



**SINTANA**  
ENERGY

**FS|Q1 2012**

**SNN | TSX-V**

**SINTANA ENERGY INC.**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2012**

**(EXPRESSED IN UNITED STATES DOLLARS)**

**UNAUDITED**

***NOTICE TO READER***

*The accompanying unaudited condensed interim consolidated financial statements of Sintana Energy Inc. ("Sintana") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by Sintana's auditors.*

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*A South America Focus*

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**Sintana Energy Inc.****Condensed Interim Consolidated Statements of Financial Position****(Expressed in United States Dollars)****(Unaudited)**

	As at March 31, 2012	As at December 31, 2011
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**ASSETS****Current assets**

Cash and cash equivalents (note 3)	\$ 6,868,732	\$ 8,517,088
Accounts receivable and other assets (note 5)	189,188	215,380
<b>Total current assets</b>	<b>7,057,920</b>	<b>8,732,468</b>

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**Non-current assets**

Property and equipment (note 4)	43,775	46,330
<b>Total assets</b>	<b>\$ 7,101,695</b>	<b>\$ 8,778,798</b>

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**EQUITY AND LIABILITIES****Current liabilities**

Accounts payable and other liabilities	\$ 267,231	\$ 166,577
Related party payable (note 12)	15,649	16,538
Warrant liability (note 8)	505,920	442,680
<b>Total liabilities</b>	<b>788,800</b>	<b>625,795</b>

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<b>Equity</b>	<b>6,312,895</b>	<b>8,153,003</b>
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<b>Total equity and liabilities</b>	<b>\$ 7,101,695</b>	<b>\$ 8,778,798</b>
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The notes to the condensed interim consolidated financial statements are an integral part of these statements.

Subsequent event (note 14)

**Approved on behalf of the Board:**

(signed) "Doug Manner", Director

(signed) "Ronald A. MacMicken", Director

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**Sintana Energy Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**Three Months Ended**  
**March 31,**  
**2012                      2011**

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**Operating expenses**

Exploration and evaluation expenditures (note 10)	\$ 1,452,367	\$ 34,299
General and administrative (notes 11 and 12)	745,401	154,576
Foreign exchange (gain) loss	(113,874)	62,200
Finance interest (note 6)	-	48,332
Change in fair value of warrant liability (note 8)	63,240	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (2,147,134)</b>	<b>\$ (299,407)</b>
<b>Loss per share - basic</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Loss per share - diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic</b>	<b>113,664,369</b>	<b>29,315,225</b>
<b>Weighted average number of common shares outstanding - diluted</b>	<b>113,664,369</b>	<b>29,315,225</b>

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

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**Sintana Energy Inc.****Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in United States Dollars)**  
**(Unaudited)****Three Months Ended**  
**March 31,**  
**2012**                      **2011****Operating activities**

Net loss for the period	\$ (2,147,134)	\$ (299,407)
Adjustment for:		
Depreciation (note 4)	2,555	-
Foreign exchange loss	-	62,200
Accrued interest	-	48,332
Share-based payments	307,026	-
Change in fair value of warrant liability (note 8)	63,240	-
Non-cash working capital items:		
Accounts receivable and other assets	26,192	(1,899,778)
Accounts payable and other liabilities	100,654	18,302
Related party payable	(889)	65,523
<b>Net cash used in operating activities</b>	<b>(1,648,356)</b>	<b>(2,004,828)</b>

**Financing activity**

Promissory note issued (note 6)	-	2,000,600
<b>Net cash provided by financing activity</b>	<b>-</b>	<b>2,000,600</b>

<b>Net change in cash and cash equivalents</b>	<b>(1,648,356)</b>	<b>(4,228)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>8,517,088</b>	<b>10,500</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 6,868,732</b>	<b>\$ 6,272</b>

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

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**Sintana Energy Inc.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity/Partners' (Deficit)****(Expressed in United States Dollars)****(Unaudited)**

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	Number of common shares #	Share capital	Warrants	Contributed surplus	Deficit	Partners' deficit	Total
<b>Balance, December 31, 2010</b>	<b>29,315,225</b>	<b>\$ 2,385,905</b>	<b>\$ -</b>	<b>\$ 49,701</b>	<b>\$ (814,320)</b>	<b>\$ (344,428)</b>	<b>\$ 1,276,858</b>
Net loss and comprehensive loss for the period	-	-	-	-	(299,407)	-	(299,407)
<b>Balance, March 31, 2011</b>	<b>29,315,225</b>	<b>\$ 2,385,905</b>	<b>\$ -</b>	<b>\$ 49,701</b>	<b>\$ (1,113,727)</b>	<b>\$ (344,428)</b>	<b>\$ 977,451</b>
<b>Balance, December 31, 2011</b>	<b>113,664,369</b>	<b>\$ 38,183,884</b>	<b>\$ 987,891</b>	<b>\$ 946,250</b>	<b>\$ (31,965,022)</b>	<b>\$ -</b>	<b>\$ 8,153,003</b>
Share-based payments	-	-	-	307,026	-	-	307,026
Net loss and comprehensive loss for the period	-	-	-	-	(2,147,134)	-	(2,147,134)
<b>Balance, March 31, 2012</b>	<b>113,664,369</b>	<b>\$ 38,183,884</b>	<b>\$ 987,891</b>	<b>\$ 1,253,276</b>	<b>\$ (34,112,156)</b>	<b>\$ -</b>	<b>\$ 6,312,895</b>

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

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# Sintana Energy Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2012

(Expressed in United States Dollars)

(Unaudited)

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### 1. Nature of operations

Sintana Energy Inc. ("Sintana" or the "Company") is a public Canadian oil and gas exploration company listed on the TSX Venture Exchange under the trading symbol SNN, with offices in Toronto, Canada, Dallas, Texas, and Bogota, Colombia. The Company is targeting assets in Central and South America, with an initial primary focus on Colombia, Peru and Paraguay. The Company's exploration strategy is to acquire, explore, develop and produce superior quality assets with significant reserve potential. The primary office of the Company is located at 360 Bay Street, Suite 500, Toronto, Ontario, Canada, M5H 2V6.

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

Sintana is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and property acquisition activities. Sintana has incurred losses in the current and prior periods, with a net loss for the three months ended March 31, 2012 of \$2,147,134, and has an accumulated deficit of \$34,112,156. Results for the three months ended March 31, 2012 are not necessarily indicative of future results. Sintana had a working capital balance of \$6,269,120 at March 31, 2012. Further funds will be required to finance planned spending over the next twelve months (refer to note 14). While there is no assurance these funds can be raised, the Company believes such financing will be available as required. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and activities may be adjusted accordingly

### 2. Significant accounting policies

#### (a) *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 29, 2012, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2012 could result in restatement of these condensed interim consolidated financial statements.

#### (b) *New standards not yet adopted and interpretations issued but not yet effective*

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual consolidated financial statements as at and for the year ended December 31, 2011.

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**Sintana Energy Inc.****Notes to Condensed Interim Consolidated Financial Statements****March 31, 2012****(Expressed in United States Dollars)****(Unaudited)**

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**3. Cash and cash equivalents**

	As at March 31, 2012	As at December 31, 2011
Cash	\$ 363,869	\$ 403,912
Cash equivalents (interest rate of 1.65%)	6,504,863	8,113,176
	\$ 6,868,732	\$ 8,517,088

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**4. Property and equipment****Cost**

	Furniture and fixtures
Balance, December 31, 2010 and March 31, 2011	\$ -
Balance, December 31, 2011 and March 31, 2012	\$ 51,093

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**Accumulated depreciation**

	Furniture and fixtures
Balance, December 31, 2010 and March 31, 2011	\$ -
Balance, December 31, 2011	\$ 4,763
Depreciation for the period	2,555
Balance, March 31, 2012	\$ 7,318

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**Carrying amounts**

	Furniture and fixtures
At December 31, 2010 and March 31, 2011	\$ -
At December 31, 2011	\$ 46,330
At March 31, 2012	\$ 43,775

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**5. Accounts receivable and other assets**

	As at March 31, 2012	As at December 31, 2011
Accounts receivable	\$ 126,491	\$ 90,513
Prepays	62,697	124,867
	\$ 189,188	\$ 215,380

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## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2012

(Expressed in United States Dollars)

(Unaudited)

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#### 6. Promissory note

On February 22, 2011, the Company issued a promissory note in exchange for C\$2,000,000 (\$2,000,600) received from a lender. Interest for the three months ended March 31, 2011 amounted to C\$48,048 (\$48,332). The promissory note was repaid in full in April 2011 in the amount of C\$2,086,329.

#### 7. Share capital

##### a) Authorized share capital

At March 31, 2012, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

##### b) Common shares issued

At March 31, 2012, the issued share capital amounted to \$38,183,884. The change in issued share capital for the periods presented was as follows:

	Number of common shares	Amount
<b>Balance, December 31, 2010 and March 31, 2011</b>	<b>29,315,225</b>	<b>\$ 2,385,905</b>
<b>Balance, December 31, 2011 and March 31, 2012</b>	<b>113,664,369</b>	<b>\$ 38,183,884</b>

#### 8. Warrants

	Number of warrants	Weighted average exercise price (C\$)
<b>Balance, December 31, 2010 and March 31, 2011</b>	<b>-</b>	<b>-</b>
	Number of warrants	Weighted average exercise price (C\$)
<b>Balance, December 31, 2011 and March 31, 2012</b>	<b>23,446,700</b>	<b>0.72</b>



# Sintana Energy Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2012

(Expressed in United States Dollars)

(Unaudited)

### 8. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as of March 31, 2012:

Expiry date	Exercise price (C\$)	Warrants outstanding
October 27, 2012	0.75	21,080,000
October 27, 2012	0.50	2,366,700
		23,446,700

The warrants issued to investors with an exercise price denominated in a foreign currency are accounted for as a derivative liability, measured at fair value with subsequent changes in fair value accounted for through the consolidated statement of loss. The fair value of these warrants was determined using the Black-Scholes option pricing model. 21,080,000 warrants issued to investors with an exercise price of C\$0.75 meet this requirement and therefore the value of these warrants is presented as a liability on the condensed interim consolidated statements of financial position. As at March 31, 2012, warrant liability was \$505,920 (December 31, 2011 - \$442,680).

A change in fair value of warrant liability of \$63,240 was recognized in the condensed interim consolidated statements of loss and comprehensive loss for the three months ended March 31, 2012 relating to the revaluation of the warrants outstanding.

### 9. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price (C\$)
Balance, December 31, 2010 and March 31, 2011	800,000	0.12
Balance, December 31, 2011 and March 31, 2012	9,450,000	0.28

The following table reflects the actual stock options issued and outstanding as of March 31, 2012:

Expiry date	Exercise price (C\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
September 30, 2013	0.10	1.50	50,000	50,000	-
August 18, 2015	0.135	3.38	50,000	50,000	-
May 11, 2016	0.49	4.11	2,700,000	166,667	2,533,333
December 20, 2016	0.20	4.72	6,650,000	2,216,667	4,433,333
		4.52	9,450,000	2,483,334	6,966,666

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**Sintana Energy Inc.****Notes to Condensed Interim Consolidated Financial Statements****March 31, 2012****(Expressed in United States Dollars)****(Unaudited)**

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**10. Exploration and evaluation expenditures**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Colombia</b>		
Salaries and benefits	\$ 330,709	\$ -
Drilling	120,744	-
Seismic	771,528	-
Administrative and general	67,714	-
Other	41,461	-
Professional fees	102,748	-
	<b>\$ 1,434,904</b>	<b>\$ -</b>
<b>Peru</b>		
Professional fees	\$ 17,463	\$ -
	<b>\$ 17,463</b>	<b>\$ -</b>
<b>United States</b>		
Other	\$ -	\$ 34,299
	<b>\$ -</b>	<b>\$ 34,299</b>
	<b>\$ 1,452,367</b>	<b>\$ 34,299</b>

**11. General and administrative**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Salaries and benefits (note 12)	\$ 390,652	\$ -
Professional fees (note 12)	187,729	88,577
Administrative and general	81,685	476
Travel and accommodation	114,050	65,523
Reporting issuer costs	20,258	-
Depreciation	2,555	-
Interest income	(51,528)	-
	<b>\$ 745,401</b>	<b>\$ 154,576</b>

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**Sintana Energy Inc.****Notes to Condensed Interim Consolidated Financial Statements****March 31, 2012****(Expressed in United States Dollars)****(Unaudited)**

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**12. Related party balances and transactions**

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions are conducted at normal commercial terms.

(a) Sintana was party to the following transactions with related parties:

	Notes	Three Months Ended March 31,	
		2012	2011
Marrelli Support Services Inc. ("Marrelli Support")	(i)	\$ 15,734	\$ -
DSA Corporate Services Inc. ("DSA")	(ii)	\$ 3,684	\$ -
D & R Filing Corp. ("D & R")	(iii)	\$ -	\$ -

(i) The Chief Financial Officer ("CFO") of Sintana is the president of Marrelli Support. Fees related to the CFO and bookkeeping functions performed. As at March 31, 2012, Marrelli Support was owed \$14,024 (December 31, 2011 - \$13,872) and these amounts were included in related party payable.

(ii) The CFO of Sintana is an officer of DSA. Fees related to corporate secretarial services provided by DSA. As at March 31, 2012, DSA was owed \$1,625 (December 31, 2011 - \$1,408) and these amounts were included in related party payable.

(iii) The CFO of Sintana is an officer of D & R. Fees related to filing services provided by D & R. As at March 31, 2012, D & R was owed \$nil (December 31, 2011 - \$1,258) and these amounts were included in related party payable.

(b) Remuneration of Directors and key management personnel of the Company was as follows:

	Three Months Ended March 31,	
	2012	2011
Salaries and benefits <sup>(1)</sup>	\$ 374,642	\$ -
Share-based payments <sup>(2)</sup>	\$ 269,221	\$ -

<sup>(1)</sup> Salaries and benefits include director fees. During the three months ended March 31, 2012, \$237,269 of salaries and benefits expense was included in exploration and evaluation expenditures.

<sup>(2)</sup> During the three months ended March 31, 2012, \$17,107 of share-based expense was included in exploration and evaluation expenditures.

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## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2012

(Expressed in United States Dollars)

(Unaudited)

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#### 13. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in the United States and South America. The Company has administrative offices in Toronto, Canada, Dallas, Texas, and Bogota, Colombia. Segmented information on a geographic basis is as follows:

<b>March 31, 2012</b>	<b>Canada</b>	<b>United States</b>	<b>Colombia</b>	<b>Peru</b>	<b>Total</b>
Cash and cash equivalents	\$ 6,514,185	\$ 132,102	\$ 222,441	\$ 4	\$ 6,868,732
Accounts receivable and other assets	130,797	14,746	40,671	2,974	189,188
Property and equipment	-	43,775	-	-	43,775
<b>Total assets</b>	<b>\$ 6,644,982</b>	<b>\$ 190,623</b>	<b>\$ 263,112</b>	<b>\$ 2,978</b>	<b>\$ 7,101,695</b>

<b>December 31, 2011</b>	<b>Canada</b>	<b>United States</b>	<b>Colombia</b>	<b>Peru</b>	<b>Total</b>
Cash and cash equivalents	\$ 8,294,257	\$ 114,583	\$ 108,248	\$ -	\$ 8,517,088
Accounts receivable and other assets	112,849	4,746	95,811	1,974	215,380
Property and equipment	-	46,330	-	-	46,330
<b>Total assets</b>	<b>\$ 8,407,106</b>	<b>\$ 165,659</b>	<b>\$ 204,059</b>	<b>\$ 1,974</b>	<b>\$ 8,778,798</b>

#### 14. Subsequent event

On May 18, 2012, the Company announced that it has completed the business combination (the "Business Combination") with ColCan Energy Corp. ("ColCan"), including receipt of additional financing as a result of a concurrent private placement which raised aggregate gross proceeds of C\$11 million.

The principal purpose of the Business Combination is to combine interests in oil and natural gas blocks held by Sintana with those held or in the process of being acquired by ColCan in Colombia.

The Business Combination was conditioned on a private placement being successfully completed prior to closing. Sintana and ColCan announced on April 25, 2012, that they had closed a bought-deal private-placement financing of subscription receipts into ColCan to raise aggregate gross proceeds of C\$11 million, co-led by Canaccord Genuity Corp. and Cormark Securities Inc. and with a syndicate which included Casimir Capital Ltd., Clarus Securities Inc. and GMP Securities LP (the "Financing").

The Business Combination was structured in the form of a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary of Sintana amalgamated with ColCan, and all of the issued and outstanding common shares of ColCan (the "ColCan Shares") were acquired by Sintana from the existing holders thereof in consideration of the issuance of 1.5 common shares of Sintana (each, a "Sintana Share") for each ColCan Share issued and outstanding immediately prior to the closing of the Business Combination (including all Colcan Shares issued in connection with the Financing).

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## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements

March 31, 2012

(Expressed in United States Dollars)

(Unaudited)

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#### 14. Subsequent event (continued)

Prior to the completion of the Business Combination, existing ColCan debentures in the aggregate principal amount of (Canadian) \$3 million were redeemed and the proceeds were reinvested by their holders in ColCan Shares. Also in connection with the Business Combination, all of the existing stock options and the stock option plan of ColCan have been cancelled, and Sintana has issued an aggregate of 6,945,000 stock options to certain directors, officers and consultants, each exercisable to acquire one Sintana Share at an exercise price of (Canadian) \$0.27. Immediately following the closing of the Business Combination, an aggregate of 310,632,503 Sintana Shares were issued and outstanding, of which 196,968,134 Sintana Shares were held by former ColCan shareholders and 113,664,369 Sintana Shares were held by Sintana shareholders existing immediately prior to closing. Furthermore, an additional 24,374,997 Sintana Shares were reserved for issuance upon the closing of the Business Combination pursuant to pre-existing share purchase warrants of ColCan. To the knowledge of ColCan and Sintana, following the closing of the Business Combination, no person or company beneficially owned, directly or indirectly, or controlled or directed more than 10% of the issued and outstanding Sintana Shares on a non-diluted basis, other than Front Street Canadian Energy Fund and Front Street Opportunities Fund which together held approximately 10.39% of all issued and outstanding Sintana Shares as of the closing date.

This transaction remains subject to receipt of all applicable regulatory and governmental approvals in Colombia, including those of Colombia's National Hydrocarbon Agency (ANH).

Cormark Securities Inc. acted as financial advisor to ColCan in connection with the Business Combination, and Canaccord Genuity Corp. acted as financial advisor to Sintana. Delavaco Securities Inc. acted as strategic advisor to ColCan and Sintana with respect to the Financing.

## CORPORATE INFORMATION

### DIRECTORS

Keith D. Spickelmeir, Executive Chairman  
Doug Manner, CEO & Director  
Grant Fagerheim, Director  
Ron MacMicken, Director  
Bruno C. Maruzzo, Director

### OFFICERS

Doug Manner, Chief Executive Officer  
David Cherry, President & COO  
Carmelo Marrelli, Chief Financial Officer  
Sean Austin, Vice President, Secretary/Treasurer  
Phil de Gruyter, VP Exploration & Manager, SA

### AUDIT COMMITTEE

Ron MacMicken, Director  
Grant Fagerheim, Director  
Bruno Maruzzo, Director

### AUDITORS

MSCM LLP Chartered Accountants  
Toronto, Ontario

### REGISTRAR AND TRANSFER AGENT

Olympia Transfer Services Inc.  
Toronto, Ontario

### LEGAL COUNSEL

Cassels Brock Lawyers  
Toronto, Ontario

### LISTING

Exchange: TSX Venture  
Trading Symbol: SNN  
Cusip Number: 26203M  
Fiscal Year End: Dec 31

### USA

Sintana Energy Inc. – Head Office  
2500 North Dallas Parkway, Suite 530,  
Plano, TX. USA 75093

☎ 713.825.9591

📠 972.403.1012

✉ info@sintanaenergy.com

### SOUTH AMERICA

Sintana Energy Inc. – SA Operations  
Avenida 9 No. 113-52  
Oficina 1804, Torres Unidas II  
Bogotá D.C., Colombia

☎ 011.571.214.8365

📠 011.571.612.3193

### CANADA

Sintana Energy Inc. – Registered Office  
360 Bay Street Suite 500  
Toronto, Ontario M5H 2V6

☎ 416.361.0737

📠 416.361.0923