EastSiberian Plc

Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three months ended August 31, 2015

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, 2015

EastSiberian Plc

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

	Note		August 31, 2015		May 31, 2015
Assets					
Cash and cash equivalents		$	92,162	$	284,331
Accounts receivable			7,785		13,892
Total assets		$	**99,947**	$	**298,223**
Shareholders Deficiency					
Share capital	4	$	93,505,247	$	93,505,247
Contributed surplus			5,760,482		5,760,482
Foreign currency translation reserve			(102)		(102)
Deficit			(100,389,867)		(100,182,344)
Total Deficiency			**(1,124,240)**		**(916,717)**
Liabilities					
Accounts payable and accrued liabilities	5	$	1,224,187	$	1,214,940
Total liabilities			**1,224,187**		**1,214,940**
Going concern	2				
Total equity and liabilities		$	**99,947**	$	**298,223**

ON BEHALF OF THE BOARD

"signed"
Graeme Phipps

"signed"
Richard Norris

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

EastSiberian Plc

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

		Three month ended August 31,		
		2015		**2014**
Expenses:				
General and administrative expenses	$	214,060	$	174,853
Other items:				
Foreign exchange loss (gain)		(6,537)		730
Net loss		207,523		175,583
Other comprehensive loss		**-**		**-**
Total comprehensive loss for the year	**$**	**207,523**	**$**	**175,583**
Net loss per share:				
Basic and diluted	$	(0.00)	$	(0.04)
Weighted average number of common shares outstanding				
Basic and diluted		43,362,832		5,103,998

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

EastSiberian Plc

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

	Share capital	Contributed surplus	Foreign Currency Translation Reserve	Deficit	Total Equity (Deficiency)
Balance at May 31, 2014	**91,906,942**	**5,760,482**	**1,539**	**(98,801,800)**	**(1,132,837)**
Net loss	-	-	-	(175,583)	(175,583)
Balance at August 31, 2014	**91,906,942**	**5,760,482**	**1,539**	**(98,977,383)**	**(1,308,420)**
Balance at May 31, 2015	**93,505,247**	**5,760,482**	**(102)**	**(100,182,344)**	**(916,717)**
Net loss	-	-	-	(207,523)	(207,523)
Balance at August 31, 2015	**93,505,247**	**5,760,482**	**(102)**	**(100,389,867)**	**(1,124,240)**

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

EastSiberian Plc

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

		Three month ended August 31,		
		2015		2014
Cash used in operating activities:				
Net loss	$	(207,523)	$	(175,583)
Adjustments for:				
Change in:				
Accounts receivable		6,107		(16,019)
Accounts payable and accrued liabilities		9,247		153,263
Net cash used in operating activities		(192,169)		(38,339)
Net increase (decrease) in cash and cash equivalents		(192,169)		(38,339)
Cash and cash equivalents beginning of year		284,331		48,009
Effect of exchange rate fluctuations on cash held in foreign currencies		-		-
Cash and cash equivalents end of year	**$**	**92,162**	**$**	**9,670**

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

1. Reporting entity:

EastSiberian 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”).

The Corporation has the following subsidiaries and affiliates:

		Percentage of Ownership	
Name of Subsidiary or Affiliate	Country of Incorporation	August 31, 2015	May 31, 2015
PetroKamchatka Resources Ltd.	Cyprus	100%	100%
OJSC LukinCholot	Russia	90%	90%
CJSC Tigil Exploration	Russia	50%	50%
CJSC Icha Exploration	Russia	50%	50%
PetroKamchatka Services Inc.	Canada	100%	100%
LAECO Limited Jersey	Jersey	100%	100%
Latin American Energy Company Coöperatief U.A.	Netherlands	100%	100%
LAECO Services Canada Inc.	Canada	100%	100%

PKR owns 90% of OJSC LukinCholot (“LukinCholot”) which in turn owns 50% of the shares of CJSC Tigil Exploration and CJSC Icha Exploration (the “joint ventures”). KNOC Kamchatka Petroleum Limited (“KKPL”), a company owned 55% by Korea National Oil Corporation (“KNOC”), owns the other 50% of the joint ventures. This effectively provides the Corporation with an indirect, net 45% interest in the joint ventures. The other 10% of LukinCholot is owned by the Koryakia Property Fund (the “Fund”), an investment agency of the Koryakia Okrug Administration, Kamchatka. The Fund’s indirect beneficial interest in the joint ventures is 5%, being 10% of 50%. LukinCholot and KKPL split the cost to carry the 5% interest of the Koryakia Okrug Administration, which means that the Corporation pays 47.5% of costs and KKPL pays 52.5%.

The Corporation classifies its investments in CJSC Tigil Exploration and CJSC Icha Exploration as joint ventures. Accordingly, under IFRS 11, the Corporation applies equity method accounting to the investment.

During the year ending May 31, 2015 the Corporation established new subsidiaries in Jersey, Netherlands and Canada to pursue business opportunities in Latin America.

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, 2015, the Corporation had a working capital deficiency of $1,124,240 had an accumulated deficit of $100,389,867 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 had discussions with potential investors with regards to properties and other development opportunities in Latin America. **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 new standards:

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34. The Corporation has consistently applied the same accounting policies disclosed in Note 4 to the audited consolidated financial statements for the year ended May 31, 2015.

Throughout these condensed interim consolidated financial statements additional disclosures relating to the three months ended August 31, 2015 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 21, 2015.

The following pronouncement from the IASB will become effective for the Corporation's financial statements beginning on June 1, 2018.

- IFRS 9 –*Financial Instruments* - IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The new Standard limits the number of categories for classification of financial assets to two: amortized cost and fair value through profit or loss. IFRS 9 also replaces models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The Corporation has not assessed the impact of IFRS 9 on the financial statements.

4. 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, 2015		May 31, 2015	
	Number	Amount	Number	Amount
Share capital, beginning and end of period	43,362,832	$93,505,247	43,362,832	$93,505,247

5. 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, 2015 was $75,000 (August 31, 2014 - $151,903). At August 31, 2015, there was $918,419 (May 31, 2014 - $1,300,533) owing to directors and officers for services performed in the normal course of operations. The Corporation intends to pay off the accounts payable to management and directors and officers by converting this amount owed into the Corporation's common shares.