	4,836,763

See accompanying notes to the condensed financial statements.

Western Plains Petroleum Ltd.
Condensed Statements of Cash Flows
Expressed in Canadian dollars
Unaudited

Three months ended March 31	Notes	2012	2011
Cash provided by (used in):			
Operating activities			
Total comprehensive (loss) income		(95,627)	957
Adjustments for:			
Depletion		161,000	151,000
Income tax recovery - deferred		-	(61,000)
Finance expense	7	15,652	9,356
Changes in non-cash working capital	8	(5,784)	374,760
Cash provided by (used in) operating activities		75,241	475,073
Investing activities			
Additions to property and equipment		(533,898)	(955,252)
Changes in non-cash working capital	8	(782,491)	(273,984)
Cash used in investing activities		(1,316,389)	(1,229,236)
Financing activities			
Increase in bank loan		1,250,000	225,000
Interest and finance costs		(8,852)	(2,456)
Changes in non-cash working capital	8	-	141,146
Cash provided by financing activities		1,241,148	363,690
Change in cash		-	(390,473)
Cash & cash equivalents, beginning of period		-	390,473
Cash & cash equivalents, end of period		-	-

See accompanying notes to the condensed financial statements.

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements
March 31, 2012
Unaudited

1. General business description and going concern

Western Plains Petroleum Ltd. (the “Company” or “Western Plains”) was incorporated under the Business Corporations Act (Alberta) on November 19, 2004. The Company trades under the symbol “WPP” on the TSX Venture Exchange (“TSXV”).

The Company’s address is 202, 5004 – 18th Street, Lloydminster, Alberta T9V 1V4, Canada. The Company engages in the exploration for and the development, production and acquisition of petroleum and natural gas reserves in Western Canada.

These condensed financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company’s ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate sufficient cash from operating and financing activities to meet the Company’s needs. As at March 31, 2012 the Company had a deficit of \$3.2 million (December 31, 2011 - \$3.1 million) and had net debt of \$2.4 million (December 31, 2011 — \$1.9 million). The Company was in breach of its working capital covenant as prescribed in its loan agreement with its bank at March 31, 2012 (Note 6). These condensed Financial Statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liabilities in other than the normal course of business and potentially at amounts significantly different from those recorded in these condensed financial statements.

2. Basis of preparation

These condensed financial statements have been prepared following the same accounting policies as disclosed in Note 3 in the Company’s audited financial statements for the years ended December 31, 2011 and 2010. These unaudited condensed consolidated financial statements for the three months ended March 31 2012, should be read in conjunction with the financial statements for the years ended December 31, 2011 and 2010 and the notes thereto. These unaudited condensed financial statements for the three months ended March 31, 2011, do not include all of the required disclosure for annual financial statements.

(a) Statement of compliance

These condensed financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”) using accounting principles consistent with International Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) up to May 29, 2012, the date the Board of Directors approved these condensed financial statements.

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

(b) Basis of measurement

The condensed financial statements have been prepared on the historical cost basis except for derivative financial instruments and held for trading financial assets which are measured at fair value with changes in fair value recorded in earnings.

(c) Functional and presentation currency

These condensed Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

3. Property and equipment

	Oil & Natural Gas Assets	Office Assets	Total
Cost			
Balance, January 1, 2011	5,352,587	-	5,352,587
Additions	3,530,467	46,846	3,577,313
Transfer from exploration & evaluation assets	245,774	-	245,774
Decommissioning provisions	635,400	-	635,400
Dispositions	(664,000)	-	(664,000)
Balance, December 31, 2011	9,100,228	46,846	9,147,074
Additions	533,899	-	533,899
Decommissioning provisions	(11,900)	-	(11,900)
Dispositions	-	-	-
Balance, March 31, 2012	9,622,227	46,846	9,669,073
Accumulated depletion			
Balance, January 1, 2011	(282,000)	-	(282,000)
Depletion and depreciation	(838,000)	(8,000)	(846,000)
Balance December 31, 2011	(1,120,000)	(8,000)	(1,128,000)
Depletion and depreciation	(157,000)	(4,000)	(161,000)
Balance March 31, 2012	(1,277,000)	(12,000)	(1,289,000)
Net book value			
Balance, January 1, 2011	5,070,587	-	5,070,587
Balance, December 31, 2011	7,980,228	38,846	8,019,074
Balance, March 31, 2012	8,345,227	34,846	8,380,073

Depletion and impairment

The depletion cost base includes future development costs of \$2,875,000 (\$3,085,000 at December 31, 2011) and has excluded salvage value of equipment of \$1,005,000 (\$967,500 at December 31, 2011). No petroleum and natural gas property cash-generating units were considered impaired as at or during the periods ended March 31, 2012 or 2011.

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

4. Bank debt

The Company has an agreement with a Canadian chartered bank for lines of credit, which are payable on demand and secured by a \$25,000,000 debenture and general security agreement on all assets of the Company.

In February 2012 the bank increased the revolving facility limit to \$2,200,000 from \$1,000,000.

This revolving credit facility bears interest at prime plus 1.5%. As at March 31, 2012, the Company had drawn \$1,375,000 (\$125,000 at December 31, 2011) and was in compliance with all covenants except the working capital ratio. The loan agreement requires a working capital ratio of 1:1. The actual ratio at March 31, 2012 was 0.91:1. Subsequent to the period end, the Company entered an agreement for the sale of undeveloped land for \$280,000 (Note 12), the proceeds from which are expected to resolve the working capital deficiency. The Company has requested a waiver of the breach of working capital from the bank which has not yet been received.

The Company also has available a development facility for an amount up to \$300,000. This demand credit facility bears interest at prime plus 2.0%. The Company has not drawn on the available facility to date.

5. Decommissioning provisions

The following accounts for the continuity of the decommissioning provisions:

	Continuity
Balance, January 1, 2011	651,000
Liabilities incurred or acquired	840,800
Liabilities settled or disposed	(182,200)
Change of estimate	(205,400)
Accretion	35,200
Balance, December 31, 2011	1,139,400
Liabilities incurred or acquired	19,600
Liabilities settled	(31,500)
Accretion	6,800
Balance, March 31, 2012	1,134,300

At the period end the undiscounted, inflation adjusted total future liability to settle the obligation is estimated to be \$1.8 million (December 31, 2011 - \$1.8 million). This amount has been discounted using a risk free rate of 2.55% at March 31, 2012 (2.41% at December 31, 2011).

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

6. Share Capital

(a) Authorized - Unlimited number of Common shares

Each shareholder is entitled to one vote and shall be entitled to receive non-cumulative dividends if, and when, declared by the Board of Directors.

(b) Stock option plan

The Company established a Stock Option Plan ("Plan") for directors, officers, employees and service providers. The maximum number of common shares which may be reserved under the Plan may not exceed 10% of the outstanding common shares at that time. Options granted under the plan generally have a term of five years and vest on the date of grant. The exercise price of each option equals or exceeds the market price of the Company's common shares on the date of grant.

The details of the outstanding and exercisable options follow:

Expiry	Weighted Average Remaining Life (years)	Exercise Price	# of options
March, 2013	0.95	\$0.11	260,000
July 2013	1.31	\$0.14	150,000
December 2013	1.72	\$0.10	600,000
June 2015	3.18	\$0.15	1,400,000
December 2015	3.71	\$0.21	1,550,000
October 2016	4.57	\$0.11	900,000
			4,860,000

The following accounts for the continuity of the stock options:

	# of options	Weighted Average Price
Balance, January 1, 2011	4,152,000	0.16
Granted	1,000,000	0.11
Expired	(192,000)	0.30
Balance, December 31, 2011	4,960,000	0.15
Expired	(100,000)	0.11
Balance, March 31, 2012	4,860,000	0.15

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

7. Finance expense

Three months ended March 31	2012	2011
Fees and other costs on bank debt	(3,600)	(2,000)
Interest on bank debt	(5,252)	(456)
Accretion of decommissioning provisions	(6,800)	(6,900)
Finance expense	(15,652)	(9,356)

8. Supplemental cash flow information

Changes in non-cash working capital are comprised of:

Three months ended March 31	2012	2011
Cash provided by (used in):		
Trade and other receivables	126,293	456,354
Subscriptions receivable	-	176,400
Deposits and prepaid expenses	2,600	(24,820)
Accounts payable and accrued liabilities	(917,168)	(366,013)
Changes in non-cash working capital	(788,275)	241,921
Cash provided by (used in):		
Operating activities	(5,784)	374,760
Investing activities	(782,491)	(273,984)
Financing activities	-	141,146
Changes in non-cash working capital	(788,275)	241,921

9. Commitments and contingencies

In June 2011 the Company entered into a lease for office space with an expiry of August 31, 2013. The minimum lease payments amount to \$11,700 for the remainder of 2012 and \$10,400 for 2013.

In May 2012 the Company was served with a statement of claim in the amount of \$750,000 or seeking specific performance to meet the conditions of a farm-in agreement. The outcome of the claim is unknown at this time and no amounts have been accrued in these condensed Financial Statements relating to this matter.

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

10. Related party transactions

The Company entered into the following related party transactions, all of which were in the normal course of operations and have been valued at the exchange amount that is the amount of consideration established and agreed to by the related parties:

- Legal services provided by a law firm in which an officer and director is an employee:
 - \$38,590 was incurred in the three months ended March 31, 2012 (2011 - \$157,395) of which \$17,541 (December 31, 2011 - \$17,600) was in accounts payable and accrued liabilities at March 31, 2012;
 - Costs were recorded as general and administrative expense, share issue costs or as transaction costs depending on the activity for which legal services were provided;
- Various oil field services and products provided by corporations in which an officer and director of the Company is an officer and a director:
 - \$248,432 was incurred in the three months ended March 31, 2012 (2011 - \$304,054) of which \$149,289 (December 31, 2011 - \$65,013) was in accounts payable and accrued liabilities at March 31, 2012;
 - Costs were recorded as either production expense or capital expenditures depending on the nature of the expenditure;
- Executive services provided by a corporation in which an officer and a director of the Company is an officer and director:
 - \$43,740 was incurred in the three months ended March 31, 2012 (2011 - \$178,000) for executive services. \$nil (December 31, 2011 - \$15,309) was in accounts payable and accrued liabilities at March 31, 2012;
 - Costs were recorded as general and administrative expense;
- Certain oil and natural gas properties are held as joint arrangements (working interest partner) with an entity with common management and officers:
 - Two (1.0 net) wells were drilled in 2011 as 50/50 partners pursuant to farm in agreements. The Company sold its 50% working interest in one of these wells to this related party in November 2011 for cash proceeds of \$400,000 (Note 4 (a)). The remaining well is operated by the joint interest partner;
 - The joint interest partner billed the Company \$27,431 for capital costs and \$2,982 as net operating costs in the three months ended March 31, 2012 (2011 - \$88,232 for capital costs, \$6,643 for net operating costs). Capital costs of \$nil were joint interest billed by the Company to the joint interest partner in the three months ended March 31, 2012 (2011 - \$124,804);
 - Subsequent to the period end the Company and the joint interest partner entered into an agreement to sell undeveloped land for cash consideration of \$280,000.
 - \$330,764 was in accounts payable and accrued liabilities at March 31, 2012 (December 31, 2011 \$289,235) related to the above transactions.

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

11. Subsequent events

The Board of Directors appointed a Special Committee of independent Board members with a mandate to undertake a process to evaluate the various strategic alternatives available to Western Plains with the goal of maximizing shareholder value.

In April 2012 the Company announced it had engaged an exclusive financial advisor and agent to assist in identifying and evaluating possible liquidity events. No decision on any particular alternative has been reached at this time.

In May 2012 the Company granted 200,000 stock options to Directors serving on the Special Committee. The options vested immediately, have a term of five years from issue date and have an exercise price of \$0.10 per share.

In May 2012 the Company entered into an agreement to sell a non-producing property to a related party for cash consideration of \$280,000. This cash infusion from this sale is expected to resolve the working capital deficiency described in Note 4.

12. Financial instruments

(a) Credit risk - Trade and other receivables

The maximum exposure to credit risk comprises trade and other receivables:

	March 31, 2012	December 31, 2011
Trade and other receivables	1,342,979	1,469,272

The Company did not have an allowance for doubtful accounts as at March 31, 2012 or December 31, 2011 and did not provide for any doubtful accounts nor was it required to write-off any receivables during the three months ended March 31, 2012 or 2011.

The Company considers all amounts greater than 90 days as past due of which there was \$465,517 (\$337,942 at December 31, 2011) past due at March 31, 2012 from joint venture partners and others. For the amounts due from joint venture partners, the Company will apply net revenues otherwise attributable to those partners against the amounts owed until fully recovered.

The Company's trade and other receivables comprised the following:

	March 31, 2012	December 31, 2011
Oil revenue	570,478	926,872
Joint venture partners	756,836	420,669
Other	15,665	121,731
Trade and other receivables	1,342,979	1,469,272

Western Plains Petroleum Ltd.
Notes to the Condensed Financial Statements (continued)
March 31, 2012

(b) Capital management

The Company monitors net debt determined as follows:

	March 31, 2012	December 31, 2011
Trade and other receivables	1,342,979	1,469,272
Deposits and prepaid expenses	42,685	45,285
Accounts payable and accrued liabilities	(2,419,674)	(3,336,841)
Bank debt	(1,375,000)	(125,000)
Net debt	(2,409,010)	(1,947,284)