



**Hunter Technology Corp.**  
(Formerly Hunter Oil Corp.)

**Management's Discussion & Analysis**

**Three and Nine Months Ended September 30, 2020**

## **DATE AND BASIS OF INFORMATION**

Hunter Oil Corp. (the "Company") is incorporated in British Columbia, Canada and historically was engaged in the business of acquiring and developing crude oil and natural gas properties. On August 31, 2018, the Company disposed all of its operations in oil and gas production. The Company's primary operations are now technology focused, developing a physical oil trading platform powered by a proprietary blockchain to enable independent crude oil producers to access a global market.

Common shares of the Company are listed on the TSX Venture Exchange ("TSX-V") under the symbol "HOC", quoted on the OTC Markets Group ("OTCQB") under the symbol "HOILF", and quoted on the Frankfurt Stock Exchange under the symbol "RWPM". The Company's head office and registered and records office is located at Suite 1615, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6 Canada.

Additional information relating to the Company can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Until August 31, 2018, the Company was engaged in the operation of crude oil and natural gas properties in the Permian Basin in eastern New Mexico, United States. On that date, the Company closed a Purchase and Sale and Share Purchase Agreement with Pacific Energy Development Corp. ("Purchaser") in which certain subsidiaries of the Company sold (the "Transaction") substantially all the Company's oil and gas operations and related assets (the "Assets") located in the Permian Basin, eastern New Mexico. The Purchaser also agreed to assume all retirement obligations associated with the Assets.

The business of the Company involves a high degree of risk and there is no assurance that the Company will generate sufficient revenues to cover operating costs. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable.

## **Liquidity and Going Concern**

The unaudited interim condensed consolidated financial statements were prepared on the basis that the Company will continue to operate as a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the twelve-month period following the date of the unaudited interim condensed consolidated financial statements. The Company has an accumulated deficit of \$120,598,772 and a working capital of \$553,797 as at September 30, 2020.

The financial statements were presented on a going concern basis of accounting. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

### **Basis of Presentation**

The following Management's Discussion and Analysis ("MD&A") is dated November 26<sup>th</sup>, 2020, and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2020, as well as the consolidated financial statements and related notes, and MD&A for the year ended December 31, 2019. The referenced unaudited interim condensed consolidated financial statements have been prepared by management and approved by the Company's Board of Directors. Unless otherwise noted, all financial information presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All financial information is in US dollars, unless otherwise indicated.

### **Non-IFRS Financial Measures**

Certain financial measures in this MD&A, such as EBITDA, are not prescribed, do not have a standardized meaning defined by IFRS and, therefore, may not be comparable with the calculation of similar measures by other companies.

EBITDA is a non-IFRS measure that refers to income (loss) before interest, income taxes, depletion, depreciation, amortization, accretion and other non-cash items that impact the income statement such as stock-based compensation and gains or losses from asset sales, foreign currency translations and impairments.

### **BUSINESS OVERVIEW**

#### **Overview of Three and Nine Months Ended September 30, 2020**

**Crude Oil Business Segment.** The Company historically had one reportable business segment, development of crude oil and natural gas properties. Following the sale of substantially all the Company's oil and gas properties pursuant to the Transaction, the Company's operations consist primarily of activities and expenses related to evaluating future potential business opportunities.

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**Subsidiaries and Operations.** The operations of the Company include Hunter Technology Corp. (the Parent Company) and its wholly-owned subsidiaries. The following table lists the Company's principal operating subsidiaries, their jurisdiction of incorporation, and its percentage ownership of their voting securities as of the date of this report:

Subsidiary Name	Jurisdiction	Ownership 2020	Ownership 2019
Hunter Technology Holdings Ltd. (4)	England & Wales, UK	100%	0%
Hunter Oil Management Corp.	Florida, USA	100%	100%
Hunter Oil Production Corp.	Florida, USA	100%	100%
Hunter Ventures Corp. (2)	Delaware, USA	0%	100%
Hunter Oil Resources Corp. (3)	Delaware, USA	0%	100%
Milnesand Minerals Inc. (1) (2)	Delaware, USA	0%	100%
Chaveroo Minerals Inc. (1) (2)	Delaware, USA	0%	100%
Hunter Ranch Corp. (2)	Delaware, USA	0%	100%

(1) Results of discontinued operations. Assets and liabilities of each subsidiary sold as part of discontinued operations.

(2) Entities formally dissolved during the year ended December 31, 2019.

(3) Entity formally dissolved during the nine months ended September 30, 2020.

(4) Entity formed during the three and nine months ended September 30, 2020

**OVERALL PERFORMANCE**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Expenses				
General and administrative	\$ 77,670	\$ 29,633	\$ 129,412	\$ 181,574
Management fees and consulting	88,250	88,190	279,425	288,110
Platform development	14,150	-	14,150	-
Foreign currency loss (gain)	(15,664)	14,268	34,870	(26,069)
Other expenses (income)	(25,903)	-	(25,903)	-
Total expenses	138,503	132,091	431,954	443,615
Net loss from continuing operations	(138,503)	(132,091)	(431,954)	(443,615)
Discontinued operations	-	(6,590)	-	(27,870)
Net loss and comprehensive loss for the period	\$ (138,503)	\$ (138,681)	\$ (431,954)	\$ (471,485)
Loss per share continuing operations – basic and diluted	(0.01)	(0.01)	(0.03)	(0.03)
Loss per share discontinued operations – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)

## **DISCUSSION OF OPERATIONS**

### **Discontinued Operations**

As previously noted, on August 31, 2018, certain subsidiaries of the Company sold substantially all the Company's oil and gas operations and related assets, for aggregate total proceeds of \$21.5 million. The Purchaser also agreed to assume all retirement obligations associated with the Assets. As a result of the sale, the results from operations of the Assets have been presented as discontinued operations. During the nine months ended September 30, 2020 there were Nil expenses related to discontinued operations (2019 - \$27,870).

All other discussions and references herein to operations and expenses of the Company solely relate to the continuing operations of the Company.

### **General & Administrative**

General and administrative expenses for the nine months ended September 30, 2020 and 2019, were as follows:

	<b>Nine Months Ended September 30,</b>	
	<b>2020</b>	<b>2019</b>
Accounting and tax	\$ 17,349	\$ 38,683
Advertising	1,304	-
Insurance	-	9,178
Legal	32,655	61,234
Office & General	39,256	38,845
Public company administration costs	38,848	25,112
Travel and accommodation	-	8,522
<b>Total</b>	<b>\$ 129,412</b>	<b>\$ 181,574</b>

General and administrative expenses for the nine months ended September 30, 2020 decreased \$52,162 compared to the same period in 2019, primarily as a result reduced audit and legal fees following the disposal of the Company's discontinued operations.

### **Stock-Based Compensation**

Stock-based compensation expense is a non-cash expense that is based on the fair values of stock options granted and amortized over the vesting periods of the options. During the three and nine months ended September 30, 2020 and 2019, the Company did not recognize any stock-based compensation expense.

### **Foreign Exchange Gain (Loss)**

The Company's functional currency and presentational currency, as determined under International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*, is the United States dollar. All of the Company's operating expenses and capital expenditures are paid in the United States dollar except for the revenue and expenses of the Canadian parent company and all historical equity issuances of the Canadian parent which are denominated in Canadian dollars. There will continue to be an impact from currency translation and exchange gains and losses, but management believes this translation will have a small impact on financial results. The average

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Canadian/US dollar exchange rate was \$0.75 and \$0.75 for the nine months ended September 30, 2020 and 2019. For the nine months ended September 30, 2020 the Company recognized an exchange loss of \$34,870 on cash balances held in Canadian dollars due to a significant drop in CAD/USD exchange rates at the end of the period.

**Earnings before Interest, Taxes, Depreciation, Depletion and Amortization (EBITDA) Reconciliation**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net comprehensive loss	\$ (138,503)	\$ (132,091)	\$ (431,954)	\$ (443,615)
<i>Adjustments:</i>				
Loss from discontinued operations	-	(6,590)	-	(27,870)
<b>EBITDA</b>	<b>\$ (138,503)</b>	<b>\$ (138,681)</b>	<b>\$ (431,954)</b>	<b>\$ (471,485)</b>

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had unrestricted cash balances of \$668,249 and \$1,111,717, as of September 30, 2020 and December 31, 2019 respectively. The Company has \$553,797 of working capital available as of September 30, 2020.

The Company has sufficient cash to fund its current operations; however, the Company anticipates that additional property acquisitions or business development will require additional funding. The Company will consider all available sources of financing to develop such projects, including equity, bank and mezzanine debt, asset sales and joint venture arrangements.

While the unaudited interim condensed consolidated financial statements were prepared on the basis that the Company will continue to operate as a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the twelve-month period following the date of these consolidated financial statements, certain conditions and events cast significant doubt on the validity of this assumption. For the nine months ended September 30, 2020, the Company had negative cash flows from continuing operations of \$428,458 and, at September 30, 2020, an accumulated deficit of \$120,598,772. The Company also expects to incur further losses during the future development of its business. The Company's ability to continue as a going concern is dependent upon its ability identify or develop a suitable business to generate profitable operations and to obtain additional funding from loans or equity financings or through other arrangements. Although the Company has been successful in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

**QUARTERLY RESULTS OF OPERATIONS AND SELECT FINANCIAL DATA**

**Summary of Quarterly Information:**

**Quarterly Revenue, Loss, and Earning Per Share:**

*(In 000's except for per share amounts)*

	<b>For the three months ended</b>			
	<b>Sept 30, 2020</b>	<b>June 30, 2020</b>	<b>Mar 31, 2020</b>	<b>Dec 31, 2019</b>
Revenues	\$ -	\$ -	\$ -	\$ -
Revenues - discontinued ops	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	\$ (139)	\$ (77)	\$ (216)	\$ (142)
Per share- basic	\$ (.01)	\$ (.01)	\$ (.02)	\$ (.01)
Per share – diluted	\$ (.01)	\$ (.01)	\$ (.02)	\$ (.01)

	<b>For the three months ended</b>			
	<b>Sept 30, 2019</b>	<b>Jun 30, 2019</b>	<b>Mar 31, 2019</b>	<b>Dec 31, 2018</b>
Revenues	\$ -	\$ -	\$ -	\$ -
Revenues – discontinued ops	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	\$ (139)	\$ (66)	\$ (267)	\$ (589)
Per share- basic	\$ (.01)	\$ (.01)	\$ (.02)	\$ (.04)
Per share - diluted	\$ (.01)	\$ (.01)	\$ (.02)	\$ (.04)

**DISCLOSURE OF CONTROLS, PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

As a TSX Venture Exchange issuer, the Company's officers are not required to certify the design and evaluation of operating effectiveness of the Company's disclosure controls and procedures ("DC&P") or its internal controls over financial reporting ("ICFR"). The Company maintains DC&P designed controls to ensure that information required to be disclosed in reports filed or submitted is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In addition, the Chief Executive Officer and the Chief Financial Officer have designed controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Due to its size, the small number of employees, the scope of its current operations and its limited liquidity and capital resources, there are inherent limitations on the Company's ability to design and implement on a cost-effective basis the DC&P and ICFR procedures, the effect of which may result in additional risks related to the quality, reliability, transparency and timeliness of its interim filings and other reports. There have been no changes in ICFR during the nine months ended September 30, 2020.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the consolidated balance sheet.

## **RELATED PARTY TRANSACTIONS**

A total \$9,712 included in accounts payable is due to related parties as at September 30, 2020. There were no amounts due to related parties as at December 31, 2019. During the nine months ended September 30, 2020, the Company incurred expenses from transactions with two related parties identified below.

The Company is party to a management services agreement with a company controlled by the Company's Executive Chairman. Pursuant to this management services agreement, the Company incurred \$180,000 in management fees, office rent and office expenses during the nine months ended September 30, 2020 and 2019, respectively. The Company currently operates under a monthly agreement for \$20,000 per month.

The Company incurred management consulting fees paid \$54,425 to a company controlled by the CFO during the nine months ended September 30, 2020 (2019 - \$52,575).

## **CRITICAL ACCOUNTING ESTIMATES**

Estimates and underlying assumptions are reviewed on an ongoing basis and involve significant estimation uncertainty which have a significant risk of causing adjustments to the carrying amounts of assets and liabilities. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future periods affected. Significant judgments, estimates and assumptions made by management in the consolidated financial statements are outlined below:

*Financial instruments:* The estimated fair values of financial assets and liabilities, by their very nature, are subject to measurement uncertainty due to their exposure to credit, liquidity and market risks. The fair value of these derivatives is determined using valuation models which require assumptions concerning the amount and timing of future cash flows and discount rates. Management's assumptions rely on external observable market data, including quoted commodity prices and volatility. The resulting fair value estimates may not be indicative of the amounts realized or settled in current market transactions and, as such, are subject to measurement uncertainty.

*Impairment of assets:* The Company evaluates its assets for possible impairment at the CGU level. The determination of CGUs requires judgement in defining the smallest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs has been determined based on similar geological structure, shared infrastructure, geographical proximity, commodity type, the existence of active markets, similar exposure to market risks, and the way in which management monitors the operations.

The recoverable amounts of CGUs and individual assets have been determined based on the higher of fair value less costs of disposal model and value in-use model. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are: anticipated future commodity prices, expected production volumes, future operating and development costs, estimates of inflation on costs and expenditures, expected income taxes and discount rates. In addition, the Company considers the current environmental, social and governance issues affecting its property interests and operations, including the current legislative and regulatory activity affecting the permitting and approval of its projects and operations. Changes to these assumptions will affect the estimated recoverable amounts attributed to a CGU or individual assets and may then require a material adjustment to their related carrying value.

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The decision to transfer exploration and evaluation assets to property and equipment is based on management's determination of a property's technical feasibility and commercial viability based on proved and probable reserves as well as related future cash flows.

Judgements are required to assess when impairment indicators exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land and other relevant assumptions.

The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgements as to future events and circumstances as to whether economic quantities of reserves will be found to assess if technical feasibility and commercial viability has been achieved.

Judgements are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings.

*Accrued Liabilities:* The Company estimates and recognizes liabilities for future retirement obligations and restoration of oil and gas development wells. These provisions are based on estimated costs, which take into account the anticipated method and extent of restoration. Actual costs are uncertain, and estimates can vary as a result of changes to relevant laws and regulations, the emergence of new restoration techniques, operating experience and prices. The expected timing of future retirement may change due to these factors.

**NEW ACCOUNTING STANDARDS**

There are no new accounting standards effective for the period ended September 30, 2020 that have a material impact on the Company.

**FUTURE ACCOUNTING PRONOUNCEMENTS**

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**POTENTIAL RISKS AND UNCERTAINTIES**

The technology industry is highly competitive and, in addition, exposes the Company to a number of risks. Technology platforms and software development involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. It is also highly capital intensive and the ability to complete a development project may be dependent on the Company's ability to raise additional capital. In certain cases, this may be achieved only through joint ventures or other relationships, which would reduce the Company's ownership interest in the project. There is no assurance that development operations will prove successful.

### **Risks Associated with Financial Assets and Liabilities**

The Company is exposed to financial risks arising from its financial assets and liabilities. Financial risks include market risks (such as commodity prices, foreign exchange and interest rates), credit risk and liquidity risk. The future cash flows of financial assets or liabilities may fluctuate due to movements in market prices and the exposure to credit and liquidity risks. Disclosures relating to exposure risk are provided in detail below.

#### **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments exposed to concentrations of credit risk are primarily cash and cash equivalents, including restricted cash and accounts receivable. The Company's receivables mainly consist of amounts due from the Government of Canada in relation to Goods and Services tax refunds.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At September 30, 2020, the Company had cash of \$668,249, excluding restricted cash of \$25,485. The Company is dependent on raising funds by borrowings, equity issues, or asset sales to finance its ongoing operations, capital expenditures and acquisitions. The contractual maturity of the majority of accounts payable is within three months or less. The Company has historically financed its expenditures and working capital requirements through the sale of common stock or, on occasion, through the issuance of short-term debt.

#### **Foreign Exchange Risk**

Substantially all of the Company's expenditures are either denominated in or made with US dollars. The Company has exposure to foreign exchange risk in relation to cash assets denominated in Canadian dollars. The Company has chosen not to enter into any foreign exchange contracts.

#### **Additional Financing**

To the extent that external sources of capital, including the issuance of additional common shares, become limited or unavailable, the Company's ability to make necessary capital investments to maintain or expand its software development activities will be impaired.

#### **Commodity Price Risk**

The Company is exposed to fluctuations in the world commodity prices for its products with a corresponding impact to cash flow. The Company had no derivative contracts in place at September 30, 2020.

#### **Dependence on Key Personnel**

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

### **Environmental Regulation**

The oil and gas industry is subject to environmental regulation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of the Company or its properties. Such legislation may be changed to impose higher standards and potentially costlier obligations. The Company endeavors to operate in such a manner to ensure it conforms to the standards and government regulations required for each jurisdiction in which it operates.

### **Foreign Investments**

The Company expects that its platform development activities will take place principally outside of Canada for the foreseeable future. As such, the Company's operations are subject to a number of risks over which it has no control. These risks may include risks related to economic, social or political instability or change, terrorism, hyperinflation, currency non-convertibility or instability, changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, petroleum and export licensing and export duties as well as government control over domestic oil and gas pricing. The Company endeavors to operate in such a manner in order to minimize and mitigate its exposure to these risks. However, there can be no assurance that the Company will be successful in protecting itself from the impact of all of these risks.

### **General Economic Conditions**

There has been a high level of volatility in the world financial markets over the past few years. This volatility has caused investors to become less willing to provide debt or equity financing to most companies and in particular to junior resource companies. This will potentially make completing financings for the Company difficult in the foreseeable future.

### **Market Risks**

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

## **SUBSEQUENT EVENTS**

### **a) Change of Business**

On November 2, 2020 the Company completed the transition from an oil and gas exploration company to become a technology focused company to further develop the Company's Oilex trading platform, an interactive smart platform for the facilitation of physical oil transactions. The Company is now a Tier 2 Technology Issuer as defined by the TSXV Venture Exchange.

### **b) Name Change**

On November 2, 2020 the Company completed a name change to Hunter Technology Corp. (formerly Hunter Oil Corp.). Following completion of the name change the Company's new CUSIP number is 445737109 and its new ISIN is CA4457371090.

**c) Forward Stock Split**

On November 2, 2020 the Company completed a forward split of its common shares on a basis of three post-split common shares for each two common shares of the Company. A total of 6,630,247 additional common shares were issued in connection with the split.

**d) Private Placement**

On November 2, 2020, the Company completed a non-brokered private placement (the "**Private Placement**") for aggregate gross proceeds of \$2,000,000 CAD and issued 13,333,333 common shares of the Company.

Following the forward stock-split (See Note 16(c)) and the Private Placement the Company has an aggregate of 33,234,451 common shares outstanding as at November 26, 2020.

**e) Stock Options**

On November 17, 2020 the Company granted 1,500,000 stock options to certain officers of the Company at a price for \$0.75 per share for a period of up to three years, pursuant to the Company's 2019 Incentive Stock Option Plan. One-third of the options granted will vest every 6 months, beginning May 17, 2021.

**OTHER MD&A INFORMATION NOT DISCLOSED ELSEWHERE**

**Disclosure of Share Capital**

Authorized capital:

25 million preference shares of no par value;  
Unlimited common shares of no par value.

Issued and outstanding at November 26<sup>th</sup>, 2020:

33,224,451 common shares.

As at November 26<sup>th</sup>, 2020 the Company has 1,500,000 stock options outstanding at an exercise price of \$0.75 per common share. (See – Subsequent Events).

### **Forward-Looking Statements**

Certain statements contained in this Management's Discussion and Analysis and in certain documents incorporated by reference into this Management's Discussion and Analysis contain estimates and assumptions which management are required to make regarding future events and may constitute forward-looking statements within the meaning of applicable securities laws. Management's assessment of future operations, drilling and development plans and timing thereof, other capital expenditures and timing thereof, methods of financing capital expenditures and the ability to fund financial liabilities, expected commodity prices and the impact on the Company and the impact of the adoption of future changes in accounting standards may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, the flexibility of capital funding plans and the source of funding therefore; production, marketing and transportation, loss of markets, volatility of commodity prices, the effect of the Company's risk management program, including the impact of derivative financial instruments; currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of the acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar other expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A as the case may be. The Company does not intend, and does not assume an obligation, to update these forward-looking statements, except as required by securities law.

In particular, this MD&A and the documents incorporated by reference include, but are not limited to, forward-looking statements pertaining to the following:

- projections of market prices and costs;
- supply, demand and pricing for crude oil;
- expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development
- growth expectations within the Company;
- the tax horizon and tax related implications of the Company;
- supply and demand for oil;
- the Company's acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of federal and state governmental regulation on the Company, either directly or relative to other oil and gas issuers of similar size;
- realization of the anticipated benefits of acquisitions and dispositions;
- benefits or costs related to settlement of financial instruments; and
- treatment under government regulation and taxation, including hydrocarbon taxation regimes

This forward-looking information is based on a number of assumptions and factors, including, but not limited to, the following:

- stability in the credit markets and continued willingness of lenders to lend capital to issuers such as the Company;
- continuing availability of funds for capital expenditures through internally generated cash and/or equity raises and debt raises;
- stability of political and fiscal regimes in the countries in which the Company operates;
- stable future costs;
- availability of equipment and personnel when required for operations;
- future strong demand for oil;
- that the Company's financial condition and development plans and those of its co-venturers will not substantially change;
- assumptions regarding business prospects and opportunities.
- The ability of the Company's management to locate, evaluate, negotiate with or develop business opportunities.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond the Company's control, which could cause actual results to differ materially from those anticipated in these forward-looking statements.