EAST WEST PETROLEUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

This discussion and analysis of financial position and results of operation is prepared as at November 27, 2019 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended September 30, 2019 of East West Petroleum Corp. ("East West" or the "Company"). The following disclosure and associated unaudited condensed consolidated interim financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com .

Forward-Looking Statements

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: the ability to raise sufficient capital to fund exploration and development; the quantity of and future net revenues from the Company's reserves; oil and natural gas production levels; commodity prices, foreign currency exchange rates and interest rates; capital expenditure programs and other expenditures; supply and demand for oil and natural gas; schedules and timing of certain projects and the Company's strategy for growth; competitive conditions; the Company's future operating and financial results; and treatment under governmental and other regulatory regimes and tax, environmental and other laws.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity. Best estimate resources are considered to be the best estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term is a measure of central tendency of the uncertainty distribution (most likely/mode, P50/median, or arithmetic average/mean). As estimates, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources that the estimated reserves or resources will be recovered or produced.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the reserve reports filed with respect to the Company's petroleum and natural gas properties.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "EW" as a Tier 1 issuer. The Company currently carries on business in one operating segment, being the acquisition of, exploration for and production from petroleum and natural gas properties. The Company's current portfolio consists of interests in exploration concessions in New Zealand and Romania and producing properties in the Taranaki Basin, New Zealand. The Company has agreed to sell its interest in PEP 54877 and PMP 60291 which comprise the majority of its New Zealand assets. See "Proposed Disposition of New Zealand Oil & Gas Assets". The Company also holds investments in common shares of Advantage Lithium Corp. ("Advantage Lithium") and Seaway Energy Services Inc. (Seaway"), public companies whose common shares trade on the TSXV. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

Proposed Disposition of New Zealand Oil & Gas Assets

On June 24, 2019 the Company signed a heads of agreement (the "HOA") with a private arm's length New Zealand company (the "Buyer") pursuant to which the Company has agreed to sell its interest in PEP 54877 and PMP 60291 (collectively, the "Permits") which comprise the entirety of the Company's assets in New Zealand (the "Transaction"). On October 5, 2019 the Company and the Buyer signed the definitive agreement (the "Definitive Agreement") for the sale and purchase of the Permits under the Transaction.

The Permits are the subject of a joint operating agreement (the "JOA") between EWNZ, a wholly-owned subsidiary of the Company, and Cheal Petroleum Limited ("CPL"). The disposition of the Company's interest in the Permits will be conditional upon the waiver of CPL of its rights under the JOA to acquire the Company's interest in the Permits, and the waiver or satisfaction of any other obligations as may exist to CPL.

Pursuant to the terms of the Definitive Agreement, and in consideration of the Transaction, the Buyer will pay the Company US $1,900,000 in cash. The effective date for the sale is April 1, 2019 and payments are staged over 16 months of closing with initial payment of US $1,000,000 with normal closing adjustments, due on closing. On August 7, 2019 the Company received Company shareholder approval. Completion of the Transaction is subject to approvals to the transfer from New Zealand's Overseas Investment Act 2005 and New Zealand Petroleum and Minerals ("NZP&M") and final TSXV approval.

On July 16, 2019 the Company received a deposit of US $50,000 from the Buyer. The deposit is refundable to the Buyer in the event the Company does not receive the approvals.

See also "Project Update - New Zealand".

Directors and Officers

As of the date of this MD&A the Company's Board of Directors and Officers are as follows:

Nick DeMare	- Interim CEO, Chief Financial Officer ("CFO"), Corporate Secretary and director
Ross McElroy	- Director
Mark Brown	- Director
David Sidoo	- Director

Projects Update

In this MD&A, production and reserves information may be presented on a barrel of oil equivalent ("BOE") basis with six thousand cubic feet ("MCF") of natural gas being equivalent to one barrel ("bbl") of crude oil or natural gas liquids. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

New Zealand

The Company has operations in the Taranaki Basin of New Zealand. All licenses were previoualy operated by the Company's partner, TAG Oil Ltd. ("TAG" or the "Operator"), and all wells are targeting shallow Miocene targets in the Urenui and Mt. Messenger formations which have been shown to be productive for oil and gas throughout the Basin, including TAG's adjacent Cheal field. Within the Taranaki Basin, East West holds a 30% working interest in the Petroleum Exploration Permit ("PEP") 54877 and the Petroleum Mining Permit PMP 60291 (Cheal East) and TAG held the remaining 70%. On November 9, 2018 TAG entered into a definitive share and asset purchase agreement with Tamarind Resources Pte. Ltd. ("Tamarind"), to sell substantially all of its Taranaki Basin assets and operations in New Zealand which includes TAG's interest in PEP 54877 and PMP 60291. On September 25, 2019 TAG completed the sale. In light of TAG's decision to sell the majority of its interest in the Taranaki Basin assets the Company assessed its options with respect to its 30% interest in Cheal East and, on June 24, 2019, the Company signed a heads of agreement with a private arm's length New Zealand company pursuant to which the Company has agreed to sell its 30% interest in PEP 54877 and PMP 60291. See also "Proposed Disposition of New Zealand Oil & Gas Assets".

The change in ownership of CPL, from TAG to Tamarind, has resulted in a letter from the New Zealand government authorities regarding the financial capacity of Tamarind which impacts tenure to the permits. Tamarind must address the comments by early February 2020 and, as a result, closing of the Definitive Agreement cannot occur until this issue is dealt with. As more information is obtained the Company will provide an update.

PEP 54877 and PMP 60291 is the location of the Cheal E-Site and the Cheal E-site production facility as well as the Cheal-E wells. There has been continued positive response from the Cheal E waterflood program, with both production and pressure increases having been observed. The Cheal E waterflood program was expanded to include the conversion of the Cheal-E4 well to a water injector in two Mt. Messenger formation intervals, which has swept oil towards the Cheal-E1 producing well from the southern area of the field resulting in additional oil recovery and extending the Cheal-E site's field life.

The Company's 30% share of production from Cheal East averaged approximately 82 net BOE's per day in the three months ended September 30, 2019 ("Q2") compared to an average of approximately 155 BOE's per day in three months ended June 30, 2019 ("Q1"). The decrease in Q2 is primarily due to the Cheal-E1 coming offline early July 2019 with a blockage and Cheal-E6 remaining offline due to a parted rod. Workovers have been completed for both wells, returning them to production at the very end of August 2019.

Romania

During fiscal 2010 the Company was informed by the government of Romania that it had been awarded four exploration blocks located in the Pannonian Basin, in western Romania. In May 2011 the Company signed petroleum concession agreements with the National Agency for Minerals and Hydrocarbons ("NAMR") the government agency in Romania which regulates the oil and gas industry.

The four concessions have specific mandatory work programs (the "Romania Work Programs"), which were estimated at US $62,741,000 for all four programs. Production from the concessions is also subject to royalties of between 3.5% to 13.5% based on quarterly gross production payable to the government.

On May 20, 2011 the Company and Naftna Industrija Srbije j.s.c. Novi Sad ("NIS"), an arm's length corporation, signed a memorandum of understanding to jointly explore the four exploration blocks in Romania. On October 27, 2011 the Company and NIS signed a farm-out agreement (the "Farm-out"). Under the terms of the Farm-out, NIS has paid the Company a total of $525,000 for the assignment of an 85% participation interest and operatorship of the Romania Work Programs to NIS. NIS is the operator of the four concessions and has the obligation to fund the Romania Work Programs, including environmental work, 2D and 3D seismic acquisition and processing, and the drilling of 12 wells. The Company retains a 15% carried interest in each block through the obligatory Phase I work program and an optional one year Phase II work program which carries additional commitments. The current expiries of the Phase I terms are as follows: Block EX-2 December 12, 2021, Block EX-3 December 14, 2021 and November 22, 2020 for Blocks EX-7 and EX-8. If a commercial discovery is made, the Company is responsible for its 15% interest in development of the commercial discovery.

As operator, NIS has proposed and is actively progressing comprehensive exploration programs in the EX-2, EX-3, EX-7 and EX-8 exploration blocks in Romania. It should be noted that all activities are dependent on securing the necessary government and local approvals.

On Block Ex-2, acquisition program of 3D seismic in the amount of 170 Km^2 was completed in Q3/2019 (calendar) and processing of the data is underway.

On Block EX-3, processing of the data acquired last year on 223 km^2 3D seismic program has been finished. Interpretation of the data is ongoing and results are expected by the end of December 2019.

On Block EX-7, an exploration well, Bvs-1000, was drilled in 1Q/2019 (calendar) to a total depth of 3,800 meters and encountered several potential hydrocarbon bearing zones as identified on logs. Testing is now expected to commence in 1Q/2020(calendar). A deviated appraisal well on the Teremia North discovery, Ter-1001, was drilled in 1Q/2019 (calendar) and encountered several potential hydrocarbon-bearing zones. A long-term test was conducted from April to July 2019 which established a stabilized oil flow rate of approximately 150 bopd. Extended well testing is ongoing.

On Block EX-8, a second deviated appraisal well on the Teremia North field, Ter-1002, was spudded in September 2019 and has been drilled to a measured depth of more than 2,600 metres. Extended testing is planned. An exploration well, Pes-1000 was drilled and completed in 3Q/2019 (calendar) to a total depth of around 2,500 metres. Several potential hydrocarbon bearing zones were encountered and testing is planned to commence before the end of December 2019.

NIS will be funding 100% of the costs and fully carrying the Company through the commitment work programs in each of the blocks in return for earning an 85% interest in each licence.

Investments

As at September 30, 2019 the Company held 1,719,000 common shares of Advantage Lithium and 512,400 common shares of Seaway. The September 30, 2019 fair value of these investments was $554,709. Certain current and former directors and officers of the Company are also current and former directors and /or officers of Advantage Lithium and Seaway.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

	Fiscal 2020		**Fiscal 2019**				**Fiscal 2018**	
	Sep. 30 2019 $	**Jun. 30 2019 $**	**Mar. 31 2019 $**	**Dec. 31 2018 $**	**Sep. 30 2018 $**	**Jun. 30 2018 $**	**Mar. 31 2018 $**	**Dec. 31 2017 $**
Operations:								
Total revenues	358,589	1,132,453	447,218	663,892	824,529	825,332	435,951	524,959
Operating costs	(444,438)	(444,632)	(272,134)	(388,400)	(336,961)	(464,680)	(393,119)	(284,069)
Expenses	(361,219)	(521,202)	(131,681)	(303,846)	(438,262)	(494,031)	(490,202)	(456,875)
Other items	(313,117)	(107,894)	(29,719)	(379,722)	(538,955)	(324,033)	(320,414)	719,842
Income (loss) before deferred income tax	(760,185)	58,725	13,684	(408,076)	(489,649)	(457,412)	(767,784)	503,857
Deferred income tax	Nil	Nil	Nil	Nil	Nil	Nil	(49,000)	130,000
Net income (loss)	(760,185)	58,725	13,684	(408,076)	(489,649)	(457,412)	(816,784)	633,857
Other comprehensive (loss) income, net of deferred income tax	49,530	(156,389)	(13,032)	141,685	(123,157)	(87,189)	132,529	853,936
Comprehensive income (loss)	(710,655)	(97,664)	652	(266,391)	(612,806)	(526,073)	(684,255)	1,487,793
Basic and diluted income (loss) per share	(0.01)	0.00	0.00	(0.00)	(0.01)	(0.00)	(0.01)	0.02
Balance Sheet:								
Working capital	3,766,965	3,998,169	3,462,301	3,872,357	3,821,391	4,048,277	4,118,454	4,067,039
Assets held-for-sale	2,067,867	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total assets	6,595,945	7,351,316	7,843,667	7,435,978	7,952,357	8,422,104	8,912,682	9,834,490
Decommissioning liabilities	(309,904)	(1,316,825)	(1,357,434)	(1,340,200)	(1,262,718)	(1,317,180)	(1,364,764)	(1,583,705)
Liabilities on assets held-for-sale	(943,472)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deposit	(65,505)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended September 30, 2019 ("Q2") Compared to June 30, 2019 ("Q1)

Revenues and operating costs for Q2 compared to Q1 are as follows:

	Q2	**Q1**
Total sales	$ 358,589	$ 1,132,453
Total sales volume	7,148 BOE	14,281 BOE
Average realized price per BOE	$ 50.17	$ 79.30

	Q2	Q1
Petroleum sales	$ 319,821	$ 1,049,217
Petroleum sales volume	5,711 BOE	11,404 BOE
Average petroleum realized price per BOE	$ 56.00	$ 92.00
Natural gas sales	$ 38,768	$ 83,236
Natural gas sales volume	1,437 BOE	2,877 BOE
Average natural gas realized price per BOE	$ 26.98	$ 28.93
Production costs	$ 416,099	$ 239,133
Average per BOE	$ 58.21	$ 16.74
Transportation and storage costs	$ 46,937	$ 120,216
Average per BOE	$ 6.57	$ 8.42
Royalties	$ (18,598)	$ 85,283
Average per BOE	$ (2.60)	$5.97
Netback	$ (85,849)	$ 687,821
Average per BOE	$ (12.01)	$ 48.16

Q2 compared to Q1

Total sales revenues decreased by 68% from $1,132,453 in Q1 to $358,589 in Q2. The decrease is due to a 37% decrease in average oil prices and a 7% decrease in average natural gas prices combined with a 50% decrease in total sales volumes of oil and natural gas due to decreased production volumes in Q2 and utilization of high oil inventory levels resulting in increased volumes lifted in Q1 compared to Q2. The decrease in production volumes is primarily a result of Cheal-E1 coming offline early July 2019 with a blockage and Cheal-E6 remaining offline due to a parted rod at approximately 350m from surface which appears to be friction related. Workovers have been completed for both wells, returning to production at the end of August 2019.

During Q2 production costs increased by 74%, from $239,133 in Q1 to $416,099 in Q2 due to repairs and workovers on the Cheal-E1 and Cheal-E6 wells.

During Q2 the Company reported a comprehensive loss of $710,665 compared to comprehensive loss of $97,664 for Q1. The fluctuation of $613,001 is primarily attributed to the following:

(i) net operating income decreased by $773,670, from an income of $687,821 in Q1 to a loss of $85,849 in Q2, due to a decrease in sales revenues and an increase in production costs;
(ii) recognition of depletion of $171,576 in Q2 compared to $363,143 in Q1 due to lower production volumes;
(iii) recognition of a gain in currency translation of foreign subsidiary of $49,530 in Q2 compared to a loss of $156,389 in Q1; and
(iv) recognition of a foreign exchange loss of $134,650 in Q2 compared to a foreign exchange gain of $79,411 in Q1.

During Q2 the Company received approval of its shareholders to proceed with the Transaction and the Company determined that it was highly probable that the Permits will be recovered through the sale. Accordingly, the carrying values of the non-current assets and liabilities relating to the Permits have been reclassified as held-for-distribution.

Six Months Ended September 30, 2019 (the "2019 period") Compared to Six Months Ended September 30, 2018 (the "2018 period")

Revenues and operating costs for the 2019 period compared to the 2018 period are as follows:

	2019 Period	2018 Period
Total sales	$ 1,491,042	$ 1,649,861
Total volume	21,429 BOE	19,510 BOE
Average realized price per BOE	$ 69.58	$ 84.56

	2019 Period	2018 Period
Petroleum sales	$ 1,369,038	$ 1,540,422
Petroleum volume	17,115 BOE	15,803 BOE
Average petroleum realized price per BOE	$ 79.99	$ 97.48
Natural gas sales	$ 122,004	$ 109,439
Natural gas volume	4,314 BOE	3,707 BOE
Average natural gas realized price per BOE	$ 28.28	$ 29.52
Production costs	$ 655,232	$ 589,244
Average per BOE	$ 30.58	$ 30.20
Transportation and storage costs	$ 167,153	$ 144,850
Average per BOE	$ 7.80	$ 7.42
Royalties	$ 66,685	$ 67,547
Average per BOE	$ 3.11	$ 3.46
Netback	$ 601,972	$ 848,220
Average per BOE	$ 28.09	$ 43.48

Total sales revenues decreased from $1,649,861 in the 2018 period to $1,491,042 in the 2018 period. The decrease is primarily due to a combination of lower average realized prices per BOE and decreased production due to the Cheal-E1 well coming offline in early July and the Cheal-E6 well remaining offline due to a parted rod.

Production costs increased from $589,244 in the 2018 period to $655,232 in the 2019 period, an increase of 11% due to the workovers of the Cheal-E1 and Cheal-E6 wells.

During the 2019 period the Company reported a comprehensive loss of $808,319 compared to a comprehensive loss of $1,138,879 reported in the 2018 period. The fluctuation is primarily attributed to:

(i) during the 2018 period the Company recorded a $1,059,437 unrealized loss on investments compared to a $385,198 unrealized loss during the 2019 period which was partially offset by a $90,115 realized gain on sale of investments during the 2018 period compared to a $19,012 realized loss on sale of investments during the 2018 period;

(ii) the recognition of depletion and depreciation of $391,556 in the 2018 period compared to $534,719 in the 2019 period. The decrease is attributed mainly to the change in the Company's petroleum reserve base as at March 31, 2019;

(iii) the decrease of $246,248 in net operating income from $848,220 in the 2018 period compared to $610,972 in the 2019 period; and

(iv) decrease in general and administrative expenses of $249,196 from $492,718 during the 2018 period compared to $243,522 during the 2019 period.

General and administrative expenses incurred during the 2019 period and 2018 period are as follows:

	2019 $	2018 $
Accounting and administrative	23,200	20,450
Audit and related	55,525	62,553
Bank charges	647	860
Corporate development	1,915	208,524
Insurance	9,744	7,213
Legal	67,388	6,772
Office	4,763	4,699
Professional fees	54,250	115,588
Regulatory fees	5,829	4,929
Rent	3,631	3,000
Shareholder costs	9,785	3,062

	2019 $	2018 $
Transfer agent fees	6,016	1,509
Travel	829	53,559
	243,522	492,718

Specific expenses of note during the 2019 and 2018 periods are as follows:

(i) professional fees totalling $54,250 were incurred during the 2019 period compared to $115,588 during the 2018 period as follows:
- $47,200 was paid to directors and officers of the Company during the 2019 period compared to $54,900 paid during the 2018 period. See also "Related Party Transactions";
- $7,050 was paid to consultants for administrative and financial services during the 2019 period compared to $60,688 during the 2018 period;

(ii) corporate development expenses of $1,915 were incurred during the 2019 period compared to $208,524 during the 2018 period. During the 2018 period the Company engaged various firms to provide corporate information on the Company through various marketing campaigns;

(iii) legal fees of $67,388 were incurred during the 2019 period compared to $6,772 during the 2018 period due to legal services required on the disposition of the New Zealand oil and gas assets; and

(iv) travel expenses of $53,559 were incurred during the 2018 period for travel to attend meetings in Romania to review the Romania Work Programs compared to travel expenses of $829 incurred during the 2019 period.

During the 2019 period the Company incurred general exploration expenses of $44,907 (2018 - $36,574) of which $33,255 (2018 - $31,473) was related to PEP 54879 and $11,652 (2018 - $5,101) was for ongoing review of current exploration and evaluation assets.

Interest income is generated from cash on deposit with a senior financial institution and short-term money market instrument issued by major financial institutions. During the 2019 period the Company reported interest income of $38,438 compared to $33,335 during the 2018 period.

During the 2019 period the Company made open market purchases and sales of common shares of American Helium under which the Company purchased nil (2018 - 43,000) common shares for $nil (2018 - $32,045) and sold 28,000 (2018 - 15,000) common shares for $1,855 (2018 - $10,890), resulting in a loss on sale of investments of $19,012 (2018 - $288). During the 2018 period the Company made open market purchases and sales of common shares of Advantage Lithium under which the Company purchased 542,000 common shares for $441,934 and sold 304,000 common shares for $280,117, resulting in a gain on sale of investments of $90,403. No purchases or sale of common shares of Advantage Lithium occurred during the 2019 period.

Property, Plant and Equipment

During the 2019 period the Company incurred total additions of $67,469 (2018 - $408,873) for the Cheal-East wells, and recorded decrease of $1,311,493 (2018 - $1,234,344) in foreign exchange movement for property, plant and equipment additions on the New Zealand properties. The net costs were then reclassified as part of assets held-for-sale.

	Petroleum and Natural Gas Properties (PMP 60291) $
Cost:	
Balance at March 31, 2018	13,462,294
Capital expenditures	952,455
Foreign exchange movement	(293,233)
Balance at March 31, 2019	14,121,516

	Petroleum and Natural Gas Properties (PMP 60291) $
Capital expenditures	67,469
Reclassification to assets held-for-sale	(12,877,492)
Foreign exchange movement	(1,311,493)
Balance at September 30, 2019	-
Accumulated Depletion and Depreciation and Impairment:	
Balance at March 31, 2018	(12,782,294)
Depletion and depreciation	(556,123)
Foreign exchange movement	285,333
Balance at March 31, 2019	(13,053,084)
Depletion and depreciation	(534,719)
Reclassification to assets held-for-sale	12,354,136
Foreign exchange movement	1,233,667
Balance at September 30, 2019	-
Carrying Value:	
Balance at March 31, 2019	1,068,432
Balance at September 30, 2019	-

Exploration and Evaluation Assets

	PEP 54877 $
Balance at March 31, 2018	1,681,691
Capital expenditures	53,152
Foreign exchange movement	(37,937)
Balance at March 31, 2019	1,696,906
Capital expenditures	5,063
Reclassification to assets held-for-sale	(1,544,511)
Foreign exchange movement	(157,458)
Balance at September 30, 2019	-

Minimal capital expenditures were conducted on PEP 54877 during the 2019 period. All costs have been reclassified as part of assets held-for-sale.

Financial Condition / Capital Resources

As at September 30, 2019 the Company had working capital of $3,766,965. The Company also holds investments in Advantage Lithium, American Helium and Seaway with an estimated fair value of $554,709 as at September 30, 2019. The Company believes that it currently has sufficient financial resources to conduct anticipated exploration and development programs and meet anticipated corporate administration costs for the upcoming twelve month period. The Company has also agreed to dispose of its interest in its New Zealand oil and gas assets. See “Proposed Disposition of New Zealand Oil and Gas Assets” and “Projects Update - New Zealand”. Exploration activities may change due to ongoing results and recommendations, discoveries may require appraisal and development work or the Company may acquire additional properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing and/or sell its holdings in its investments as needed. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise.

Commitments

The Company's share of expected exploration and development permit obligations and/or commitments on its New Zealand oil and gas assets as at September 30, 2019 are approximately $86,000 to be incurred over the next twelve months and $1,184,000 over the next five years.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

See "Company Overview - "*Proposed Disposition of New Zealand Oil & Gas Assets"*.

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets, classification of investments and assumptions used for share-based compensation. Actual results may differ from those estimates. A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the March 31, 2019 audited annual consolidated financial statements.

Changes in Accounting Policies

During the 2019 period the Company adopted or implemented the following accounting policies:

(i) IFRS 16 - *Leases* ("IFRS 16")

The Company adopted IFRS 16 effective April 1, 2019.

IFRS 16 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.

There was no impact on the Company's condensed consolidated interim financial statements upon the adoption of this new standard.

(ii) *Assets Held-for-Sale*

Non-current assets, or disposal comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposals, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to financial assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

A detailed summary of the Company's other significant accounting policies is included in Note 3 to the March 31, 2019 audited annual consolidated financial statements.

Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and all executive officers.

(a) During the 2019 and 2018 period the following amounts were incurred:

	2019 **$**	**2018** **$**
Professional fees - David Sidoo, former CEO and Director (1)	6,000	36,000
Professional fees - Nick DeMare, Interim CEO, CFO and Director (2)	6,000	18,000
Professional fees - Ross McElroy (3)	6,000	-
Professional fees - Mark Brown (4)	6,000	-
Professional fees - David Taylor, former Director (5)	-	900
Share-based compensation - Ross McElroy	24,000	-
Share-based compensation - Mark Brown	24,000	-
	72,000	54,900

(1) Paid to Siden Investments Ltd., a private company owned by David Sidoo. David Sidoo stepped-down as CEO on March 14, 2019
(2) Paid to Chase Management Ltd. ("Chase") a private company owned by Nick DeMare. Mr. DeMare was appointed interim CEO on March 14, 2019
(3) Paid to Edge Geological Consulting Inc., a private company owned by Ross McElroy
(4) Paid to Pacific Opportunities Capital Ltd., a private company owned by Mark Brown
(5) Paid to Circus Ventures Ltd., a private company owned by David Taylor. David Taylor was appointed as a director on October 3, 2017 and resigned on June 15, 2018.

As at September 30, 2019 $2,000 (March 31, 2019 - $6,000) remained unpaid

(b) During the 2019 period the Company incurred a total of $23,200 (2018 - $20,450) to Chase Management Ltd. ("Chase"), a private corporation owned by Nick DeMare, for accounting and administration services provided by Chase personnel, excluding Nick DeMare. As at September 30, 2019 $3,500 (March 31, 2019 - $5,300) remained unpaid

(c) As at September 30, 2019 the Company owned 1,719,000 common shares of Advantage Lithium with a quoted market value of $472,725 and 512,400 common shares of Seaway with a quoted market value of $81,984. Certain current and former directors and officers of the Company are also current and former directors and /or officers of Advantage Lithium and Seaway. See "Investments".

Financial Instruments and Risk Management

The nature of the Company's operations expose the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net income and comprehensive income.

This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations. The most significant exposure to this risk is relative to the sale of oil production. All of the Company's production is sold directly to a major oil company. The Company is paid for its oil sales within 30 days of shipment. The Company has assessed the risk of non-collection from the buyer as low due to the buyer's financial condition.

Cash is held with a Canadian chartered bank and is monitored to ensure a stable return.

The carrying amount of cash and amounts receivable represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts on its amounts receivable as at September 30, 2019 and 2018 and did not provide for any doubtful accounts.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand. All of the Company's oil production is sold at spot rates exposing the Company to the risk of price movements. As at September 30, 2019, assuming all other variables remain constant, a change of 10% in oil and gas prices would have an effect on net income of $149,104. The Company has an agreement to sell its gas production from the Cheal E field at a base price of NZD $4.65 per gigajoule, subject to an adjustment formula based on the market price, with a minimum price of NZD $4.00 per gigajoule. The gas agreement is set to end December 31, 2019.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period.

Market Risk

Market risk is the risk that changes in foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum sales are denominated in United States dollars and gas sales, operational and capital activities related to the Company's properties are transacted primarily in New Zealand dollars and/or United States dollars with some costs also being incurred in Canadian dollars.

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the work commitments in New Zealand are expected to be carried out in New Zealand and to a lesser extent, in United States dollars.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash which bears a floating rate of interest. The risk is not considered significant.

The Company did not have any interest rate swaps or financial contracts in place during the 2019 and 2018 periods and any variations in interest rates would not have materially affected net income.

Fair Value of Financial Instruments

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; fair value through other comprehensive income ("FVOCI"); and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	September 30, 2019 $	March 31, 2019 $
Cash	FVTPL	3,719,020	3,657,694
Amounts receivable	Amortized cost	223,772	380,008
Investments- common shares	FVTPL	554,709	960,774
Accounts payable and accrued liabilities	Amortized cost	(206,404)	(655,254)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and investments approximate their fair value. The fair value of cash and investment in common shares under the fair value hierarchy is measured using Level 1 and Level 2 inputs. The fair value of the investment in warrants is measured using Level 2 inputs.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2019 and March 31, 2019:

	September30, 2019		
	Level 1 $	Level 2 $	Level 3 $
Cash	3,719,020	-	-
Investments - common shares	554,709	-	-
	4,273,729	-	-

	March 31, 2019		
	Level 1 $	Level 2 $	Level 3 $
Cash	3,657,694	-	-
Investments - common shares	960,774	-	-
	4,618,468	-	-

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the period.

Risks and Uncertainties

The Company is engaged in the exploration for and development of oil and natural gas properties. These activities involve significant risks which careful evaluation, experience and knowledge may not eliminate in some cases. The commercial viability of any petroleum and natural gas properties depends on many factors not all of which are within the control of management. Operationally the Company faces risks that are associated with and affect the financial viability of a given petroleum and natural gas property. These include risks associated with finding, developing and producing these petroleum and natural gas reserves. In addition, Government regulations, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a petroleum and natural gas property.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying audited financial statements.

Any forward-looking information in the MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at November 27, 2019 there were 89,585,665 outstanding common shares and 3,415,000 share options outstanding with exercise prices ranging from $0.09 to $0.135 per share.