FORM 51-102F1

ORACLE ENERGY CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended September 30, 2021

Introduction

This Management Discussion and Analysis (MD&A) should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended September 30, 2021 and 2020 and the audited annual financial statements as at and for the years ended December 31, 2020 and 2019 and accompanying notes therein. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated. The MD&A is intended to help the reader understand the consolidated financial statements of the Company. All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 “Continuous Disclosure Obligations” of the Canadian Securities Administrators. Additional information regarding Oracle Energy Corp. is available through the SEDAR website at www.sedar.com and the Company’s website at www.oracleenergy.com. The content of the Company’s website is not incorporated by reference.

Certain information in this MD&A contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation. See “Caution Regarding Forward-Looking Information” below.

Date of this report

The date of this MD&A is November 24, 2021 and it contains information up to and including this date.

Company Overview

Oracle Energy Corp. (the "Company", or "Oracle") was incorporated on October 2, 1985 under the Business Corporations Act of British Columbia. The Company is in the business of acquiring, exploring, and evaluating oil and gas properties and developing these properties further or disposing of them when the evaluation is completed. The Company was listed on Tier 2 of the TSX Venture Exchange ("TSX-V") under symbol OEC up to May 5, 2021. On May 6, 2021, the Company was downgraded to the NEX Board of the TSX Venture Exchange as it did not meet the Continued Listing Requirements for a Tier 2 listing. The trading symbol for the Company has been changed to OEC.H.

On February 28, 2020, the Company entered into a letter agreement (the “LOI”) with Methanogenesis Corporation (“Methano”) pursuant to which the parties agreed to complete a business combination (the “Transaction”) by way of share exchange that would have the effect of the Company acquiring all of the issued and outstanding common shares in the capital of Methano (the “Methano Shares”) by issuing approximately 16,830,650 Oracle shares to the shareholders of Methano. The Transaction was subject to TSX Venture Exchange (the “TSXV”) approval and was intended to constitute a ”Fundamental Acquisition” in accordance with TSXV Policy.

On April 26, 2021, the Company announced that it terminated its previously announced letter of intent dated February 28, 2020 as amended on May 11, 2020 (the "LOI") to acquire Methanogenesis Corporation.

Management is continuing to pursue acquisition opportunities and has completed a private placement offering for $1,000,000 to fund ongoing working capital requirements to initiate these efforts.

Nature of Operations and Going Concern

To date, the Company has not earned significant revenues. During the nine months ended September 30, 2021, the Company recorded net loss of $230,626 (2020 – $58,256) and as of that date, the Company's had working capital excluding deposits and prepaids of $349,958 (December 31, 2020 – working capital deficiency $298,629). As at September 30, 2021, the Company has an accumulated deficit of $27,296,838 (December 31, 2020 - $27,066,212). The Company's operations are primarily funded with debt or equity financing, which is dependent upon many external factors and may be difficult to raise when required. The Company does not have sufficient cash to fund current operations, amounts payable, or amounts required to complete planned acquisitions and will require additional funding, which if not raised, may result in the delay, postponement, or curtailment of some of its activities.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. It has adversely affected global workforces, economies, and financial markets triggering an economic downturn and making it difficult to raise capital in the public markets. As at September 30, 2021, the Company did not have any operations impacted by COVID-19. It is not possible at this time for the Company to predict the duration or magnitude of the adverse results of the outbreak nor its effects on the Company's business or operations.

The Company's condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. However, the above factors may cast significant doubt on the use of the going concern basis of accounting used in the preparation of these financial statements. These financial statements do not give effect to adjustments that would be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

Overall Performance for the nine months ended September 30, 2021

During the nine ended September 30, 2021, the Company raised capital of $1,000,000 to fund ongoing working capital requirements including payout of current debt and fund ongoing activities to evaluate new assets and opportunities. On April 26, 2021, the Company terminated its previously announced letter of intent with Methano and turned its focus to bringing the Company back to active trading to enable it to raise equity funds in the capital markets for working capital and to pursue acquisition opportunities. On May 11, 2021, the Company announced that effective May 6, 2021 is was now listed for trading on the NEX board of the TSX Venture Exchange. On May 25, 2021, the Company announced a 5:1 share consolidation which was completed on June 17, 2021.

Selected Annual Information

Following is a summary of selected audited financial information for the Company's most recent three fiscal years.

	2020	2019	2018
Revenues	Nil	Nil	Nil
Net income (loss)	$(52,923)	$502,453	($5,233,889)
Income (loss) per share basic & fully diluted (1)	$0.00	$0.04	($0.63)
Total assets	$40,488	$25,559	$92,091
Current liabilities	$339,117	$576,177	$1,138,912
Long term debt	$304,912	Nil	Nil
Total liabilities	$644,029	$576,177	$1,138,912
Share capital	$21,930,458	$21,930,458	$21,930,458
Deficit	($27,066,212)	($27,013,289)	($27,515,742)
Working capital (deficiency)	($298,629)	($566,060)	($1,063,482)

(1) On June 17, 2021, the Company announced the completion of a share consolidation on a 5:1 basis. The Income (loss) per share basic & fully diluted has been retroactively restated to reflect the results of the share consolidation.

2018 to 2019: the net gain in 2019 is mainly due to reduced or nil exploration and evaluation expenditures during the year, reduced consulting, professional fees, salaries and benefits, and no stock-based compensation, partially offset by other income derived from the gain on disposal of the subsidiary Oracle Oil & Gas LLC of $446,005, the gain on debt settlements of $176,035, and the gain on the writedown of accounts payable exceeding statutory limitations of $90,712.

2019 to 2020: the loss in 2020 includes a one-time writedown of resource properties in Italy ($15,442) and a gain on debt settlement of $38,929 from additional debt deferral arrangements. Other expenses for the year are basic sustaining costs for a publicly listed company with reduced employment and consulting expenses.

Discussions of Operations

For the three months ended September 30, 2021

For the three months ended September 30, 2021 the Company reported net loss and comprehensive loss $86,661 ($0.01 per share) compared to a net loss and comprehensive loss of $9,568 ($0.00 per share) in 2020. The Company did not generate any revenues from operations during the period.

Expenditures for the three months ended September 30, 2021 were higher than those in 2020 mainly due to increased consulting fees for the Methano acquisition and fund-raising activities, reinstatement of some fees to management, accretion expense related to the long-term notes payable and additional transfer agent and listing fees related to a share consolidation.

For the nine months ended September 30, 2021

For the nine months ended September 30, 2021 the Company reported net loss and comprehensive loss $230,626 ($0.02 per share) compared to a net loss and comprehensive loss of $58,256 ($0.00 per share) in 2020. The Company did not generate any revenues from operations during the period.

Expenditures for the nine months ended September 30, 2021 were higher than those in 2020 mainly due to increased consulting fees for the Methano acquisition and fund-raising activities, reinstatement of some fees to management, accretion expense related to the long-term notes payable and additional transfer agent and listing fees related to a share consolidation.

Selected Quarterly Financial Information

The following table sets forth a comparison of the Company's revenues and earnings on a quarterly basis for each of the eight most recently completed quarters. The financial data for the Company's eight most recently completed quarters was prepared in accordance with IFRS. The functional currency and the reporting currency of the Company is in Canadian dollars.

For the Quarter Ended	**Sep 30, 2021**	**Jun 30, 2021**	**Mar 31, 2021**	**Dec 31, 2020**
Net income (loss)	($86,661)	($79,037)	($64,928)	$5,333
Basic and diluted income (loss) per share (2)	($0.01)	($0.01)	($0.00)	$0.00
Total assets	$642,786	$3,416	$16,012	$40,488

For the Quarter Ended	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**	**Dec 31, 2019**
Net income (loss)	($9,568)	($23,751)	($24,937)	$690,360
Basic and diluted income (loss) per share	($0.00)	($0.00)	($0.00)	$0.05
Total assets	$16,332	$20,486	$19,095	$25,559

(2) On June 17, 2021, the Company announced the completion of a share consolidation on a 5:1 basis. The Income (loss) per share basic & fully diluted has been retroactively restated to reflect the results of the share consolidation.

The main factors causing significant fluctuations in net income (loss) from quarter to quarter were as follows:

- *Accretion*: The Company recorded accretion expenses on long term debt of Q3:2021: $4,791; Q2: $4,733; Q1, 2021: $4,602 and Q4, 2020: $1,164.
- *Consulting*: In Q1 and Q2, 2021, the Company incurred consulting fees of $36,000 per quarter for ongoing consulting for due diligence on acquisitions and in Q3, 2021 $47,000 for ongoing management and financial advisory services.
- *Salaries, management fees and benefits*: In Q2 of 2019, salaries were accrued for one employee and one independent director with most of the fees being eliminated by Q4 2019.

In Q3, 2020, the Company discontinued accruals of fees for a senior officer. In Q1, Q2, and Q3 2021, $12,000 in fees per quarter were recorded for an officer of the Company.

- *Gain on Debt Settlement* – In Q4, 2019, the Company recorded a gain of $176,035 on the settlement of debt with directors and other related parties. In Q4, 2020, the Company recorded a gain of $38,929 of additional debt settlements.
- *Gain on Disposal of Subsidiary* – In Q4, 2019, the Company recorded a gain of $446,005 on the disposal of its subsidiary Oracle Oil & Gas LLC mostly due to an agreement that the subsidiary would assume a large portion of the debt to directors, officers, and other related parties.
- *Gain on Writedown of Accounts Payable* – In Q4, 2019, the Company recorded a gain of $90,712 on the writedown of old accounts payable that had been outstanding for periods exceeding the legal statute of limitations for making a claim against the Company.
- *Loss on Writedown of Resource Properties* – In Q4, 2020, the Company recorded a loss of $15,442 on the writedown of the Italmin project in Italy.

Liquidity

The table below highlights the Company's cash flows for the nine months ended September 30, 2021, as compared to September 30, 2020:

For the Nine Months Ended	**September 30, 2021**	**September 30, 2020**
Net cash provided by (used in):		
• Operating activities	($240,836)	($32,215)
• Financing activities	461,085	23,000
• Investing activities	-	-
Increase (Decrease) in cash	220,249	($9,315)

As at September 30, 2021, the Company had cash of $260,573 ($40,324) at December 31, 2020) and working capital excluding deposits and prepaid expenses of $349,958 (working capital deficiency of $298,629 at December 31, 2020).

Net cash used in operating activities during the nine months ended September 30, 2021 was $240,836 (2020: $32,315). Operating costs were increased for the period due to increased activities related to raising capital, listing on the NEX and additional consulting advise on acquisitions.

To fund ongoing acquisition development activities and working capital requirements the Company finances its activities primarily through the issue of capital stock, debt instruments, and advances from related parties. During the nine months ended September 30, 2021, financing activities included: raise of net cash of $563,540 from share issuances, $2,000 from notes issued, and repayment of $104,455 of some outstanding current and long-term notes payable.

The Company expects to continue raising funds to finance its growth strategy and to meet related obligations and working capital commitments. Future operations and the Company's ability to meet its commitments depend on its ability to raise sufficient funds through share offerings, debt, or operations. Issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in amounts and on terms deemed acceptable, further success of the business could be adversely affected.

There were no investing activities during the nine months ended September 30, 2021 or 2020.

Capital Resources

The Company was in the oil and gas exploration and development business and has incurred losses since its inception. To date the Company has had limited revenue and funded its operations primarily through the issuance of capital stock and advances from related parties. The Company must continue to raise additional financing to progress its strategy for the acquisition and development of oil and gas properties in Italy and North America, but currently has insufficient funds to meet expected operating and capital expenditures without raising additional capital. The Company will use its best efforts to do so, but there can be no assurances that the Company will be able to continue to secure financing in amounts and on terms deemed acceptable to continue these activities.

COVID-19 (the coronavirus) continues to threaten a slowdown in the global economy as well as causing volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these consolidated financial statements, the Company's stock price has declined in excess of 50% since year-end. Should the stock prices remain at or below currently prevailing levels for an extended period, this could have a further significant adverse impact on the Company's financial position, results of operations for future periods, and ability to raise new capital.

Additional funding will be required throughout the year.

Management of Capital

The board of directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management policies on an annual basis. The Company's board of directors identifies and evaluates the Company's financial risks and is charged with the responsibility of establishing controls and procedures to ensure financial risks are mitigated.

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties, or businesses with a view to acquisition, developing, exploring, or disposing when evaluation is complete. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2021, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company’s investment policy is to invest excess cash in investment instruments at high credit, quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company’s ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and its ability to attain profitable operations.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the nine months ended September 30, 2021 or the year ended December 31, 2020.

Related Party Transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) Transactions with Key Management Personnel

	NINE MONTHS ENDED SEPTEMBER 30	
	2021	2020
Salaries and other short-term benefits	**$ 36,000**	$ 7,500
Legal Fees	**$ 18,000**	$ 6,000
	54,000	13,500

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at September 30, 2021, $59,296 (December 31, 2020 - $62,569) was owing to key management personnel or to a company controlled by an officer or director and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at September 30, 2021, $89,999 (December 31, 2020 - $89,583) was owing to key management personnel or to a company controlled by an officer or director and the amounts were included in Notes Payable (Note 6).

Notes Payable

During the year ended December 31, 2020, the Company entered into debt deferral arrangements in the amount of $302,677 whereby various related parties, key management and third parties agreed to defer 75% of the amounts owing to three equal installments, repayable from each of the first three private placements completed by the company subsequent to the first year after the Company completes a qualifying transaction. As a result of the debt settlements and debt deferral arrangements, 25% of the amounts were reclassified from related party debt to current and 75% to long term notes payable.

During the year ended December 31, 2020, the Company borrowed $40,000 from the Canada Emergency Business Account ("CEBA") program. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

During the nine months ended September 30, 2021, the Company borrowed $2,000 from a company owned by a shareholder and made payments of $104,455 on notes.

As at September 30, 2021, the total amounts owing were $311,130 (December 31, 2020 - $413,573). The outstanding loans are unsecured and bear no interest.

The summary of notes payable as at September 30, 2021 and December 31, 2020 is as follows:

	SEPTEMBER 30 2021	DECEMBER 31 2020
Notes payable	**$ 271,118**	$ 373,573
Foreign exchange adjustment	**12**	-
CEBA	**40,000**	40,000
Total notes payable	**311,130**	413,573
Current notes payable	**(45,283)**	(70,896)
Long term portion	**265,847**	342,677
Less: adjustment of amortized cost	**(37,765)**	(38,929)
Add: accretion	**14,126**	1,164
Long term notes payable	**$ 242,208**	$ 304,912

Proposed Transactions

At the date of this report there are no proposed asset or business acquisitions or dispositions for which the directors or senior management consider confirmation by the Board of Directors to proceed with the transaction to be probable.

Critical Accounting Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Elements of these financial statements subject to material estimation uncertainty include:

Fair value measurements

In the preparation of these financial statements, management has estimated the fair value of financial instruments, for which there are no active markets. The fair value estimates are based on the best available information and experience of management. Future events or changes in circumstances may materially impact these estimates used in valuing assets and liabilities at year end.

Elements of these financial statements subject to significant judgment include:

Significant judgments about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) going concern assessment;
ii) consideration of exploration and evaluation asset impairment criteria;
iii) recovery of amounts receivable;

Changes in Accounting Policies

During the nine months ended September 30, 2021, the Company has not adopted any new standards or policies. It has updated its policy for the valuation of certain equity instruments to include the use of the Geske option pricing model for compound options as follows:

Unit Offering

The Company engages in equity financing transactions to obtain the funds necessary to continue operations. These equity financing transactions may involve issuance of common shares or units (a “unit”). Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a stated price prior to expiry as stipulated by the transaction.

The fair value of the components of the units sold are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the closing quoted bid price on the share issuance date and the fair value of the stand-alone warrant, estimated using the Black-Scholes option pricing model. Fair value attributed to the warrants is recorded in reserves.

From time to time in connection with private placements, the Company issues compensatory warrants (“Agent Warrants”) or warrant units (“Agent Warrant Units”) to agents as commission for services. Awards of Agent Warrants and Agent Warrant Units are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when Agent Warrants and Agent Warrant Units are issued. The fair value of Agent Warrants is measured using the Black-Scholes option pricing model and the fair value of the agent warrant units is measured using the Geske compound option pricing model that both requires the use of certain assumptions regarding the risk-free market interest rate, expected volatility in the price of the underlying stock, and expected life of the instruments.

Consideration received upon the exercise of warrants is recorded as share capital and the recorded amount in reserves is transferred to share capital. If warrants expire unexercised, the recorded amount in reserves may be transferred to deficit.

There are no new IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

Financial Instruments and Other Instruments

The carrying value of cash, accounts receivable, accounts payable and due to related parties and notes payable approximates their fair values due to the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these statements.

Financial Risk Exposure and Risk Management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk

   Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Goods and Services Tax (GST) credits and other receivables.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities, and cash flows.

The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

c) Market Risk

The significant market risks to which the Company is exposed are currency, interest rate, commodity, and equity price risks.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at September 30, 2021 and December 31, 2020, the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	SEPTEMBER 30 2021		DECEMBER 31 2020	
Cash	**USD**	**6**	USD	46
Accounts payable	**USD**	**2,281**	USD	1,118
Due to related parties	**USD**	**4,000**	USD	4,000
Notes payable	**USD**	**12,000**	USD	12,000

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $2,330 (December 31, 2020 - $1,707) in income/loss from operations.

ii) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at September 30, 2021 and December 31, 2020, no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

iii) Commodity and Equity Price Risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's financing abilities due to movements in individual equity prices or general movements in the stock market. The company closely monitors equity prices and the stock market to determine the appropriate course of action to be taken by the Company.

As at September 30, 2021 and December 31, 2020, the Company had no investments subject to commodity and equity price risk.

Subsequent Events

Subsequent to the date of these financial statements, the Company received $278.500 of the amounts receivable due on delivery of share certificates to various agents. The Company has held back 1,000,000 shares from a final agent pending payment of $100,000 for these share subscriptions. The shares will be returned to treasury if payment is not received.

Non-GAAP Measures

The Company has included certain non-GAAP financial measures to supplement its Consolidated Financial Statements, which are presented in accordance with IFRS, including the following:

- Working capital.

The Company believes that this measure, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management's determination of the components of non-GAAP and additional measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes to the measures are duly noted and retrospectively applied as applicable.

Working capital

The Company uses "working capital" to explain and analyze Capital Resources. Working capital is defined as current assets minus current liabilities. To be conservative, the Company deducts deposit and prepaids from working capital to illustrate its short-term liquidity position.

Disclosure of Outstanding Share Data

As of the date of this MD&A, the Company's authorized share capital consists of an unlimited number of common shares without par value and 5,000,000 preferred shares, par value of $5 per share (none issued.)

As at the date of this report, the Company had the following securities outstanding:

Type of Security	Number Outstanding (1)
Common Shares	23,464,487
Stock Options	-
Warrants	5,579,600
Underlying Warrants (2)	245,600
Fully Diluted	29,289,687

(1) Post Consolidation shares

(2) Underlying warrants included in 245,600 agent's warrants. Each Warrant is exercisable for one unit. Each unit is comprised of one common share and one full share purchase warrant entitling the holder to acquire one additional common share at a price of $0.15 per share for 12 months from closing.

Disclosure Controls and Procedures

In contrast to the certificate required under National Instruments 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and

ii) A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

Any investment in the securities of the Company is speculative, due to the nature of its business and its general stage of development. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In addition to the usual risk associated with investment in a business, investors should carefully consider the following risk factors as well as the risk factors set out in the Company's other public disclosure.

The Company's business and results of operations are subject to a number of risks and uncertainties, including but not limited to the following:

- the Company's limited operating history and inability to assure profitability;
- the Company's reliance on Governments to issue drilling permits;
- changes in laws, regulatory regimes and guidelines relating to the acquisition of drilling and exploration permits;
- the Company's dependence on key personnel, including directors, officers, and other employees;
- the Company's reliance on the parties to its joint ventures;
- the Company's dependence on development of its joint ventures;
- the Company's ability to complete any proposed or contemplated transactions;
- fluctuation in market prices for crude oil which impacts the ability to raise capital and attain profitability;
- the Company will need to obtain additional debt or equity financing in the future to support ongoing operations, and there can be no assurance that such financing will be available to the Company when needed or on terms acceptable to the Company;
- fluctuation of the market price of the Company's common shares; and
- the other risks identified in the Company's other public disclosure, available under the Company's profile on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Information

Certain information in this MD&A contains comments that constitute forward-looking information within the meaning of applicable securities legislation.

*This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws ("**forward-looking information**") concerning the Company including, but not limited to, anticipated results and developments in the Company's operations in future periods, and other matters that may occur in the future.*

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- *the Company's exploration plans and timeframe for completion of such plans;*

- *the Company's acquisition plans and the ability to complete the acquisitions;*
- *the anticipated costs and investments for development and exploration of the Company's assets;*
- *general economic, financial market, regulatory and political conditions in which the Company operates;*
- *competition;*
- *the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms;*
- *government regulation of the Company's activities and products, including in the areas of taxation and environmental protection;*
- *the timely receipt of required regulatory approvals;*
- *the ability of the Company to obtain qualified staff, equipment, and services in a timely and cost-efficient manner; and*
- *the ability of the Company to conduct operations in a safe, efficient, and effective manner.*
- *future outlook and goals;*
- *permitting timelines and requirements, regulatory and legal changes, and requirements for additional capital;*
- *whether the Company will have sufficient working capital and its ability to raise additional financing required in order to develop its business and continue operations;*
- *contributions and expected timing of contributions of cash to the Company's various projects;*
- *whether the key personnel will continue their employment with the Company; and*
- *planned expenditures and budgets and the execution thereof.*

Forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, events, results, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation, those related to:

- *the industry-wide risks;*
- *the Company's ability to obtain financing;*
- *the Company's dependence on key personnel;*
- *availability of third-party contractors or equipment;*
- *difficulties in construction or in obtaining qualified contractors to complete construction projects;*
- *the Company's reliance on joint venture parties and other counterparties;*
- *the Company's ability to manage anticipated and unanticipated costs;*
- *the costs of construction of the Company's projects being higher than anticipated by the Company;*
- *the time to complete the Company's projects being longer than anticipated by the Company;*
- *failure of equipment to operate as anticipated;*
- *unfavorable publicity or consumer perception of the oil and gas industry or the Company;*
- *environmental risks;*

- *changes in laws and regulations may increase costs of doing business and/or restrict the Company's activities and operations or plans for international and domestic expansion;*
- *community relations;*
- *changes in the Company’s over-all business strategy;*
- *restrictions imposed by the TSX Venture Exchange on the Company’s business;*
- *the Company's lack of operating revenues;*
- *inability to obtain necessary licenses and permits, including drilling permits;*
- *governmental regulations;*

This is not an exhaustive list of the risks and factors that may cause actual results to differ materially from the Company’s forward-looking information. There may be other factors that cause actions, events, conditions, results, performance, or achievements not to be as anticipated, estimated or intended. In addition to those discussed in this MD&A, please refer to the risks described in the Company's public disclosure record. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.