WESTERN PLAINS PETROLEUM LTD.

INTERIM FINANCIAL STATEMENTS

FIRST QUARTER

For the three month periods ended

MARCH 31, 2010 AND MARCH 31, 2009

UNAUDITED

NOTICE OF NO AUDITOR REVIEW

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

WESTERN PLAINS PETROLEUM LTD.
Balance Sheets

	As at March 31, 2010	As at December 31, 2009
Assets	$	$
Current		
Cash and cash equivalents	**52,663**	95,962
Accounts receivable (Note 7 (b))	**119,970**	159,454
Prepaid expenses and deposits	**10,600**	18,054
	183,233	273,470
Property, plant and equipment (Note 3)	**2,140,040**	2,179,215
	2,323,273	2,452,685
Liabilities		
Current		
Accounts payable and accrued liabilities	**286,725**	481,463
Asset retirement obligations (Note 4)	**196,350**	192,353
	483,075	673,816
Shareholders' equity		
Share capital (Note 5(b))	**3,787,732**	3,641,207
Contributed surplus (Note 5 (e))	**237,745**	237,745
Deficit	**(2,185,279)**	(2,100,083)
	1,840,198	1,778,869
	2,323,273	2,452,685

Basis of presentation (Note 1)

Commitment (Note 5 (b))

Subsequent events (Note 9)

Contingent Liability (Note 10)

See accompanying notes to the financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

David Forrest
Director

Stephen Johnson
Director

WESTERN PLAINS PETROLEUM LTD.

Statements of Operations, Comprehensive Loss and Deficit

	Three Months Ended	
	March 31, 2010	March 31, 2009
Revenue	**$**	$
Petroleum revenue	**393,933**	770,410
Expenses		
Royalties	**72,974**	172,408
Production and transportation	**193,417**	257,834
General and administrative	**101,057**	155,042
Interest	**-**	53,939
Depletion and accretion	**111,681**	701,075
	479,129	1,340,298
Net loss and comprehensive loss for the period	**(85,196)**	(569,888)
Deficit, beginning of period	**(2,100,083)**	(1,827,816)
Deficit, end of period	**(2,185,279)**	(2,397,704
Basic and diluted loss per share (note 5(d))	**(0.003)**	(0.027)

See accompanying notes to the financial statements

WESTERN PLAINS PETROLEUM LTD.

Statements of Cash Flows

	Three Months Ended	
	March 31, 2010	March 31, 2009
Operating activities	**$**	$
Net loss and comprehensive loss for the period	**(85,196)**	(569,888)
Items not affecting cash:		
Depletion and accretion	**111,681**	701,075
	26,485	131,187
Changes in non-cash working capital (note 6)	**(17,392)**	(256,952)
	9,093	(125,765)
Financing activities		
Increase in bank debt	**-**	250,000
Issuance of share capital	**150,200**	-
Share issue costs	**(3,675)**	-
Changes in non-cash working capital (note 6)	**(1,500)**	-
	145,025	250,000
Investing activities		
Additions to property, plant and equipment	**(68,509)**	(49,540)
Changes in non-cash working capital (note 6)	**(128,908)**	-
	(197,417)	(49,540)
Increase (decrease) in cash for period	**(43,299)**	74,695
Cash and cash equivalents, beginning of period (note 6)	**95,962**	(130,122)
Cash and cash equivalents, end of period (note 6)	**52,663**	(55,427)

See accompanying notes to the financial statements.

1. BASIS OF PRESENTATION

Western Plains Petroleum Ltd. (the "Corporation" or "Western Plains") was incorporated under the Business Corporations Act (Alberta) on November 19, 2004 and is classified as a Tier 2 "oil and gas exploration and production" corporation. The common shares of the Corporation commenced trading on the TSX Venture Exchange ("TSXV") on August 11, 2006, and currently trade under the symbol "WPP".

The Corporation is based in Lloydminster, Alberta and engages in the exploration for and the development, production and acquisition of petroleum and natural gas reserves in Western Canada.

The interim Financial Statements have been prepared following the same accounting policies and methods of computation as the annual audited Financial Statements for the year ended December 31, 2009. The interim Financial Statements should be read in conjunction with the annual audited Financial Statements and the notes thereto for the year ended December 31, 2009.

These 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 Corporation 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 Corporation'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 Corporation's needs. As at March 31, 2010 the Corporation has a deficit of $2.2 million (December 31, 2009 - $2.1 million) and has a working capital deficiency of $0.1 million (December 31, 2009 - $0.2 million). These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Corporation 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 financial statements.

2. RECENT ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards

In February, 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") are to be followed by Canadian public companies effective January 1, 2011. The comparative financial information for 2010 within the 2011 financial statements will also be prepared in accordance with IFRS. This year the Corporation will finalize appropriate changes to accounting policies, financial disclosure, internal controls and systems.

3. PROPERTY, PLANT AND EQUIPMENT

Petroleum and natural gas properties	Cost $	Accumulated Depletion & Depreciation $	Net book value $
At March 31, 2010	**4,531,691**	**(2,391,651)**	**2,140,040**
At December 31, 2009	**4,463,183**	**(2,283,968)**	**2,179,215**

4. ASSET RETIREMENT OBLIGATIONS

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of petroleum and natural gas properties:

	Three months ended March 31, 2010 $	Year ended December 31, 2009 $
Asset retirement obligations, beginning of period	**192,353**	**222,916**
Liabilities incurred or acquired	**-**	**137,201**
Liabilities settled or disposed	**-**	**(111,780)**
Change of estimates	**-**	**(71,066)**
Accretion	**3,997**	**15,082**
Asset retirement obligations, end of period	**196,350**	**192,353**

The total undiscounted amount of estimated cash flows required to settle the obligation as at March 31, 2010 was $0.6 million (December 31, 2009 - $0.6 million), which has been discounted using credit adjusted risk free rates of 8-10%. An inflation rate of two percent has been used throughout. All of these obligations are estimated to be incurred between 2018 and 2029 and will be funded from general corporate resources at that time of the retirement.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common voting shares
Unlimited number of Class A preferred shares, issuable in series
Unlimited number of Class B preferred shares, issuable in series

The Directors of the Corporation are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series.

(b) Issued and Outstanding

	Three months ended March 31, 2010		Year ended December 31, 2009	
	Number of Shares	**$**	**Number of Shares**	Amount $
Common shares, beginning of period	**30,259,774**	**3,641,207**	**21,226,834**	3,219,928
Private placement	**1,877,500**	**150,200**	**3,352,940**	255,000
Shares issued to settle debt	**-**	**-**	**5,680,000**	198,800
Share issue costs	**-**	**(3,675)**	**-**	(32,521)
Common shares, end of period	**32,137,274**	**3,787,732**	**30,259,774**	3,641,207

In January 2010 the Corporation issued 1,877,500 common shares at a price of $0.08 per share in a private placement, for gross proceeds of $150,200. Insiders of the Corporation subscribed to 62,500 of the 1,877,500 common shares. No finders' fee was paid in connection with the private placement. In accordance with TSX Venture Exchange policies and applicable securities laws, all securities issued under this private placement are subject to a four month hold period which expires May 12, 2010.

In December 2009, the Corporation issued 3,352,940 units at a price of $0.085 per Unit pursuant to a private placement for gross proceeds of $285,000. Each unit was comprised of one common share issued on a flow through basis under applicable tax law, and one common share purchase warrant, each warrant exercisable into one common share. Each of the 3,352,940 warrants has a term of 12 months from the date of issuance at an exercise price of $0.15 per share. The common shares were valued at $255,000 in total and the warrants were valued at $30,000 in total (note 5 (e)). In February, the Corporation renounced $285,000 to the investors effective December 31, 2009.

In December 2008, the Corporation issued 2,777,777 flow-through shares for gross proceeds of $500,000, for which an officer and director subscribed for the entire offering. The Corporation is eligible to allocate Canadian Development Expense as Canadian Exploration Expense to meet this commitment. The Corporation incurred $280,000 of eligible expenses in 2009 and renounced that amount to the investor effective December 31, 2009. The Corporation has incurred $6,100 in the current period towards the remaining commitment of $220,000 to be incurred in 2010 and will renounce those expenditures to the investor effective December 31, 2010.

(c) Stock option plan

The Corporation established a Stock Option Plan ("Plan") for directors, officers, employees and consultants. 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 Corporation's common shares on the date of grant.

A summary of the options for the current period and for the year ended December 31, 2009 follows:

	Three Months Ended March 31, 2010		Year Ended December 31, 2009	
	Number of Options	**Weighted Average Price $**	Number of Options	Weighted Average Price $
Options, beginning of period	**1,452,000**	**0.14**	**1,702,000**	**0.14**
Granted	**-**	**-**	**-**	**-**
Expired	**-**	**-**	**(250,000)**	**0.17**
Options, end of period	**1,452,000**	**0.14**	**1,452,000**	**0.14**

Expiry	**Weighted Average Remaining Life (Years)**	**Exercise Price**	**Outstanding and Exercisable**
June 28, 2010	**0.25**	**$0.20**	**400,000**
August 11, 2011	**1.37**	**$0.30**	**42,000**
March 14, 2013	**2.95**	**$0.11**	**260,000**
July 23, 2013	**3.30**	**$0.14**	**150,000**
December 17, 2013	**3.70**	**$0.10**	**600,000**
			1,452,000

No options were granted in 2009 or the current period.

(d) Per share amounts

The weighted average number of shares used in calculating the basic net loss per share for the three months ended March 31, 2010 was 31,928,663 (for the three months ended March 31, 2009 – 21,226,834). Diluted per share information is not presented as the result would decrease the loss per share.

(e) Contributed Surplus

Changes to contributed surplus are summarized as follows:

	Three Months Ended March 31, 2010	Year Ended December 31, 2009
	$	$
Contributed surplus, beginning of the period	**237,745**	**207,745**
Warrants issued	**-**	**30,000**
Contributed surplus, end of the period	**237,745**	**237,745**

6. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months Ended	
	March 31, 2010	March 31, 2009
Changes in Non-Cash Working Capital	$	$
Accounts receivable	**39,484**	(182,603)
Prepaid expenses and deposits	**7,454**	4,554
Accounts payable and accrued liabilities	**(194,738)**	(78,903)
Changes in non-cash working capital relating to:	**(147,800)**	(256,952)
Operating activities	**(17,392)**	(256,952)
Financing activities	**(1,500)**	-
Investing activities	**(128,908)**	-
Interest paid	**-**	53,939
Cash and cash equivalents are comprised of:	**March 31, 2010**	March 31, 2009
Balance with bank	**52,663**	18,655
Cheques issued in excess of balance with bank	**-**	(74,082)
	52,663	(55,427)

7. FINANCIAL RISK MANAGEMENT

(a) Overview

The Corporation has exposure to **credit risk, liquidity risk and market risk**. The board of directors of the Corporation has overall responsibility for the establishment and oversight of the Corporation's risk management framework.

(b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from joint venture partners and petroleum and natural gas marketers. As at March 31, 2010 the Corporation's receivables consisted of the following:

	March 31, 2010	December 31, 2009
	$	$
Marketers	**118,377**	**112,162**
Joint venture partners	**1,184**	**1,593**
Trade and other	**409**	**45,699**
	119,970	**159,454**

Receivables from petroleum and natural gas marketers are normally collected on the 25th day of the month following production. The Corporation's policy to mitigate credit risk associated with these balances is to establish marketing relationships with large purchasers. The Corporation historically has not experienced collection issues with its petroleum and natural gas marketers. Joint venture receivables relate primarily to properties for which the Corporation is the operator. The Corporation does not typically obtain collateral from petroleum and natural gas marketers. The carrying amount of accounts receivable represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's objective is to maintain sufficient liquidity to meet its liabilities when due, under normal and stressed conditions.

The Corporation manages its liquidity risk by continuously monitoring forecasted cash flows, assessing prospects for raising additional equity, and may in the future utilize a line of credit, when appropriate.

(d) Market risk

Market risk is the risk that changes in market prices, such as oil prices, foreign exchange rates, interest rates and equity prices will affect the Corporation's income or value of its financial instruments. The Corporation is not exposed to currency risk. The Corporation does not have any contracts in place to protect against commodity price changes.

The Corporation is not subject to interest rate risk since interest bearing debt was repaid by June 30, 2009.

(e) Capital management

The Corporation's objective is to maintain access to sources of capital, defined to be shareholders' equity, credit facilities and other debt (long term debt and working capital) and cash, with which to finance its operations. The Corporation maintains a capital structure of equity and debt where appropriate. In the past it has utilized a line of bank credit and a note payable. All bank debt and the note payable were retired by July 2009. The Corporation manages its capital structure and makes changes to it in light of changes in economic conditions, opportunities for accretive acquisitions and the risk characteristics of the underlying investments. The Corporation balances its overall capital structure through share issues and the use of debt as deemed appropriate in the circumstances.

The Corporation monitors net debt closely. The net debt includes the working capital deficiency and is a non-GAAP measure which is determined on the following basis:

	March 31, 2010	December 31, 2009
Balance sheet component	**$**	**$**
Cash and cash equivalents	**52,663**	**95,962**
Accounts receivable	**119,970**	**159,454**
Prepaid expenses and deposits	**10,600**	**18,054**
Accounts payable and accrued liabilities	**(286,725)**	**(481,463)**
Net debt	**(103,492)**	**(207,993)**

(f) Fair value of financial instruments

The Corporation has determined the fair values of its financial instruments which consist of cash and cash equivalents, accounts receivable, bank debt, and accounts payable and accrued liabilities, approximate carrying amounts because of the short-term nature of these instruments, initially measured at fair value with subsequent periodic revaluations recorded at their amortized cost using the effective interest rate method. Fair value represents the Corporation's estimate of the price at which a financial instrument could be exchanged between knowledgeable and willing parties in an orderly arm's length transaction motivated by normal business considerations.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:
Level 1 – inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
Level 2 – inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
Level 3 – inputs to the valuation methodology are not based on observable market data.

8. RELATED PARTY TRANSACTIONS

The Corporation 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 provide by a law firm in which an officer and director is a partner:
  - $17,500 was incurred in the current period ($104,479 during the year ended December 31, 2009) of which $12,410 ($32,402 at December 31, 2009) was in accounts payable and accrued liabilities at the period end;
  - Costs were recorded as general and administrative expense, share issue costs or as a capital expenditure depending on the activity for which legal services were provided;

- Various oil field services and products purchased from a corporation in which an officer and director of the Corporation is an officer and a director:
  - $nil was incurred in the current period ($278,358 during the year ended December 31, 2009) of which $nil ($13,723 at December 31, 2009) was in accounts payable and accrued liabilities at the period end;
  - 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 Corporation is an officer and director:
  - $30,000 was incurred in the current period ($120,000 during the year ended December 31, 2009) of which $nil ($nil at December 31, 2009) was in accounts payable and accrued liabilities at the period end;
  - Costs were recorded as general and administrative expense;

- Property, plant and equipment acquired from a corporation in which an officer and a director of the Corporation is an officer and director:
  - Undeveloped land was acquired in the current period ($nil during the year ended December 31, 2009) for consideration of $30,000 paid in cash in the current period :
  - Costs were recorded as a capital expenditure;

- Certain related party transactions occurred in 2009 but those arrangements terminated during 2009 and no further costs were incurred. Interest of $80,436 was incurred and paid in 2009 to a corporation in which a continuing officer and director of the Corporation is an officer and a director. Payments totalling $53,609 were paid in 2009 for accounting services, to entities controlled by former officers.

9. Subsequent Events

The Corporation has announced two non binding letter agreements for acquisitions of property, plant and equipment:

- 100% working interests in petroleum and natural gas rights located in the Lloydminster area of Saskatchewan for a purchase price of $1.5 million with consideration to be 10 million common shares. A related entity controlled by an officer and director of the Corporation holds a 50% working interest in these assets and accordingly this transaction is subject to shareholder approval.

- 50% working interests in petroleum and natural gas rights located in the Lloydminster area of Alberta for a purchase price of $2.2 million with consideration to be provided by way of common shares, cash and the assumption of debt. The amount of each type of consideration has not yet been determined.

Both transactions are subject to a number of conditions including regulatory approval and final binding agreements.

10. Contingent Liability

In 2006 Corporation issued a guarantee in the amount of USD$110,000 (CAD$127,000) as security in favor of National Hydrocarbons Agency, the Colombian oil and gas governmental agency. During the year ended December 31, 2007, the purchaser of the assets in Colombia issued a letter of credit replacing the Corporation's guarantee and therefore, the restricted cash of USD$110,000 (CAD$127,000) was released by the bank to the Corporation. However, the bank holding the letter of credit from the purchaser has not yet fully removed the Corporation's guarantee and therefore the Corporation's guarantee remains outstanding. It is the position of the Corporation that it is very unlikely this guarantee will result in a liability and the Corporation is taking steps to have it removed.