ECO (ATLANTIC) OIL & GAS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIOD ENDED

JUNE 30, 2018

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 month period ended June 30, 2018. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2018, together with the notes thereto, as well as the unaudited condensed consolidated interim financial statements for three month period ended June 30, 2018 (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 August 28, 2018.

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.

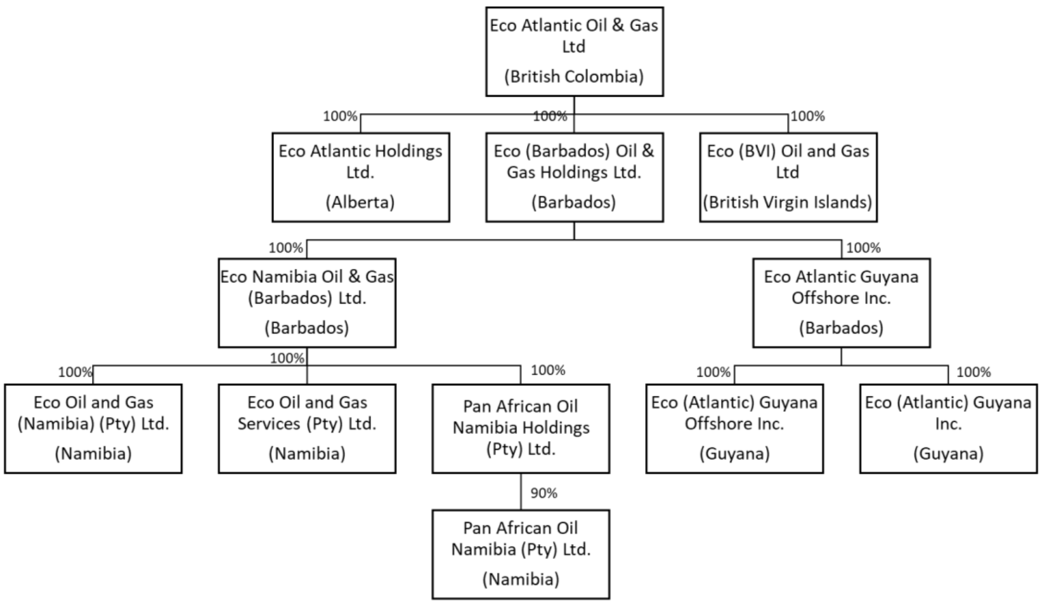
Nature of Business and Structure of the Company

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 "**TSXV**") under the symbol "EOG", and on the London Stock Exchange's AIM (the "**AIM**") under the symbol "ECO".

The structure of the Company and its significant subsidiaries, as of June 30, 2018, is as follows:

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



Significant Developments

- On June 25, 2018, the Company announced that it was granted a one-year extension to March 2019 for the PEL50 license covering its offshore "Tamar" Block, located in the 22,500 km^2 Walvis Oil Basin in North Central Namibia, by the Namibia Ministry of Mines and Energy.

Overview of Operations

Eco Guyana, the Company's wholly owned subsidiary, 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 Guyana BV ("**Tullow Guyana**").

Through its subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company currently holds interests in 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**").

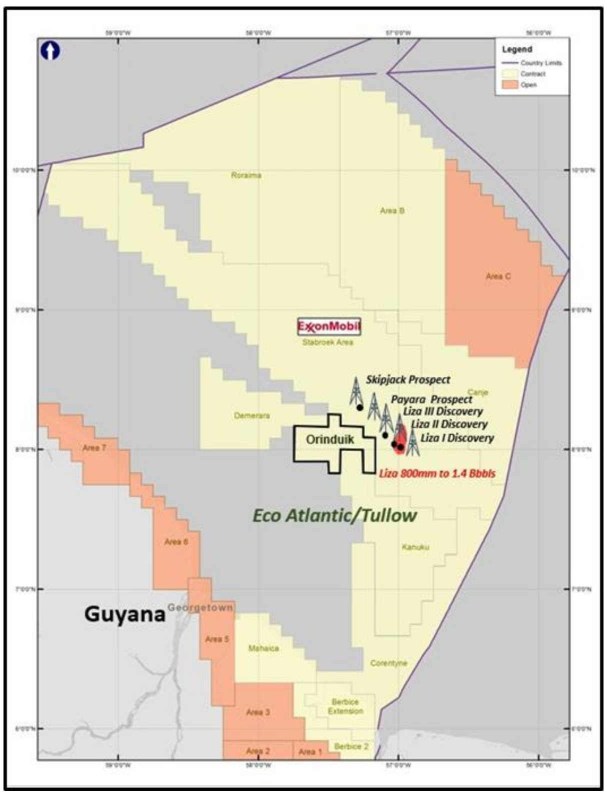
Through its subsidiary, PAO Namibia, the Company currently holds an interest in one offshore petroleum license in Namibia, being petroleum exploration license number 0050 (the “Tamar License”). The terms of the Tamar License are governed by a petroleum agreement (the “Tamar Petroleum Agreement”) between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

In Namibia, the Company is awaiting the results of the two wells which are scheduled to be drilled during the last three months of calendar year 2018 by Tullow Oil and Chariot Oil and Gas (blocks PEL 37 and PEL 71). The results of these wells, once published, are expected to provide a significant amount of information on the entire basin petroleum system, including the blocks held by the Company.

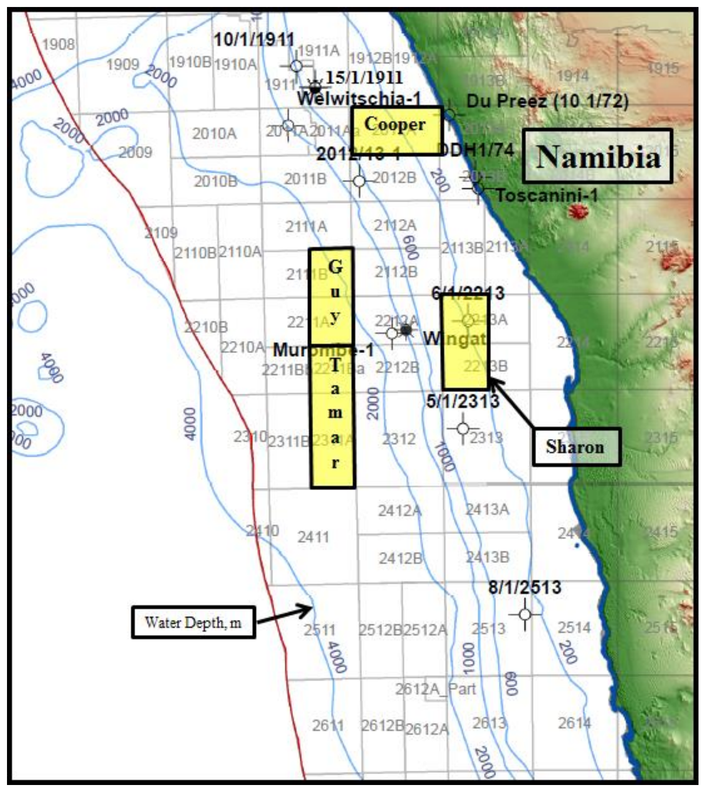
The Company is in the development stage and has not yet commenced principal drilling operations other than acquiring and analyzing certain pertinent geological data. The Company is currently engaged in the exploration and development of its properties to determine whether commercially exploitable quantities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

The location of the Company’s exploration licenses are indicated on the maps below:

Guyana



Namibia



GUYANA

Guyana License

The Guyana License is located in the Orinduik block, offshore Guyana. The Orinduik block is situated in shallow water, 170kms offshore Guyana in the Suriname Guyana basin and is located in close proximity to the recent Exxon Lisa and Payara discoveries.

In accordance with the Guyana Petroleum Agreement, Eco Guyana holds a 40% working interest in the Guyana Licenses and Tullow Guyana holds a 60% interest. Under the Guyana Petroleum Agreement, Tullow Guyana will act as operator.

On June 8, 2017, in light of recent discoveries in the region by other petroleum explorers and the advancement of the interpretation of the Orinduik Block, Tullow Guyana and the Company approved a circa 2,550 km^2 seismic survey on the Company's Orinduik Block. Tullow Guyana carried US$1,250,000 of the Company's share of costs of the 3D survey.

On June 18, 2017, the Company and Tullow Guyana elected to enter into Phase Two of the Initial Exploration Period, which runs for four years from January 2016, pursuant to the terms of the Guyana Petroleum Agreement. The work commitment under Phase Two requires the acquisition of at least a minimum of 1,000 square kilometers of 3D seismic on the Orinduik Block. This has already been completed and exceeded during Phase One when the Block partners completed a 2,550 square kilometers survey in September 2017. As such, there is no further 3D seismic in Phase Two of the Initial Period.

On September 26, 2017, Eco Guyana, entered into an option agreement that provides Total E&P Activités Pétrolières, (a wholly owned subsidiary of Total SA) ("**Total**") with an option to acquire a 25% Working Interest in the Orinduik Block from Eco Guyana (the "**Option**"). Pursuant to the Option Agreement, Total paid US$1 million for the Option (the "**Option Fee**") to Farm-in to the Orinduik Block for an additional payment in cash of US$12.5 million to earn the 25% Working Interest. The exercise of the Option must be made within 120 days from delivery to Total of the processed 3D seismic. The survey acquisition was completed on September 5, 2017. During the processing and interpretation phase data sets were delivered to Total with the final batch expected to be delivered in September 2018, which will trigger the 120 day period for Total to exercise the Option.

On February 20, 2018, the Company entered into two share purchase agreements (collectively, the "Purchase Agreements") to purchase the minority interests in Eco Guyana, consisting of 6% of the outstanding shares of Eco Guyana (the "Minority Shares"). As consideration for the acquisition of the Minority Shares the Company agreed to pay a cash consideration in the amount of US$200,000 payable in two equal tranches (the first upon closing of the Purchase Agreements (the "Closing") and the second 60 days after Closing); and issue a total of 1,700,384 common shares (the "Consideration Shares"). The Consideration Shares are subject to a lock up arrangement, with 1/3 being released on Closing; 1/3 being released 91 days after Closing; and the remaining balance being released 181 days after Closing. Accordingly, the Company now owns own 100% of Eco Guyana.

As of the date hereof, the remaining exploration activities and the aggregate expenditure as estimated by management based on current costs for the Guyana License is as follows(1):

Exploration Activities	Expenditure US$	Company's share of Expenditure(2) US$	Company's share of Expenditure should Total exercise their Option US$[3]
By June 2023			
• 1st renewal period – Drill one exploration well (contingent)	$ 35,000,000	$ 14,000,000	5,250,000
By June 2026			
• 2nd renewal period – Drill one further exploration well (contingent)	$ 35,000,000	$ 14,000,000	5,250,000
Total	$ 70,000,000	$ 28,000,000	10,500,000

Note: (1) Drilling Exploration activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Drilling Exploration Activity was to be undertaken as at the date of this document.
(2) Assuming Company's working interest remains at 40%
(3) Assuming the Total Option is exercised and the Company retains a 15% working interest

NAMIBIA

Cooper License

The Cooper License covers approximately 5,000 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 Namibia Limited ("**Tullow Namibia**"), holds a 25% working interest. The Company, AziNam and Tullow Namibia proportionally carry NAMCOR's working interest during the exploration period.

Pursuant to the Company's original farmout agreement with Tullow Namibia (the "**Tullow Farmout Agreement**"), if Tullow Namibia elects to participate in the drilling of an exploration well on the Cooper Block, Tullow Namibia will acquire an additional 15% working interest in the Cooper License from Eco and Azinam, 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**"); such terms were subsequently updated in January 2017 as set out below. There is no guarantee that the Second Transfer will be completed.

The Company completed the execution, processing and interpretation of a 1,100 square kilometers 3D seismic survey. In accordance with the Tullow Farmout Agreement, Tullow Namibia 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 Namibia (the "**Cooper JOA**"). Under the Cooper JOA, the Company is designated the operator of the Cooper License. Tullow Namibia may replace the Company as the operator (i) upon the closing of the Second Transfer, or (ii) on an earlier date, provided Tullow Namibia 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 2018, which in October 2017, was extended by the Ministry to March 2019. The Second Renewal phase is until March 2021. 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.

The Tullow Agreement was amended on February 1, 2017 (the "**Tullow Amended Farmout Agreement**"). Pursuant to the Company's farmout agreement with Tullow Namibia as amended on February 1, 2017 (the "**Tullow Amended Farmout Agreement**") if Tullow Namibia elects to proceed into the second renewal exploration period or commits to drill an exploration well on the Cooper License before such time, Tullow will acquire from the Company and Azinam an additional 15%working interest in the Cooper License and become the Operator of the Cooper License. In addition, subject to a minimum contribution of US $2.25 million by the Company, Tullow Namibia will carry the Company in respect of the Company's share of any drill costs in relation to the first exploration well (if proposed and drilled by Tullow) up to a total well cost of US $35 million. In addition, Tullow Namibia will reimburse the Company for 17.14% of all past costs incurred and paid for by the Company in respect of the Cooper License (save for any costs already reimbursed, paid or carried by AziNam or Tullow Namibia). If Tullow Namibia elects not to proceed into the second renewal exploration period, then it will be deemed to have transferred back to the Company its entire 25% working interest and will remain obliged to carry the Company in respect of: (i) the Company's working interest share of the costs, which the Company has agreed to participate in and which were approved by the operating committee and the parties to the Cooper JOA (as hereinafter defined); and (ii) the seismic carry (to the same extent Tullow Namibia would have been liable for had it not elected to transfer its working interest).

On November 2, 2017, the Company released its Public Notice for Environmental Clearance Certificate (ECC) for the drilling of an exploration well within its Osprey Lead on the Block.

On November 27, 2017, India's ONGC Videsh announced that it is acquiring a 15% working interest in the Cooper license from Tullow Namibia. This transaction is subject to the approval of the Ministry.

Pursuant to the Eco Namibia Petroleum Agreements, the Company is required to undertake specific exploration activities on each of the Company's Namibian 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 is as follows[(1)]:

Exploration Activities		Expenditure US$		Company's share of Expenditure[(2)] US$
By March 31, 2020				
• After interpretation of 3D survey, drill exploratory well	$	35,000,000	$	2,250,000
• Offtake/production engineering	$	500,000	$	125,000
By March 31, 2021				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	1,400,000	$	350,000
Total	$	36,900,000	$	2,725,000

Notes:

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

(2) 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 5,000 square kilometers 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 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, which on October 16, 2017, was extended by the Ministry to March 2019. The 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 Eco Namibia Petroleum Agreement for the Sharon License. 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 is as follows[(1)]:

Exploration Activities	Expenditure US$		Company's share of Expenditure US$	
By March 31, 2020				
• Complete and interpret a 1,000 Sq Km 3D seismic survey • Resource assessment and production assessment has been completed	$	8,000,000	$	5,280,000
By March 31, 2021				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	35,000,000	$	23,100,000
• Offtake/production engineering	$	500,000	$	333,500
By March 31, 2021				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	1,400,000	$	933,800
Total	$	44,900,000	$	29,647,300

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Guy License

The Guy License covers 5,000 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 is now being interpreted by AziNam, the Operator on the License.

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, which on October 16, 2017, was extended by the Ministry to March 2019. The 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 Eco Namibia Petroleum Agreement for the Guy License. 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 is as follows: [(1)]

Exploration Activities		Expenditure US$		Company's share of Expenditure US$
By March 31, 2021				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	35,000,000	$	19,460,000
• Offtake/production engineering	$	500,000	$	278,000
By March 31, 2021				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	1,400,000	$	778,400
Total	$	36,900,000	$	20,516,400

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Tamar License

The Tamar License covers approximately 7,500 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**"). PAO Namibia, the Company's 90% owned subsidiary, 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 ("**Exploration Activities**"). 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 Tamar Petroleum Agreements.

On June 25, 2018, the Company received a one-year extension to March 20, 2019 for the First Renewal Period from the Petroleum Commissioner of the Republic of Namibia.

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 is as follows: [(1)]

Exploration Activities		Expenditure US$		Company's share of Expenditure US$
By October 28, 2020				
• Complete and interpret 250 km^2 3D seismic survey • Evaluation of farm out and relinquishment of part (original 25%) or all Tamar License	$	1,040,000	$	1,040,000
By October 28, 2021				
• Drill exploratory well (subject to the availability of adequate drilling rigs)	$	35,000,000	$	35,000,000
Total	$	36,040,000	$	36,040,000

Notes

(1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Financial position

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

As at June 30, 2018, the Company had total assets of $15,364,487 and a net equity position of $15,138,416. This compares with total assets of $16,736,779 and a net equity position of $16,005,755 as at March 31, 2018. The Company had liabilities of $226,071 as at June 30, 2018, as compared with $731,024 as at March 31, 2018.

As at June 30, 2018, the Company had working capital of $13,648,445 compared to working capital of $14,515,784 as at March 31, 2018. The Company had cash on hand of $12,972,970 as at June 30, 2018, compared with $14,316,042 as at March 31, 2018, short-term investments of $74,818 at June 30, 2018 and at March 31, 2018.

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 June 30, 2018	Three months ended June 30, 2017
Revenue		
Interest income	**8,843**	6,503
	8,843	6,503
Operating expenses:		
Compensation costs	**233,366**	191,147
Professional fees	**69,416**	94,102
Operating costs	**468,500**	571,336
General and administrative costs	**291,719**	172,575
Share-based compensation	**1,487**	1,078,398
Foreign exchange (income) loss	**(186,819)**	20,928
Total operating expenses	**877,669**	2,128,486
Net Loss for the period	**$ (868,826)**	$ (2,121,983)

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 months ended June 30, 2018, the Company earned interest of $8,843 from funds invested in interest bearing deposits with financial institutions, as compared with $6,503 earned during the three months ended June 30, 2017. The increase in interest earned during each period reflects the increase 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 on our Namibian Licenses (“**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 months ended June 30, 2018, the Company incurred gross operating costs of $643,853 and billed JOA Recoveries of $175,353 (net expense: $468,500) as compared to gross operating costs of $594,445 for the three months ended June 30, 2017 net of JOA Recoveries of $23,109 (net expense: $571,366)). In 2018, these expenses included primarily work incurred on the Guyana License, processing and interpretation of the 2,550km^2 3D seismic program and operating expenses on the Company's other licenses in Namibia.

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 months ended June 30, 2018, the Company incurred expenses of $233,366 for compensation costs compared to $191,147 for the three months ended June 30, 2017. The increase in 2018 is as a result of an increase in compensation paid to certain executives and directors in the prior year.

Professional fees

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

During the three months ended June 30, 2018, the Company incurred professional fees of $69,416 compared to $94,102 for the three months ended June 30, 2017. The decrease in 2018 is as a result higher than usual professional fees incurred in the prior period following the admission to the AIM stock exchange in 2017.

General and administrative costs

During the three months ended June 30, 2018, the Company incurred gross general and administrative costs of $310,031 and billed JOA Recoveries of $18,312 (net expense: $291,719). During the three months ended June 30, 2017, the Company incurred gross general and administrative costs of $178,125 and billed JOA Recoveries of $5,550 (net expense: $172,575).

These expenses include public company charges, travel and entertainment, occupancy and general office expenditures for the Company's head office in Toronto and its regional office in Windhoek, Guyana, London and Namibia.

General and Administrative costs increased during 2018 as compared to 2017, primarily due to the increased travel expenses of the company incurred as a result of increased activities of the company.

Share based compensation

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

During the three months ended June 30, 2018, share based compensation amount to $1,487 as compared to $1,078,398 for the three months ended June 30, 2017. The decrease in 2018 is primarily as a result of there being no issuance of any options or RSU's to directors, officers and consultants of the Company as compensation during this period as compared to 2017.

Foreign exchange

The foreign exchange movement during the three months ended June 30, 2018, reflects the movements of the United States dollar, British Pound and Namibian dollar relative to the Canadian dollar. The Company's cash and cash equivalents and short-term investments are held in Canadian dollars, US Dollars and British Pounds.

Summary of Quarterly Results

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

	Quarter Ended							
	30-Jun-18		31-Mar-18		31-Dec-17		30-Sep-17	
Total income	$	8,843	$	5,997	$	1,275,054	$	6,503
Net loss for the period	$	(868,826)	$	(3,472,612)	$	(1,838,578)	$	(2,121,983)
Basic loss per share	$	(0.01)	$	(0.03)	$	(0.02)	$	(0.01)

	Quarter Ended							
	30-Jun-17		31-Mar-17		31-Dec-16		30-Sep-16	
Total income	$	6,503	$	11,985	$	303	$	1,093
Net loss for the period	$	(2,121,983)	$	(1,320,160)	$	(426,644)	$	(1,143,065)
Basic loss per share	$	(0.02)	$	(0.01)	$	(0.01)	$	(0.01)

During the three quarters ended between September 30, 2016 and March 31, 2017, the Company continued to advance work on its licenses in Guyana, Namibia and Ghana (up to November 21, 2016) and to reduce general and administrative expenses.

During the last five quarters, the Company incurred expenses on the Guyana License, including the preparation, execution and completion of the 3D seismic program followed by processing and interpretation, the interpretation of data on the Guy License and operating expenses on the Company's other licenses in Namibia.

Additional Disclosure for Venture Issuers Without Significant Revenue

	Three months ended June 30, 2018	Three months ended June 30, 2017
Gross expenditures on exploration and evaluation		
Cooper License	**$ 202,000**	$ 170,000
Guy License	**70,000**	30,000
Sharon License	**189,000**	138,000
Tamar License	**20,000**	65,000
Orinduik License	**427,000**	324,000
Total	**$ 908,000**	$ 727,000
General and administrative expenses		
Occupancy and office expenses	**$ 18,881**	$ 15,778
Travel expenses	**125,438**	47,939
Public company costs	**98,471**	96,836
Insurance	**18,972**	13,328
Financial services	**4,146**	3,525
Advertising and Communication	**44,123**	719
Recovered under JOAs	**(18,312)**	(5,550)
	291,719	172,575

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 three months ended June 30, 2018, the Company's overall position of cash and cash equivalents decreased by $1,343,072. This decrease in cash can be attributed to the following activities:

1) The Company's net cash used for operating activities during the three months ended June 30, 2018 was $1,343,072 as compared to of $1,095,631 for the three months ended June 30, 2017. This primary uses of cash were for expenses incurred on the Guyana License and a decrease in accounts payables and accrued liabilities.

2) Cash used in investing activities during the three months ended June 30, 2018 and 2017 was Nil.

3) Cash generated from financing activities for the three months ended June 30, 2018 and 2017 was Nil .

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 "Overview of Operations" 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.

Common Share Data (as at August 28, 2018)

Common Shares	(1)159,195,217
Options issued to directors, officers and consultants	6,920,000
RSU's granted to directors, officers and consultants	213,000
Warrants	2,158,248
Common shares outstanding on a fully diluted basis	168,486,465

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 August 28, 2018, there remains 846,992 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

Licenses

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 27, 2018, filed under the Company's profile at www.sedar.com and on the Company's website.

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.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Fees for management services and operating costs paid to directors and officers or private companies which are controlled by directors or officers of the Company were as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2017
Salaries, operating and consulting fees and benefits	**$ 349,816**	$ 219,220
Stock-based compensation	**-**	837,200
	$ 349,816	$ 1,056,420
Number of people	**9**	7

These transactions are in the ordinary course of business and are measured at the amount of consideration set and agreed by the related parties.

As at June 30,2018, amounts owing to directors and officers of the Company included in accounts payable and accrued liabilities amounted to $119,786 (March 31, 2017 - $173,426).

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.

New Standards adopted

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and replaced IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 became effective for year ends commencing after January 1, 2018 and the adoption of his standard did not have a material impact on the Company's condensed consolidated interim financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), which replaced IAS 18, Revenue, results in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 became effective for year ends commencing after January 1, 2018 and the adoption of his standard did not have a material impact on the Company's condensed consolidated interim financial statements.

Changes in Accounting Policies

<u>Policies not yet adopted</u>

IFRS 16, Leases ("IFRS 16") was issued by the IASB in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. An entity applies IFRS 16 for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from Contracts with Customers has also been applied. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. The Company is currently assessing the effects of IFRS 16 and intends to adopt IFRS 16 on its effective date.

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.