ECO (ATLANTIC) OIL & GAS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED
JUNE 30, 2019

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, 2019. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2019, together with the notes thereto, as well as the unaudited condensed consolidated interim financial statements for three month period ended June 30, 2019 (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 22, 2019.

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.

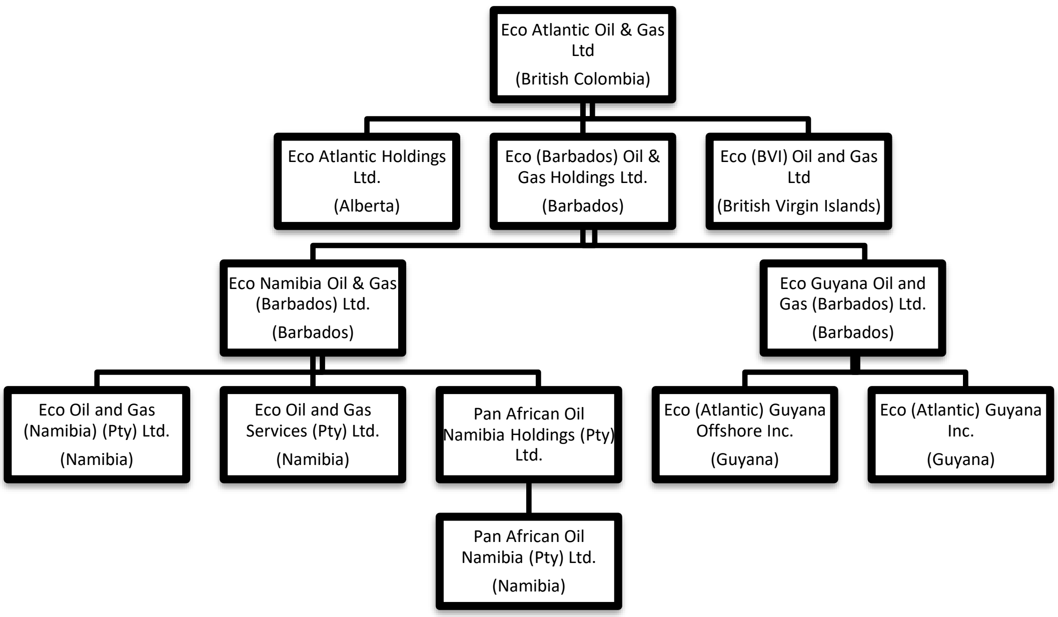
Nature of Business and Structure of the Company

The Company's business is to identify, acquire and explore petroleum natural gas, and shale gas assets.

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 AIM Market of the London Stock Exchange (the "**AIM**") under the symbol "ECO".

The structure of the Company and its significant subsidiaries, all of which are wholly-owned (100%) by the Company as of June 30, 2019, is as follows:



Significant Developments

- On April 10, 2019, the Company announced the closing of a private placement (previously announced on April 4, 2019) pursuant to which it issued 16,159,695 Common Shares for gross proceeds of $22.6 million.
- On August 12, 2019, the Company announced a major oil discovery on its Orinduik offshore petroleum license in Guyana (the "**Guyana License**"). The Jethro-1 exploration well was drilled by the Stena Forth drillship to a final depth of 14,331 feet (4,400 meters) in approximately 1,350 meters of water. Evaluation of logging data confirms that the Jethro-1 is the first discovery on the Guyana License and comprises high-quality oil-bearing sandstone reservoir of Lower Tertiary age. It encountered 180.5 feet (55 meters) of net high-quality oil pay in excellent lower Tertiary sandstone reservoirs which supports recoverable oil resources. The well was cased, and is awaiting further evaluation to determine the appropriate appraisal activity.

Overview of Operations

Eco Guyana, the Company's wholly owned subsidiary, currently holds a 15% interest in the Guyana License. Our original 40% interest was reduced to 15% following the completion of the exercise of the Total Option (as defined below). 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.

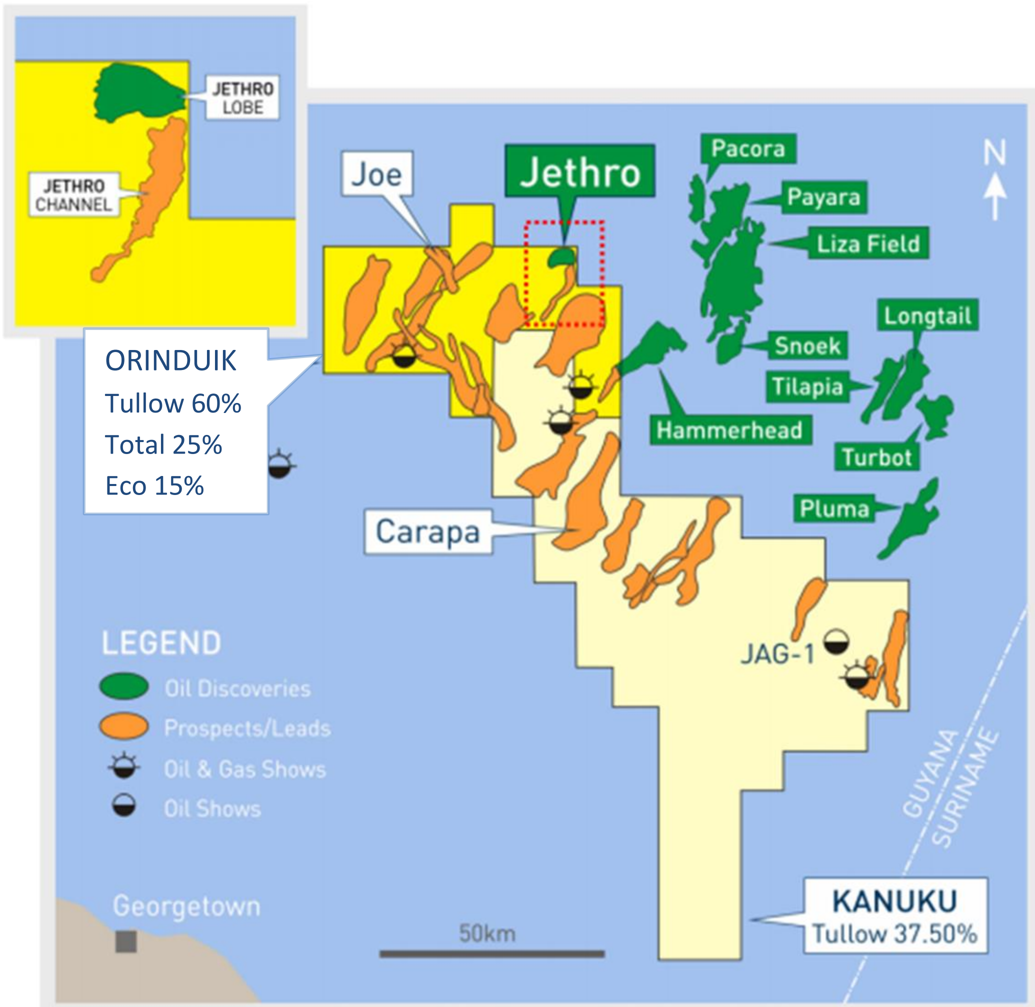
Through its subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company currently holds interests in three offshore petroleum licenses in Namibia, being (i) petroleum exploration license number 0030 (the "**Cooper License**"), (ii) petroleum exploration license number 0033 (the "**Sharon License**"), 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.

The Company is in the development stage and has not yet commenced principal producing operations other than acquiring and analyzing certain pertinent geological data in Guyana and Namibia, and drilling its first exploration well in Guyana. The Company is currently engaged in the exploration and development of its properties in addition to evaluating the Jethro oil discovery to determine the appropriate appraisal approach.

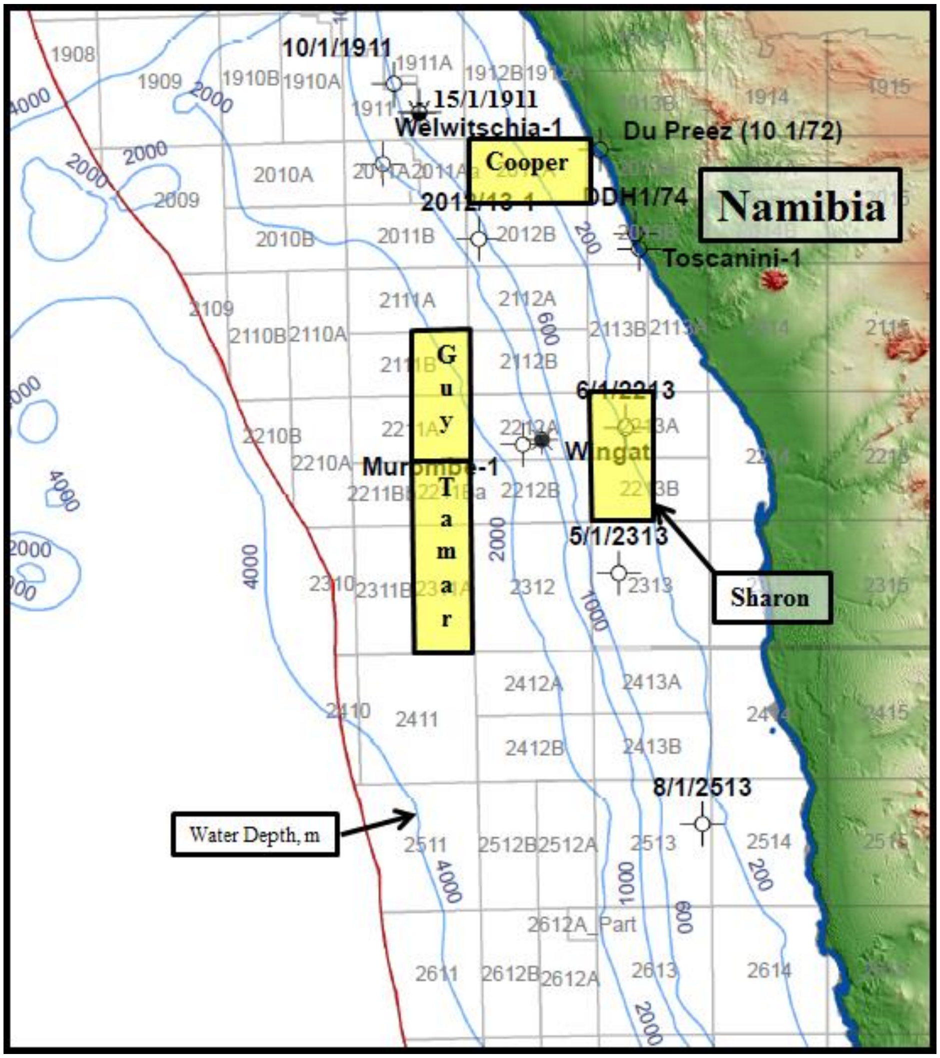
The locations of the Company's exploration licenses on the Orinduik Block are indicated on the maps below:

Guyana



Source: Tullow oil

Namibia


10/1/1911
15/1/1911
Welwitschia-1
Du Preez (10 1/72)
Cooper
2012/13-1
DDH1/74
Namibia
Toscanini-1
Guy
Murombe-1
Tamar
6/1/2213
Wingat
5/1/2313
Sharon
8/1/2513
Water Depth, m

GUYANA

Guyana License

The Guyana license is located in the Orinduik block, offshore Guyana. The Orinduik block is situated in shallow to deep water (70m-1,400m), 170kms offshore Guyana in the Suriname Guyana basin ("Guyana License") and is located in close proximity to Exxon's 13 recent oil discoveries which is estimated by Exxon to contain an estimated 6 billion recoverable BOE.

In accordance with the Guyana Petroleum Agreement and following Total E&P Activitiés Pétrolières' ("**Total**") exercise of their Total Option (as defined below), Eco Guyana holds a 15% working interest in the Guyana License, Total currently holds a 25% working interest and Tullow Guyana holds a 60% interest (Operator).

On September 11, 2018, the Company announced the filing of a Competent Persons Report ("**Report**") with 2.9 BBOE prospective resource P50 Best Estimate. On March 18, 2019, the Company announced an update to the Report pursuant to which the potential resource on the Orinduik Block, offshore Guyana, was increased to 3.981 BBOE prospective resource P50 Best Estimate.

On December 5, 2018 the Company announced its 2019 drilling program for the Orinduik block, offshore Guyana. The net cost of the first well, named the Jethro-Lobe prospect, which is located 170 kilometres offshore in the Suriname Guyana basin, was expected to be USD7.6 million,. The prospect, which will be drilled from a conventional drill ship, is a lower tertiary stratigraphically trapped canyon turbidite in about 1,350 meters of water. The prospect, at that time, was estimated to hold 216mmbbl of gross prospective resources with the 'Chance Of Success' estimated to be 43.2%.

On February 20, 2019, the Company announced that, along with its partners in the Orinduik Block, offshore Guyana, it contracted a rig, the Stena Forth, a sixth-generation drillship from Stena, to drill the Jethro-Lobe prospect on the Orinduik Block offshore Guyana.

On March 29, 2018, the Company announced that the Company, Total, Tullow Guyana B.V. (together, the "**Partners**") had approved the drilling budget for the second well on the Orinduik Block. The net cost, to the Company, of the second well, named the Joe prospect, is expected to be USD3 million. The prospect will be drilled using the Stena Forth. Prior to the recent discovery,

On July 5, 2019, the Company announced the spudding of the Jethro-Lobe well.

On August 12, 2019, the Company announced a major oil discovery on the Guyana License. The Jethro-1 exploration well was drilled by the Stena Forth drillship to a final depth of 14,331 feet (4,400 meters) in approximately 1,350 meters of water. Evaluation of logging data confirms that the Jethro-1 is the first discovery on the Guyana License and comprises high-quality oil-bearing sandstone reservoir of Lower Tertiary age. It encountered 180.5 feet (55 meters) of net high-quality oil pay in excellent lower Tertiary sandstone reservoirs which supports recoverable oil resources. The well was cased, and is awaiting further evaluation to determine the appropriate appraisal activity.

As of the date hereof, the remaining Exploration activities and the aggregate expenditure of such activities 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 US$
By June 2026				
• 2nd renewal period – Drill one further exploration well (contingent)	$	20,000,000	$	3,000,000
Total	$	20,000,000		3,000,000

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**"). During 2014, the Company entered into several farmout agreements regarding the Cooper Block (the "**2014 Farm Out Agreement**") pursuant to which the Company held a 32.5% working interest in the Cooper License, the National Petroleum Corporation of Namibia ("**NAMCOR**") held a 10% working interest, AziNam Ltd ("**AziNam**") held a 32.5% working interest, and Tullow Namibia Limited ("**Tullow Namibia**"), held a 25% working interest. The Company, AziNam and Tullow Namibia proportionally carry NAMCOR's working interest during the exploration period.

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.

On October 26, 2018 the Company announced that it had received a formal notice from Tullow Namibia, in accordance with the 2014 Farm Out Agreement, confirming that it is unable to either enter into the Second Renewal Period of the Cooper License or to make a financial commitment to drilling. As a result, the Company received back Tullow Namibia's working interest. Following completion of the transfer, the Company holds a 57.5% working interest in the Cooper License.

On February 18, 2019, the Second Renewal Exploration period was extended to March 2021.

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 US$
By March 31, 2020				
• After interpretation of 3D survey, drill exploratory well	$	35,000,000	$	23,365,000
• Offtake/production engineering	$	500,000	$	319,500
By March 31, 2021				
• Complete and interpret an additional 500 Sq Km of 3D seismic survey	$	1,400,000	$	894,600
Total	$	36,900,000	$	23,579,100

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.

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 entering the next phase of the Sharon License, which 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. The Ministry further approved the Company's request to terminate 50% of its licensing obligation corresponding with the relinquishment of 50% of the acreage in the license which was a requirement of the Petroleum Agreement. This relinquishment pertains to the eastern half of the Sharon Block. The Company considers this shallow section non-prospective.

On February 18, 2019, the Second Renewal Exploration period was extended to March 2021.

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, 2021				
• Complete and interpret a 500 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	$	49,900,000	$	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 February 20, 2018, the Second Renewal Exploration period was extended to March 2021.

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, 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 100% wholly owned subsidiary, has an option to buy back Spectrum's interest 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. On February 18, 2019, the Second Renewal Exploration period was extended to March 2021.

On September 20, 2018, the Company announced that it has, subject to regulatory approval, through its wholly owned subsidiary Pan Africa Oil Namibia Holdings (Pty) Ltd. acquired the remaining 10% of the shares of Pan Africa Oil Namibia Ltd ("PAO Namibia") Following completion of the acquisition, PAO Namibia became a wholly owned subsidiary of the Company.

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, 2021 • 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 identifying a target and 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, 2019, the Company had total assets of $43,819,699 and a net equity position of $38,149,376. This compares with total assets of $26,686,298 and a net equity position of $25,135,110 as at March 31, 2019. The Company had liabilities of $5,670,323 as at June 30, 2019, as compared with $1,551,188 as at March 31, 2019. The liabilities as of June 30, 2019 relate primarily to amounts owing to the operator of the Guyana license in respect of the first exploration well.

As at June 30, 2019, the Company had working capital of $36,659,405 compared to working capital of $23,645,139 as at March 31, 2019. The Company had cash on hand of $42,182,873 as at June 30, 2019, compared with $25,007,479 as at March 31, 2019, and short-term investments of $74,818 at June 30, 2019 and at March 31, 2019.

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, 2019	2018
Revenue		
Interest income	**169,795**	8,843
	169,795	8,843
Operating expenses:		
Compensation costs	**216,295**	233,366
Professional fees	**24,190**	69,416
Operating costs	**8,258,131**	468,500
General and administrative costs	**527,165**	291,719
Share-based compensation	**58,857**	1,487
Foreign exchange gain	**(49,345)**	(186,819)
Total operating expenses	**9,035,293**	877,669
Net loss for the period	**$ (8,865,498)**	$ (868,826)

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, 2019, the Company earned interest of $169,795 from funds invested in interest bearing deposits with financial institutions, as compared with $8,843 earned during the three months ended June 30, 2018. 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, 2019, the Company incurred gross operating costs of $8,492,740 and billed JOA Recoveries of $234,609 (net expense: $8,258,131) as compared to gross operating costs of $643,853 for the three months ended June 30, 2018 net of JOA Recoveries of $175,353 (net expense: $468,500). For the period ended June 30, 2019, these expenses included, primarily, our share of costs incurred on the first exploratory well drilled on our Guyana license. For the period ended June 30, 2018, expenses included primarily work incurred on the Guyana License, including the preparation, execution and completion of the 2,550 km^2 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.

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, 2019, the Company incurred expenses of $216,295 for compensation costs compared to $233,366 for the three months ended June 30, 2018.

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, 2019, the Company incurred professional fees of $24,190 compared to $69,416 for the three months ended June 30, 2018.

General and administrative costs

During the three months ended June 30, 2019, the Company incurred gross general and administrative costs of $552,573 and billed JOA Recoveries of $25,408 (net expense: $527,165). 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).

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 Guyana, London and Namibia.

General and Administrative costs increased during 2019 as compared to 2018, primarily due to the increased travel expenses 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, 2019, share based compensation amounted to $58,857 as compared to $1,487 for the three months ended June 30, 2018. The increase in 2019 is primarily as a result of issuance of stock options issued in February 2019 to certain directors, officers and consultants of the Company as compensation and success fees.

Foreign exchange

The foreign exchange movement during the three months ended June 30, 2019, 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-19	31-Mar-19	31-Dec-18	30-Sep-18
Total income	$ 169,795	$ 44,258	$ 16,807,184	$ 88,132
Net profit (loss) for the period	$ (8,865,498)	$ (7,160,972)	$ 14,353,521	$ (2,150,090)
Basic profit (loss) per share	$ (0.13)	$ (0.04)	$ 0.09	$ (0.02)

	Quarter Ended			
	30-Jun-18	31-Mar-18	31-Dec-17	30-Sep-17
Total income	$ 8,843	$ 46,066	$ 5,997	$ 1,275,054
Net loss for the period	$ (868,826)	$ (924,643)	$ (3,471,310)	$ (1,838,578)
Basic loss per share	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.02)

During the last quarter, the Company was focused on drilling its first exploratory well on our Guyana License. During previous quarters, the Company concentrated its efforts on completing the 3D seismic program on the Guyana License and preparations for the spudding of the first well.

Additional Disclosure for Venture Issuers Without Significant Revenue

	Three months ended June 30, 2019	2018
Gross expenditures on exploration and evaluation		
Cooper License	**$ 460,000**	$ 202,000
Guy License	**44,000**	70,000
Sharon License	**333,000**	189,000
Tamar License	**109,000**	20,000
Guyana License	**7,312,000**	427,000
Total	**$ 8,258,000**	$ 908,000
General and administrative expenses		
Occupancy and office expenses	**$ 23,700**	$ 17,141
Travel expenses	**74,757**	125,438
Public company costs	**445,726**	144,334
Insurance	**3,330**	18,972
Financial services	**5,060**	4,146
Recovered under JOAs	**(25,408)**	(18,312)
	527,165	291,719

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, 2019, the Company's overall position of cash and cash equivalents increased by $17,175,394. This increase 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, 2019 was $4,645,513 as compared to $1,343,072 for the three months ended June 30, 2018. The primary use of cash was for expenses incurred on the Guyana License and a decrease in accounts payables and accrued liabilities.

2) Cash generated from financing activities for the three months ended June 30, 2019 was $21,820,907 as compared to Nil for the three months ended June 30, 2018. The increase in 2019 is as a result of net proceeds from a private placement.

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 may seek funding in the capital markets and may seek 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 21, 2019)

Common Shares	(1)181,368,973
Options issued to directors, officers and consultants	7,478,750
RSU's granted to directors, officers and consultants	225,000
Common shares outstanding on a fully diluted basis	189,072,723

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 21, 2019 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 August 16, 2019, 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:

The following are the expenses incurred with related parties for the years ended March 31, 2019 and 2018 and the balances owing as of June 30, 2019 and 2018:

(i) As of June 30, 2019:

	Directors Fees	Consulting Fees	Share based awards	Option based awards	Total	Amounts owing at June 30, 2019
Executive Directors						
Gil Holzman - CEO	$ -	$ 112,367	$ -	$ 7,357	$ 119,724	$ 39,908
Colin Kinley - COO (*)	-	139,576	-	7,357	146,933	48,978
Alan Friedman - Executive Vice President	-	15,000	-	7,357	22,357	7,452
Gadi Levin - Financial Director	-	30,000	-	3,679	33,679	10,000
Non Executive Directors						-
Moshe Peterberg - Chairman of the board	28,092	-	-	7,357	35,449	35,449
Keith Hill	9,000	-	-	7,357	16,357	16,357
Peter Nicol	13,299	-	-	7,357	20,656	20,656
Helmut Angula	7,500	-	-	7,357	14,857	14,857
Officers						-
Alan Rootenberg - CFO		3,750	-	-	3,750	-
Total	**$ 57,891**	**$ 300,693**	**$ -**	**$ 55,178**	**$ 413,762**	**$ 193,657**

(ii) As of March 31, 2018:

	Directors Fees	Consulting Fees	Share based awards	Option based awards	Total	Amounts owing at June 30, 2018
Executive Directors						
Gil Holzman - CEO	$ -	$ 108,452	$ -	$ -	$ 108,452	$ 36,151
Colin Kinley - COO (*)	-	134,713	-	-	134,713	44,904
Alan Friedman - Executive Vice President	-	30,000	-	-	30,000	10,000
Gadi Levin - Financial Director	-	30,000	-	-	30,000	10,000
Non Executive Directors						
Moshe Peterberg - Chairman of the board	27,113	-	-	-	27,113	27,113
Keith Hill	9,000	-	-	-	9,000	9,000
Peter Nicol	13,500	-	-	-	13,500	-
Helmut Angula	6,000	-	-	-	6,000	6,000
Officers						
Alan Rootenberg - CFO		3,750	-	-	3,750	1,250
Total	**$ 55,613**	**$ 306,915**	**$ -**	**$ -**	**$ 362,528**	**$ 144,418**

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.

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.