ECO (ATLANTIC) OIL & GAS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTH PERIODS ENDED
September 30, 2016

Prepared by:

ECO (ATLANTIC) OIL & GAS LTD.

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November 28, 2016

Introduction

The following management's discussion and analysis (the "**MD&A**") of the financial condition and results of operations of Eco (Atlantic) Oil & Gas Ltd. and its subsidiary companies (individually and collectively, as the context requires, "**Eco Atlantic**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month periods ended September 30, 2016. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2016, together with the notes thereto, as well as the unaudited condensed consolidated interim financial statements for three and sixth month periods ended September 30, 2016 (the "**Financial Statements**"). These documents have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board. This MD&A contains forward-looking information that is subject to risk factors including those set out under "Forward Looking Information" below and elsewhere in this MD&A, including under "Risks and Uncertainties". Further information about the Company and its operations can be obtained from the offices of the Company or at www.ecooilandgas.com. All amounts are reported in Canadian dollars, unless otherwise noted. This MD&A has been prepared as at November 28, 2016.

Forward Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of petroleum and/or natural gas; capital expenditures; costs, timing and future plans concerning the development of petroleum and/or natural gas properties; permitting time lines; currency fluctuations; requirements for additional capital; government regulation of petroleum and natural gas matters; environmental risks; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to operations; termination or amendment of existing contracts; actual results of drilling activities; results of reclamation activities, if any; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of petroleum and natural gas; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the petroleum and natural gas industries; delays in obtaining or failure to obtain any governmental approvals, licenses or financing or in the completion of development activities; as well as those factors discussed in the section entitled "Risks and Uncertainties " in this MD&A. Although the Company has attempted to identify important factors that may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.

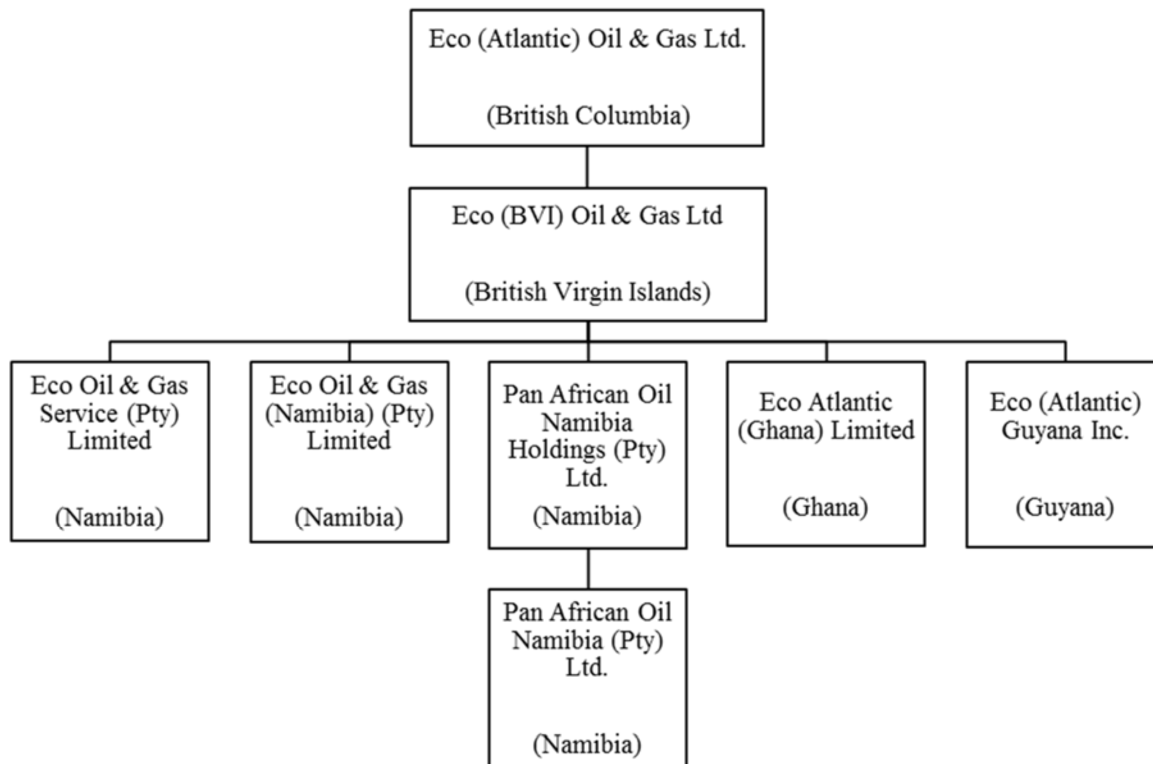
Nature of Business and Structure of the Company

The Company's business is to identify, acquire and explore petroleum, natural gas, and shale gas. The Company operates in the Republic of Namibia ("**Namibia**") and the Co-Operative Republic of Guyana ("**Guyana**")

The common shares of the Company (the "**Common Shares**") trade on the TSX Venture Exchange (the "**Exchange**") under the symbol "EOG".

The structure of the Company and its significant subsidiaries, as of September 30, 2016, is as follows:

Other than Pan African Oil Namibia (Pty) Ltd. ("**PAO Namibia**"), of which the Company owns 90% of the issued shares, and Eco (Atlantic) Guyana Inc. ("**Eco Guyana**"), of which the Company owns 94% of the issued shares, the significant subsidiaries shown below are wholly-owned (100%) by the Company.



Significant Developments during the six month period ended September 30, 2016 and through to the date of this report.

- On April 15, 2016, the Company announced that its Cooper License, Sharon License and Guy License (each, as defined below) have been extended into the first renewal phase under the petroleum agreement for each license, until March 18, 2018. The second renewal phase under the petroleum agreement for each license is until March 2020. In addition, the Ministry (as defined below) has waived the relinquishment requirement under the *Petroleum (Exploration and Production) Act, 1991 (Namibia)* (the "**Petroleum Act**") for the Cooper License and, accordingly, the exploration work will continue on the entire block area. In accordance with the Petroleum Act, the Company relinquished 50% of the acreage under the Sharon License and the Guy License. The

Ministry also approved the Company's request to terminate 50% of its corresponding obligations under said licenses. This relinquishment pertains to areas that the Company consider non-prospective.

- On August 5, 2016, the Company issued 307,736 restricted share units ("**RSUs**") to certain directors, officers and consultants pursuant to the terms of the Company's restricted share unit plan. The RSUs vested immediately.

- Effective October 31, 2016, the Company entered into two separate Share Purchase Agreements for the reorganization of its corporate structure (the "**Reorganization**"). The Reorganization will not result in any change in the beneficial ownership to any of the licenses owned by the Company and was undertaken solely for internal efficiency purposes. The Reorganization is conditional upon receiving all relevant regulatory approvals.

- On October 11, 2016, the Company approved amendments of the expiry date of 5,670,000 incentive stock options granted to directors and officers (the "**Options**"). The Options were originally set to expire on January 12, 2017, May 16, 2017 and December 24, 2017. Following the amendments, the Options are set to expire on January 12, 2022, May 16, 2022 and December 24, 2022 respectively.

- On November 21, 2016, the Company received the necessary approvals from GNPC and GNPC Exploration and Production Company to execute a Share Purchase and Sale Agreement (the "**Ghana Agreement**") pursuant to which the Company sold its total interest in Eco Atlantic Ghana Limited ("**Eco Ghana**") to PetroGulf Ghana Limited ("**PetroGulf**"). Eco Ghana held the Company's interest in the Three Point West Deep Water Offshore Block Ghana's economic waters (the "**Ghana Block**"). Pursuant to the Ghana Agreement, the Company is expected to receive US$576,580 as reimbursement for past operating expenditures owed to the Company on the Ghana Block. As a result of the Ghana Agreement the Company will have no remaining obligations in Ghana generally, and in the Ghana Block, specifically, as PetroGulf has fully assumed all obligations of Eco Ghana on the Ghana Block. The sale of our interest extinguished approximately $1.7 million of liabilities that are included in current liabilities in our statement of Statement of Financial Position as of September 30, 2016.

Overview of Operations

<u>Business Overview:</u>

Through its subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company currently holds three offshore petroleum licenses in Namibia, being (i) petroleum exploration license number 0030 (the "**Cooper License**"), (ii) petroleum exploration license number 0033 (the "**Sharon License**"), and (iii) petroleum exploration license number 0034 (the "**Guy License**"). The terms of the Cooper License, Sharon License and Guy License are governed by petroleum agreements (each, an "**Eco Namibia Petroleum Agreement**" and collectively, the "**Eco Namibia Petroleum Agreements**") between the Company and Namibia's Ministry of Mines and Energy (the "**Ministry**").

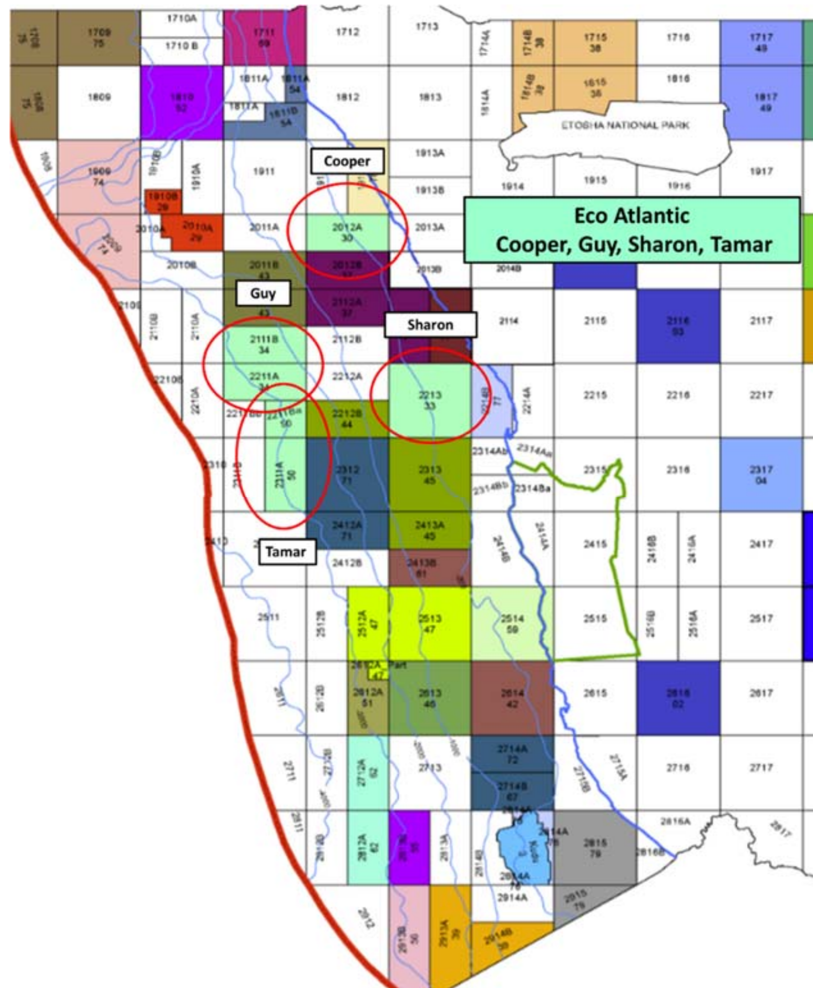
Through its subsidiary, PAO Namibia, the Company currently holds one offshore petroleum license in Namibia, being petroleum exploration license number 0050 (the "**Tamar License**"). The terms of the Tamar License is governed by a petroleum agreement (the "**Tamar Petroleum Agreement**") between PAO Namibia and the Ministry.

Through its subsidiary, Eco Guyana, the Company holds a 40% interest in the Orinduik offshore petroleum license in Guyana (the "**Guyana License**"). The terms of the Guyana License are governed by a petroleum agreement (the "**Guyana Petroleum Agreement**") between the Company and the Government of Guyana and Tullow.

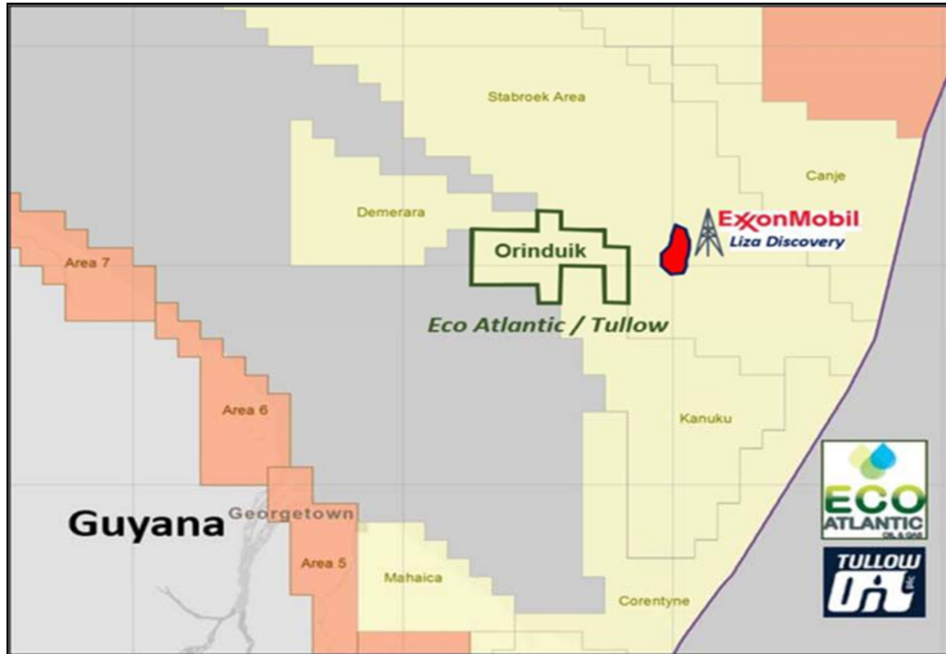
The Company is in the development stage and has not yet commenced principal drillings operations other than acquiring and analyzing certain pertinent geological data. The Company is currently engaged in the exploration and development of its properties to determine whether commercially exploitable quantities of oil and gas are present.

The locations of the Company's exploration licenses are indicated on the maps below.

Namibia



Guyana



NAMIBIA

Cooper License

The Cooper License covers approximately 5,800 square kilometers and is located in license area 2012A offshore in the economical waters of Namibia (the "**Cooper Block**"). The Company holds a 32.5% working interest in the Cooper License, the National Petroleum Corporation of Namibia ("**NAMCOR**") holds a 10% working interest, AziNam Ltd ("**AziNam**") holds a 32.5% working interest, and Tullow, through its subsidiary Tullow Kudu Limited, holds a 25% working interest. The Company, AziNam and Tullow proportionally carry NAMCOR's working interest during the exploration period.

Pursuant to the Company's farmout agreement with Tullow (the "**Tullow Farmout Agreement**"), if Tullow elects to participate in the drilling of an exploration well on the Cooper Block, Tullow will acquire an additional 15% working interest in the Cooper License, will carry (capped at $18.17 million) the Company's share of costs to drill the exploration well and will reimburse the Company for 17.14% of its past costs (the "**Second Transfer**"). There is no guarantee that the Second Transfer will be completed.

The Company recently completed the execution, processing and interpretation of a 1,100 square kilometers 3D seismic survey. In accordance with the Tullow Farmout Agreement, Tullow paid US$4.103 million towards the Company's share of costs and, pursuant to an amended and restated farmout agreement with AziNam (the "**AziNam Farmout Agreement**"), AziNam paid US$2.08 million towards the Company's share of costs.

The exploration activity on the Cooper License is performed in the framework of a joint operating agreement among the Company, NAMCOR, AziNam, and Tullow (the "**Cooper JOA**"). Under the Cooper JOA, the Company is designated the operator of the Cooper License. Tullow may replace the Company as the operator (i) upon the closing of the Second Transfer, or (ii) on an earlier date, provided Tullow commits to the drilling of an exploration well on the Cooper Block.

On April 15, 2016, the Ministry approved the Company's progression into the next phase of exploration on the Cooper License. Accordingly, the work program for the Cooper License has been extended into the first Renewal Phase, until March 14, 2018. The Ministry also waived the relinquishment requirement for the Cooper Block (as required under the Petroleum Agreement), and accordingly the Cooper JOA partners may continue the exploration work on the entire block area.

Pursuant to the Eco Namibia Petroleum Agreements, the Company is required to undertake specific exploration activities on each of the Eco Licenses during each phase of development (each, an "**Exploration Activity**"). In the Eco Namibia Petroleum Agreements, monetary values have been allocated to each Exploration Activity based on information available at the time of their execution. The Company will be relieved of quoted expenditures for a given Exploration Activity if the Company completes the Exploration Activity at a lower cost. Management expects the actual expenditures on the Exploration Activities to be less than that provided in the Eco Namibia Petroleum Agreements.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided estimated by management based on current costs for the Cooper License for each year of exploration is as follows:

Exploration Activities		Expenditure US$		Company's share of Expenditure US$
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Resource assessment and production assessment	$	250,000	$	62,500[1]
Year 9 (ending March 31, 2020)				
• After interpretation of 3D survey, drill exploratory well	$	55,000,000	$	0[1]
• Offtake/production engineering	$	500,000	$	125,000[1]
Total	$	55,750,000	$	187,500[1]

Note

(1) These numbers assume that the Second Transfer will be completed and the Company's working interest will be 25%. There is no guarantee that the Second Transfer will be completed. If the Second Transfer is not completed, the Company's share of the Expenditure will be 63.9%.

Sharon License

The Sharon License covers approximately 5,700 square kilometers (following the 50% relinquishment of as described below) and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the "**Sharon Block**"). The Company holds a 60% working interest in the Sharon License, NAMCOR holds a 10% working interest and AziNam holds a 30% working interest. The Company and AziNam proportionally carry NAMCOR's working interest during the exploration period.

Pursuant to the AziNam Farmout Agreement, AziNam funded the Company's share of costs for the recently acquired 3,000 kilometer 2D seismic survey for the Sharon Block. Furthermore, AziNam will fund 55% of a 1,000 kilometer square 3D seismic survey on the Sharon Block.

The exploration activity on the Sharon License is performed in the framework of a joint operating agreement among the Company, NAMCOR, and AziNam (the "**Sharon JOA**"). Under the Sharon JOA, the Company is designated the operator of the Sharon License.

On April 15, 2016, the Ministry approved the Company's progression into the next phase of exploration on the Sharon License. Accordingly, the work program for the Sharon License has been extended into the first Renewal Phase, until March 14, 2018. Second Renewal phase is until March 2020. Furthermore, the Company's exploration obligations have been reduce reduced by 50% to correspond with the relinquishment of 50% of the acreage in the license, as required under the Petroleum Agreement. This relinquishment pertains to the eastern half of the Sharon Block. The Company considers this shallow section non-prospective.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Sharon License for each year of exploration is as follows:

Exploration Activities	Expenditure US$		Company's share of Expenditure US$	
Year 7 (ending March 31, 2018)				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	3,500,000	$	1,575,000
• Resource assessment and production assessment	$	250,000	$	166,750
Year 8 and 9 (ending March 31, 2019 and 2020)				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	40,000,000	$	26,680,000
• Offtake/production engineering	$	500,000	$	333,500
Year 10 (ending March 31, 2021)				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	4,000,000	$	2,668,000
Total	$	48,250,000	$	31,423,250

Guy License

The Guy License covers 5,700 square kilometers (following the 50% relinquishment of as described below) and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the "**Guy Block**). The Company holds a 50% working interest in the Guy License, NAMCOR holds a 10% working interest and AziNam holds a 40% working interest. The Company and AziNam proportionally carry NAMCOR's working interest during the exploration period.

Pursuant to the AziNam Farmout Agreement, AziNam funded the Company's share of costs for the shooting and processing of the recently completed 1,000 kilometer 2D seismic survey on the Guy Block. Additionally, AziNam funded 66.44% of the costs of an 870 square kilometer 3D seismic survey on the Guy Block. To date, the execution of the 3D seismic survey is complete and the Company expects the processing and interpretation of the said survey to be completed during the third calendar quarter of 2016.

The exploration activity on the Guy License is performed in the framework of a joint operating agreement among the Company, NAMCOR, and AziNam (the "**Guy JOA**"). Pursuant to the AziNam Farmout Agreement, AziNam has been designated the operator of the Guy License as of July 1, 2015.

On May 12, 2016, the Ministry approved the Company's progression into the next phase of exploration on the Guy License. Accordingly, the work program for the Guy License has been extended into the first Renewal Phase, until March 14, 2018. Second Renewal phase is until March 2020. Furthermore, the Company's exploration obligations have been reduced by 50% to correspond with the relinquishment of 50% of the acreage in the license, as required under the Petroleum Agreement. This relinquishment pertains to the western portion of the Guy Block in the ultra-deep section that the Company and its operating partner, AziNam, consider non-prospective.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Guy License for each year of exploration is as follows:

Exploration Activities		Expenditure US$		Company's share of Expenditure US$
Year 6 (ending March 31, 2017)				
• Resource assessment and production assessment	$	250,000	$	139,000
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	100,000,000	$	55,600,000
• Offtake/production engineering	$	500,000	$	278,000
Year 9 (ending March 31, 2020)				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	5,000,000	$	2,780,000
Total	$	105,750,000	$	58,797,000

Tamar License

The Tamar License covers approximately 8,070 square kilometers and is located in license areas 2211B and 2311A offshore in the economical waters of Namibia (the "**Tamar Block**"). The Company holds an 80% working interest in the Tamar Block (the Company's net interest is 72% due to its 90% ownership of PAO Namibia), Spectrum Geo Ltd. ("**Spectrum**") holds a 10% working interest, and NAMCOR holds a 10% working interest.

Pursuant to an agreement with Spectrum (the "**Spectrum Agreement**") the Company carries Spectrum's 10% working interest. Pursuant to the Spectrum Agreement, Spectrum's working interest may be reduced to 5% under certain circumstances, including without limitation, the farm-in by a third party into to the Tamar Block (a "**Farm-In**"). The Company has an option to buy back Spectrum's for US$1,450,000 prior to a Farm-In and US$900,000 after a Farm-In.

Pursuant to the Tamar Petroleum Agreement, the Company is required to undertake specific Exploration Activities on the Tamar License during each phase of development. In the Tamar Petroleum Agreement, monetary values have been allocated to each Exploration Activity based on information available at the time of their execution. Based on recent exploration activity in Namibia, management expects the actual expenditures on the Exploration Activities to be less than that provided in the Petroleum Agreements.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Tamar License for each year of exploration is as follows:

Exploration Activities		Expenditure US$		Company's share of Expenditure US$
Year 6 (ending October 31, 2017)				
• Complete and interpret 500 km^2 3D seismic survey • Evaluation of farm out and relinquishment of part (original 25%) or all Tamar License	$	8,000,000	$	8,000,000
Year 8 (ending October 31, 2019)				
• Drill exploratory well (subject to the availability of adequate drilling rigs)	$	50,000,000	$	50,000,000
Total	$	58,000,000	$	58,000,000

GUYANA

Guyana License

The Guyana License is located in the Orinduik block, offshore Guyana. The Orinduik block is situated in shallow water, 170km's offshore Guyana in the Suriname Guyana basin.

In accordance with the Guyana Petroleum Agreement, Eco Guyana holds a 40% working interest in the Guyana Licenses and Tullow holds a 60% interest. Under the Guyana Petroleum Agreement, Tullow will act as operator. Tullow will carry the Company's share of costs of the 3D survey required under the work program for the Guyana License (up to US$1,250,000).

In light of recent activity in the region by other petroleum explorers that is encouraging to the Company, Tullow and the Company have agreed to consider an accelerated work program to include 2D seismic re-processing and interpretation and a design of the 3D seismic program to start immediately after the regional study and 2D interpretation are completed.

Details of said work program are set out in the table below. The aggregate expenditure shown is estimated by management based on current costs.

Exploration Activities	Expenditure US	Company's share of Expenditure US$
Year 4 (ending June 2020) • Review existing regional 2D data and complete 3D survey Complete and interpret 1,000 km^2 3D seismic survey • Conduct and process 1,000km^2 3D	$ 3,000,000	$ -
Year 7 (ending June 2023) • 1st renewal period – Drill one exploration well (contingent)	$ 60,000,000	$ 24,000,000
Year 10 (ending June 2026) • 2nd renewal period – Drill one exploration well (contingent)	$ -	$ -
Total	$ 63,000,000	$ 24,000,000

Financial position

The Company's current operations are focused on Namibia and Guyana.

As at September 30, 2016, the Company had total assets of $5,566,709 and a net equity position of $2,768,212. This compares with total assets of $7,312,774 and a net equity position of $4,774,195 as at March 31, 2016. The Company had liabilities of $2,798,497 as at September 30, 2016, as compared with $2,538,579 as at March 31, 2016.

As at September 30, 2016, the Company had negative working capital of $334,983 compared with working capital of $1,670,741 as at March 31, 2016. Our proforma positive working capital as of September 30, 2016, following the completion of the sale of Eco Ghana, is $1,352,016, not including the reimbursement of US$576,580 that we expect to receive**.** The Company had cash on hand of $1,786,481 as at September 30, 2016, compared with $3,463,178 as at March 31, 2016, short-term investments of $100,000 as at September 30, 2016, compared with $100,000 at March 31, 2016.

Environmental Regulation

The Company's activities may be subject to environmental regulations, which may cover a wide variety of matters. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company does not believe that any provision for such costs is currently required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

Summarized Financial Information

	Three months ended September 30,		Six months ended September 30,	
	2016	2015	2016	2015
Revenue				
Interest income	1,093	3,025	3,532	10,035
	1,093	3,025	3,532	10,035
Operating expenses:				
Compensation costs	79,265	152,555	187,177	341,956
Professional fees	91,713	203,937	156,113	303,945
Operating costs	797,681	(235,911)	1,168,884	160,657
General and administrative costs	127,258	153,740	235,264	330,136
Share-based compensation	64,394	3,500	74,920	7,000
Foreign exchange gain	(16,153)	(236,257)	(9,044)	(66,395)
Net loss before write-down of license	-	-	-	-
	1,144,158	41,564	1,813,314	1,077,299
Net loss for the period	$ (1,143,065)	$ (38,539)	$ (1,809,782)	$ (1,067,264)

Exploration and evaluation assets and expenditures

For oil and gas prospects not commercially viable and financially feasible, the Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities. Exploration and evaluation expenditures associated with a business combination or asset acquisition are capitalized.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Interest income

During the three month period ended September 30, 2016, the Company earned interest of $1,093 from funds invested in interest bearing deposits with financial institutions, as compared with $3,025 earned during the three month period ended September 30, 2015.

During the six month period ended September 30, 2016, the Company earned interest of $3,532 from funds invested in interest bearing deposits with financial institutions, as compared with $10,035 earned during the six month period ended September 30, 2015.

The decrease in interest earned during the three month and six month periods ended September 30, 2016 as compared to the six month and three month periods ended September 30, 2016, reflects the decrease in average cash balances during the period as the Company used its cash reserves to finance its operations and a decrease in interest rates during the period.

Expenses

As Operator of the some of its petroleum exploration licenses, the Company bills certain partners for their respective share in certain compensation, operating and administrative expenses effective ("**JOA Recoveries**").

Operating costs

Operating costs include amounts spent on data acquisition, technical consulting and analysis, incurred in connection with the Licenses.

During the three month period ended September 30, 2016, the Company incurred net operating costs of $797,681 as compared to a net recovery of $235,911 during the three month period ended September 30, 2015.

During the six month period ended September 30, 2016, the Company incurred net operating costs of $1,168,884 as compared to $160,657.

The expenses in 2016 included primarily costs incurred on the Guyana License and on the processing and interpretation of the 3D seismic program on the Guy License. Expenses incurred on the seismic work completed on the Cooper License were carried by our partners.

Compensation costs

Compensation costs represent amounts paid by the Company for compensation to certain members of management. It further includes compensation paid to the Company's directors for their services as directors.

During the three month period ended September 30, 2016, the Company incurred net compensation costs of $79,265 for compensation costs compared to $152,555 for the three month period ended September 30, 2015.

During the six month period ended September 30, 2016, the Company incurred compensation costs of $187,177 for compensation costs compared to $341,956 for the six month period ended September 30, 2015.

The decrease in 2016 is a result of cost saving measures introduced by management and the board.

Professional fees

Professional fees represent amounts paid by the Company for professional fees provided to the Company by independent service providers.

During the three month period ended September 30, 2016, the Company incurred net professional fees of $91,713 compared to $203,937 for the three month period ended September 30, 2015.

During the six month period ended September 30, 2016, the Company incurred net professional fees of $156,113 for professional fees compared to $303,945 for the six month period ended September 30, 2015.

General and administrative costs

General and administration costs include public company charges, travel and entertainment, occupancy and general office expenditures.

During the three month period ended September 30, 2016, the Company incurred net expenses of $127,258 compared to $153,740 the three month period ended September 30, 2015.

During the six month period ended September 30, 2016, the Company incurred net expenses of $235,264 compared to $330,136 for the six month period ended September 30, 2015.

The Company continues to decrease its general and administrative costs.

Share based compensation

The share based compensation expense reflects the fair value of stock options amd RSU's granted to directors, officers, employees and consultants of the Company.

Foreign exchange

The foreign exchange movement during the three and six month period ended September 30, 2016, reflects the movements of the United States dollar, Euro and Namibian dollar relative to the Canadian dollar. The Company's cash and cash equivalents and short-term investments are held in Canadian dollars and US Dollars.

Summary of Quarterly Results

Summarized quarterly results for the past eight quarters are as follows:

	Quarter Ended			
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Total income	$ 1,093	$ 2,439	$ 555,059	$ 8,658
Net income (loss) for the period	$ (1,143,065)	$ (666,717)	$ (3,984,096)	$ (56,136)
Basic income (loss) per share	$ (0.01)	$ (0.01)	$ (0.05)	$ (0.00)

	Quarter Ended			
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Total income	$ 3,025	$ 7,010	$ 5,595,007	$ 5,835
Net income (loss) for the period	$ (38,539)	$ (1,028,725)	$ 3,249,663	$ (1,572,988)
Basic income (loss) per share	$ (0.00)	$ (0.01)	$ 0.04	$ (0.02)

During the quarter ended December 31, 2014, the Company completed its 3D Seismic program on the Cooper License and the 2D program on the Guy License; both programs were carried by the Company's partners on each of the licenses. The Company also incurred costs in connection with its application for the Ghana Block.

During the quarter ended March 31, 2015, the Company completed its processing and interpretation of the 3D seismic data on the Cooper Block and continued to advance its application for the Ghana License. The Company also completed the AziNam Farmout Agreement and, as a result, recorded $4.4 million in income on the consolidated statement of operations and comprehensive income (loss).

During the quarters ended June 30, 2015, September 30, 2015 and December 31, 2015, the Company continued the processing and interpretation of the 3D seismic data on the Cooper Block and completed acquisition of the Ghana License. In the last quarter ended March 31, 2015 the Company also focused on acquiring the Guyana License, which was approved in January 2016, and the execution of the 3D seismic program on the Guy Block.

During the quarter ended March 31, 2016, the Company was granted the Guyana License, completed the processing and interpretation of the 3D seismic data on the Cooper Block and commences the processing and interpretation of the 3D seismic data on the Guy Block.

During the quarters ended June 30 and September 30, 2016, the Company continued to advance work on its licenses is Namibia, Ghana and Guyana and to reduce general and administrative expenses.

Additional Disclosure for Venture Issuers Without Significant Revenue

	Three months ended September 30,		Six months ended September 30,	
	2016	2015	2016	2015
Gross expenditures on exploration and evaluation				
Cooper License	269,000	$ 254,000	269,000	$ 1,427,000
Guy License	433,000	55,000	591,000	235,000
Sharon License	64,000	79,000	127,000	250,000
Daniel License	-	-	-	25,000
Tamar License	-	-	16,000	-
Guyana License	327,000	-	399,000	-
Ghana License	14,000	1,677,000	30,000	1,727,000
Total	1,107,000	2,065,000	1,432,000	3,664,000
General and administrative expenses				
Occupancy and office expenses	$ 37,604	$ 98,607	$ 84,562	$ 223,105
Travel expenses	34,763	38,476	70,766	91,468
Public company costs	4,551	6,907	32,160	22,204
Insurance	50,896	22,072	53,425	42,596
Financial services	2,572	4,840	4,755	7,284
Advertising and Communication	1,945	1,264	2,144	2,077
Depreciation	36	223	259	2,119
Recovered under JOAs	(5,109)	(18,649)	(12,807)	(60,717)
	$ 127,258	$ 153,740	$ 235,264	$ 330,136

Liquidity and Capital Resources

The Financial Statements have been prepared on a going concern basis whereby the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Financial Statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for the Financial Statements, then adjustments of a material nature would be necessary in the carrying value of assets such as petroleum and natural gas licenses, liabilities, the reported expenses, and the balance sheet classifications used. Management continues to pursue financing opportunities for the Company to ensure that it will have sufficient cash to carry out its planned exploration program beyond the next year.

During the six month period ended September 30, 2016, the Company's overall position of cash and cash equivalents decreased by $1,676,697. This decrease in cash can be attributed to the following activities:

1) The Company's net cash used from operating activities during the six month period ended September 30, 2016 was $1,405,576 as compared to $369,322 for the six month period ended September 30, 2015. This primary uses of cash were for expenses incurred on the Guy and Guyana Licenses.

2) Cash used in investing activities for the six month period ended September 30, 2016 was $Nil as compared to $1,612,382 cash from financing for the six month period ended September 30, 2015. The cash used in 2015 is as a result of the Company's acquisition of the Ghana License.

3) Cash used in financing activities for the six month period ended September 30, 2016 was $271,121 as compared to $136,445 for the six month period ended September 30, 2015. The cash used is as a result of the Company's normal course issuer bid each period.

As discussed above, the Company is required to undertake specific exploration activities on each of the Company's licenses during each phase of development. (See "Business Overview" for information on the Company's commitments.)

The Company is currently engaged in the exploration and development of the licenses in order to assess the existence of commercially exploitable quantities of oil and gas and to determine if additional resources should be allocated to these licenses as per the work program commitments set out herein. The Company has completed the minimum exploration work required to date for each of its material licenses.

The Company has no revenue producing operations and continues to manage its costs, focusing on its higher potential licenses as described above. It also continues to seek funding in the capital markets and to pursue additional joint venture and farm-in opportunities with other suitable companies having access to capital, in order to meet its exploratory commitments and development strategy. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company. See "Risk Factors" below.

Common Share Data (as at November 27, 2016)

Common Shares	(1) 85,349,335
Options issued to directors, officers, consultants and employees	8,541,052
Common shares outstanding on a fully diluted basis	93,890,387

Note:

(1) In connection with the Amalgamation, the former shareholders of PAO are required to surrender for cancellation the certificates representing their PAO shares (the "**Certificates**") in order to obtain Common Shares. Former shareholders of PAO have six years from the effective date of the Amalgamation, being January 28, 2015, to surrender their Certificates, failing which their Common Shares will be cancelled. As at November 27, 2016, there remains 1,009,784 Common Shares to be issued to the former shareholders of PAO. Such Common Shares will be held by Equity Financial Trust Company as agent for former shareholders of PAO until cancelled.

Off-Balance Sheet Agreements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, and without limitation, such consolidations as liquidity, capital expenditure and capital resources that would be considered material to investors.

Contractual Commitments

The Company is committed to meeting all of the conditions of its licenses as discussed above, including annual lease renewal or extension fees as needed.

Financial Instruments

Other risks and uncertainties the Company faces at present are market risk and foreign exchange risk.

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and oil and gas prices. An extended period of depressed oil and gas prices could make access to capital more difficult and the Company is dependent on capital markets to fund its exploration and ultimately, its development programs.

Foreign exchange risk arises since most of the Company's costs are in currencies other than the Canadian dollar. Fluctuations in exchange rates between the Canadian dollar and the U.S. dollar could materially affect the Company's financial position. Management periodically considers reducing the effect of exchange risk through the use of forward currency contracts but has not entered into any such contracts to date.

Risks and Uncertainties

The business of exploring for, developing and producing oil and gas reserves is inherently risky. The Company is in the development stage and has not determined whether its Licenses contain economically recoverable reserves. The Company's future viability is dependent on the existence of oil and gas reserves and on the ability of the Company to obtain financing for its exploration programs and development of such reserves and ultimately on the profitability of operations or disposition of its oil and gas interests.

The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

For a complete discussion on risk factors, please refer to the Company's Annual Information Form dated July 28, 2016, filed under the Company's profile at www.sedar.com.

Transactions between Related Parties and Balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company.

Remuneration of the Company's directors, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Vice President and Fees for management services paid to private companies which are controlled by directors or officers of the Company and fees to directors were as was as follows:

	Three months ended September 30,		Six months ended September 30,	
	2016	2015	2016	2015
Salaries, consulting fees and benefits	**$ 164,784**	$ 119,806	**$ 408,671**	$ 373,600
Stock-based compensation	**43,852**	-	**43,852**	-
	$ 208,636	$ 119,806	**$ 452,523**	$ 373,600

Critical Accounting Estimates

The Company's critical accounting estimates are defined as those estimates that have a significant impact on the portrayal of its financial position and operations and that require management to make judgments, assumptions and estimates in the application of IFRS. Judgments, assumptions and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur and additional information is obtained, these judgments, assumptions and estimates may be subject to change. The Company believes the following are the critical accounting estimates used in the preparation of its consolidated financial statements. The Company' significant accounting policies can be found in note 3 of the Company's Financial Statements.

Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates related to unsettled transactions and events as of the date of the Financial Statements. Accordingly, actual results may differ from these estimated amounts as future confirming events occur.

Significant estimates used in the preparation of the Company's Financial Statements include, but are not limited to impairment of exploration license costs capitalized in accordance with IFRS, stock based compensation and future income taxes.

The impairment of exploration licenses is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development and exploitation of such reserves, its ability to meet its obligations under various agreements and the success of future operations or dispositions.

Stock Based Compensation

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense. The recognized costs are subject to the estimation of what the ultimate payout will be using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

Income Taxes

The Company follows the liability method of accounting for income taxes whereby future income taxes are recognized based on the differences between the carrying values of assets and liabilities reported in the audited consolidated annual financial statements of the Company and their respective tax basis. Deferred income tax assets and liabilities are recognized at the tax rates at which Management expects the temporary differences to reverse. Management bases this expectation on future earnings, which require estimates for reserves, timing of production, crude oil price, operating cost estimates and foreign exchange rates. Management assesses, based on all available evidence, the likelihood that the deferred income tax assets will be recovered from future taxable income and a valuation allowance is provided to the extent that it is more than likely that deferred income tax assets will not be realized. As a result, future earnings are subject to significant Management judgment.

Changes in Accounting Policies

Policies not yet adopted

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB its final form in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS39. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has yet to evaluate the impact of this new standard.

(ii) IFRS 15 - Revenue from contracts with customers ("IFRS 15") proposes to replace IAS 18 – Revenue, IAS 11 – Construction contracts and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis of transaction to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning April 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 15.

(iii) IFRS 16 - Leases ("IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company has yet to evaluate the impact of this new standard.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the 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:

1) 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

2) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (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 the 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.

Additional Information

Additional information relating to the Company, the Company's quarterly and annual consolidated financial statements, annual information form, technical reports and other disclosure documents, are available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

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