ECO (ATLANTIC) OIL & GAS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED
December 31, 2015

Prepared by:

ECO (ATLANTIC) OIL & GAS LTD.

120 Adelaide Street West, Suite 800
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February 29, 2016

Introduction

The following management's discussion and analysis (the "**MD&A**") of the financial condition and results of operations of Eco (Atlantic) Oil & Gas Ltd. and its subsidiary companies (individually and collectively, as the context requires, "**Eco Atlantic**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month periods ended December 31, 2015. This discussion should be read in conjunction with the audited consolidated annual financial statements of the Company for the year ended March 31, 2015, together with the notes thereto, as well as the unaudited condensed consolidated interim financial statements for three month and nine month periods ended December 31, 2015 (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 February 29, 2016.

Forward Looking Information

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

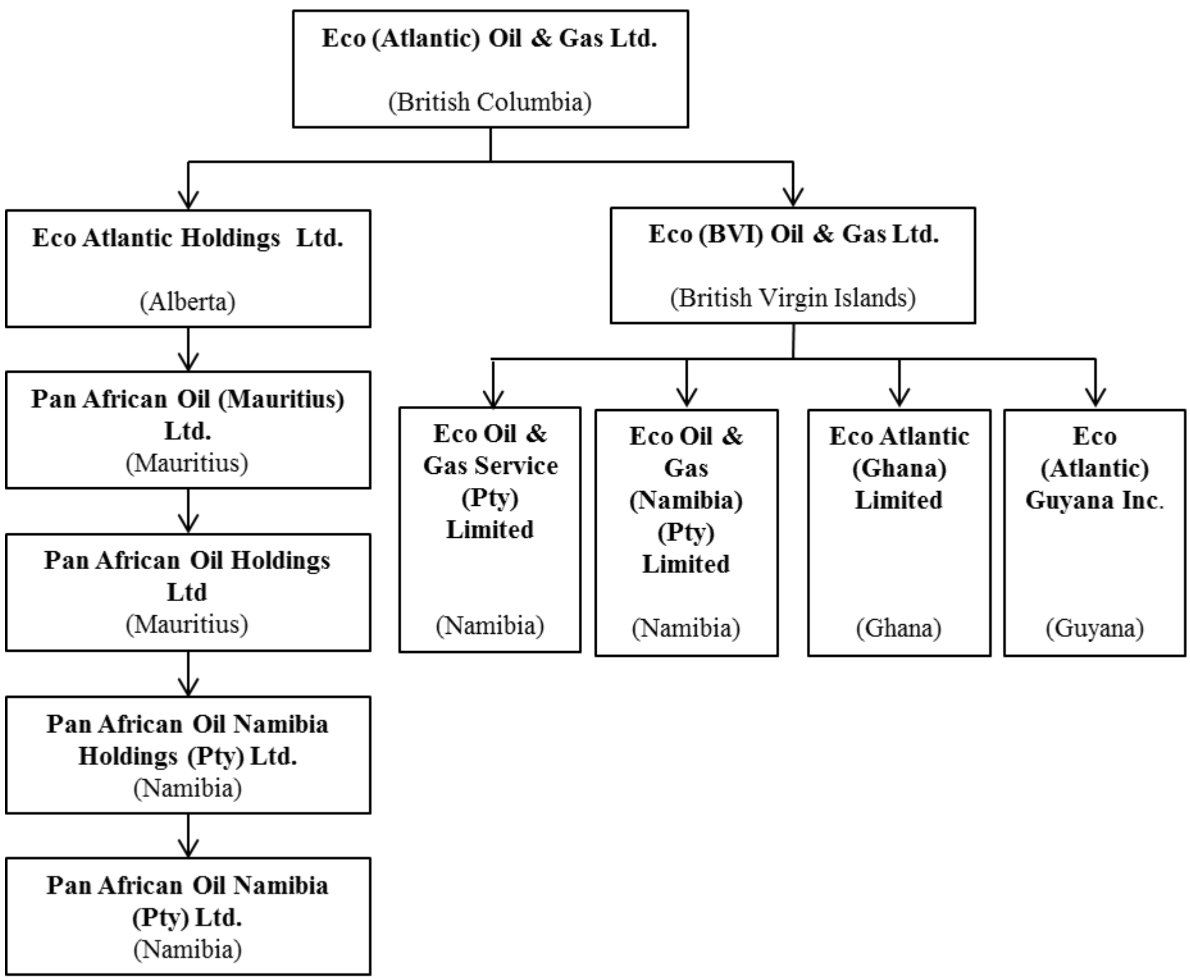
Nature of Business and Structure of the Company

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

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

The structure of the Company and its significant subsidiaries is as follows:

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



Significant Developments

- On October 9, 2015, the Company announced that it has completed the processing of the 1,097 square kilometer 3D Seismic Survey on the Cooper Block (as defined below).

- On November 30, 2015, the Company announced that it has completed its previously announced acquisition of a 50.51% interest in the Ghana Block (as defined below).

- On January 19, 2016, the Company announced that, through its subsidiary, Eco Guyana, it has acquired an interest in a Petroleum Prospecting License over the Orinduik Block, offshore Guyana (the "**Guyana Block**"). The Company further announces that it has entered into a Petroleum Agreement with the Government of Guyana and Tullow Guyana BV, a subsidiary of Tullow Oil plc. ("**Tullow**"), through which the Company will hold a 40% working interest in the Guyana Block and Tullow will hold a 60% working interest.

- On January 25, 2016, the Company announced that it has completed a 870 square kilometer3D Seismic Survey on the Guy Block (as defined below).

- On January 28, 2016, the Company announced that it has signed a Joint Operating Agreement with Tullow in regards of the Guyana Block (the "**Guyana JOA**").

Overview of Operations

<u>Business Overview:</u>

Through its subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company holds three offshore petroleum licenses in Namibia, being (i) petroleum exploration license number 0030 (the "**Cooper License**"), (ii) petroleum exploration license number 0033 (the "**Sharon License**"), and (iii) petroleum exploration license number 0034 (the "**Guy License**"), and one license that consists of both onshore and offshore portions, being CBM and petroleum exploration license number 0031 (the "**Daniel License**", and collectively with the Cooper License, Sharon License and Guy License, the "**Eco Namibia Licenses**"). The terms of the Eco Namibia Licenses 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**").

On September 15, 2015, the Company advised the Ministry of its intention to relinquish the Daniel License. As of the date of this MD&A, the Ministry is taking the necessary actions to complete the process.

Through its subsidiary, Pan African Oil Namibia (Pty) Ltd., the Company holds two offshore petroleum licenses in Namibia, being (i) petroleum exploration license number 50 (the "**Tamar License**"), and (ii) petroleum exploration license number 51 (the "**PAO 51 License**" and together with Tamar License, the "**PAO Licenses**")The terms of the PAO Licenses are governed by petroleum agreements (each, a "**PAO Petroleum Agreement**" and collectively, the "**PAO Petroleum Agreements**") between PAO Namibia and the Ministry.

On September 15, 2015, the Company advised the Ministry of its intention to relinquish the PAO 51 License. As of the date of this report, the Ministry is taking the necessary actions to complete the process.

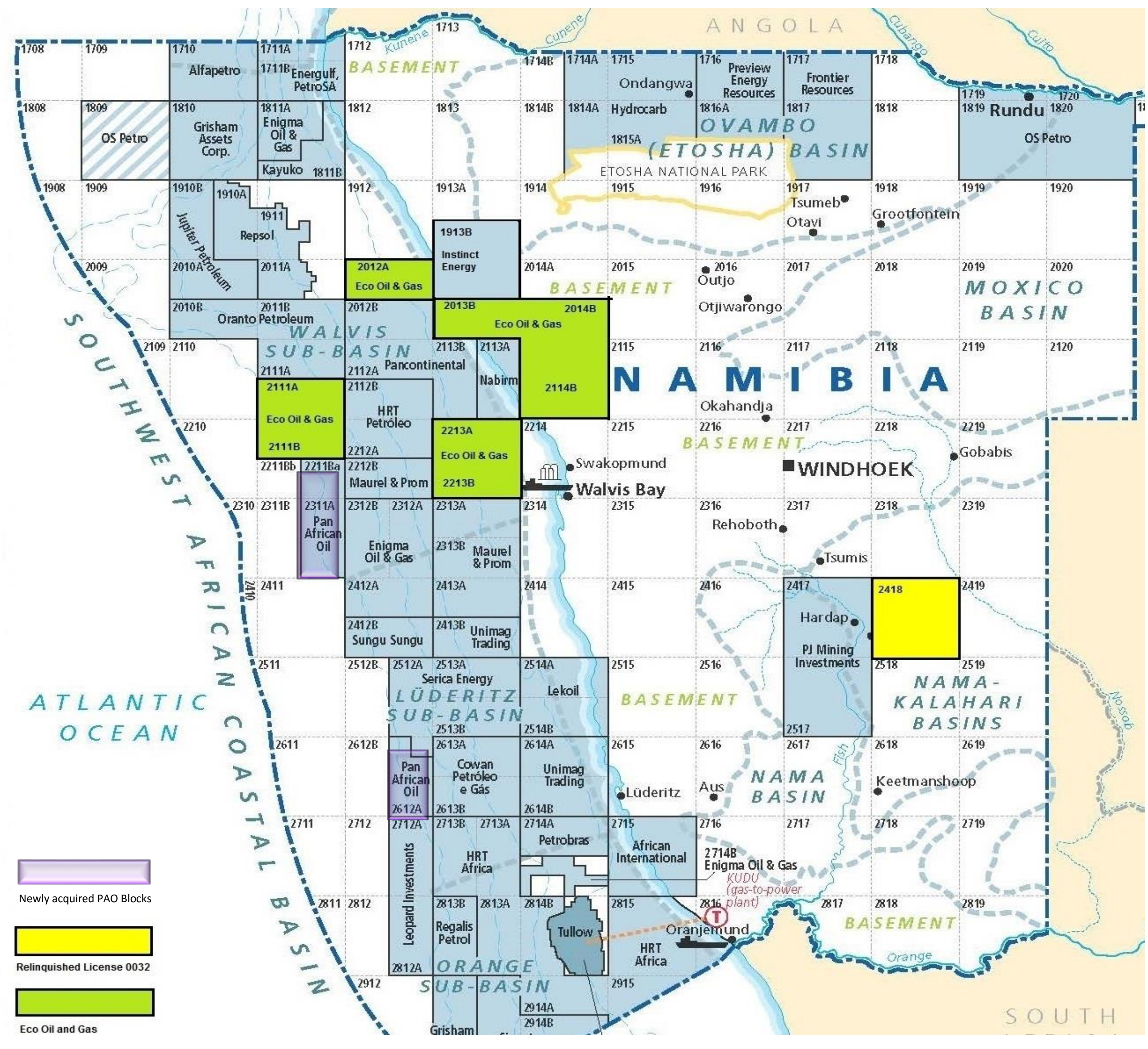
Through its wholly-owned subsidiary Eco Atlantic (Ghana) Limited ("**Eco Ghana**"), the Company holds one offshore petroleum license in Ghana (the "**Ghana Licenses**"). The terms of the Ghana Licenses are governed by a petroleum agreement (the "**Ghana Petroleum Agreement**") between the Company, the Government of Ghana, the Ghana National Petroleum Company ("**GNPC**"), GNPC Exploration and Production Company Limited ("**GNPCEPCL**"), A-Z Petroleum Products Ghana Limited ("**A-Z**"), and PetroGulf Limited ("**PetroGulf**" and collectively, the "**Ghana Block Parties**").

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

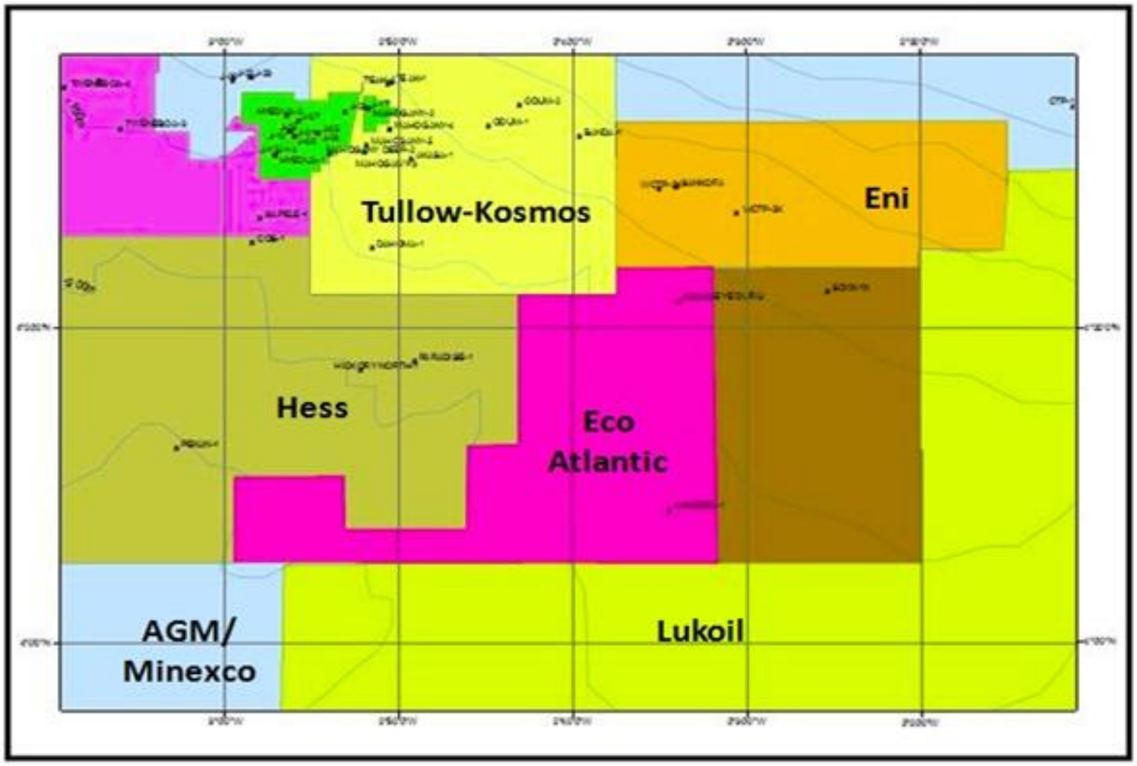
The Company is in the development stage and has not yet commenced principal drillings operations other than acquiring and analyzing certain pertinent geological data. The Company is currently engaged in the exploration and development of its properties to determine whether commercially exploitable quantities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

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

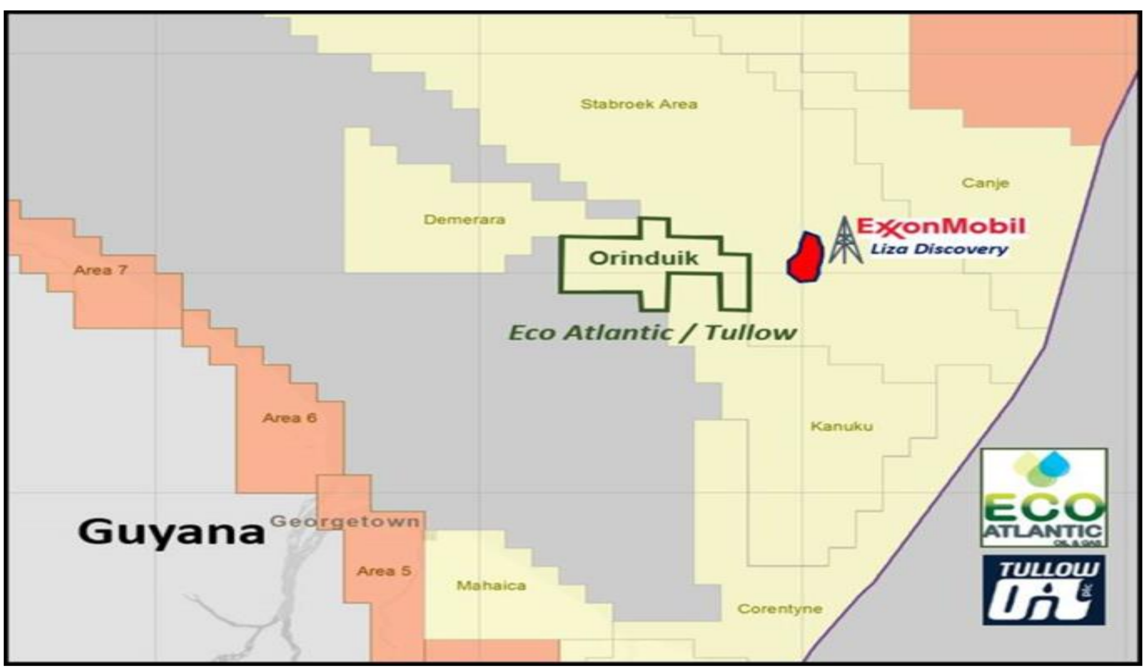
<u>Namibia</u>



Ghana



Guyana



NAMIBIA

Cooper License

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

Pursuant to the farmout agreement with Tullow, dated July 17, 2014 (the "**Tullow Farmout Agreement**"), Tullow will carry (capped at US$4.103 million) the Company's share of costs to execute and process a 1,000 square kilometer 3D seismic survey (the "**Survey**"). To date, the execution and processing of the Survey have been completed and the interpretation process is expected to commence shortly. If Tullow elects to participate in the drilling of an exploration well on the Cooper Block, Tullow will acquire an additional 15% working interest in the Cooper License, will carry (capped at $18.17 million) the Company's share of costs to drill the exploration well and will reimburse the Company for 15% of its past costs (the "**Second Transfer**"). There is no guarantee that the Second Transfer will be completed.

On January 5, 2015, the Company entered into an amended and restated farmout agreement (the "**AziNam Farmout Agreement**") with AziNam pursuant to which the Company transferred a portion of its working interest in the Offshore Licenses to AziNam in exchange for, among other things, $4.2 million (the "**Farmout Transaction**"). As a result, with respect to the Cooper Block, AziNam will fund 40% of the Company's share cost for the first 500 square kilometer of the Survey (capped at US$2.08 million).

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

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided in the Eco Namibia Petroleum Agreement for the Cooper Licenses for each year of exploration is as follows:

Exploration Activities	Expenditure (as provided in the Petroleum Agreement) US$		Company's share of Expenditure[(1)] US$	
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Resource assessment and production assessment	$	250,000	$	62,500[(1)]
Year 9 (ending March 31, 2020)				
• After interpretation of 3D survey, drill exploratory well	$	40,000,000	$	0[(1)]
• Offtake/production engineering	$	500,000	$	125,000[(1)]
Total	$	40,750,000	$	187,500

Note

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

Sharon License

The Sharon License covers approximately 11,400 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 will fund 100% of the 3,000 kilometer 2D seismic survey recently acquired for the Sharon Block. Furthermore, AziNam will fund 55% of a 1,000 kilometer square 3D seismic survey on the Sharon Block.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the Sharon License for each year of exploration is as follows:

Exploration Activities	Expenditure(1) (as provided in the Petroleum Agreement) US$	Company's share of Expenditure(1) US$
Year 5 (ending March 31, 2016)		
• Complete and interpret a 1,000 Sq Km 3D seismic survey	$ 10,000,000	$ 4,500,000
Year 6 (ending March 31, 2017)		
• Resource assessment and production assessment	$ 250,000	$ 166,750
Year 7 and 8 (ending March 31, 2018 and 2019)		
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$ 122,750,000	$ 81,874,250
• Offtake/production engineering	$ 500,000	$ 333,500
Year 9 (ending March 31, 2020)		
• Complete and interpret a 500 Sq Km 3D seismic survey	$ 5,000,000	$ 3,335,0000
Total	$ 138,500,000	$ 90,209,500

Notes
(1) Management expects the actual costs of the Exploration Activities to be less than those provided herein. Management estimates the Company's share of Exploration Activities to be approximately US$33 million.

Guy License

The Guy License covers 11,400 square kilometers 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 funded100% of the cost 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.

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**", together with the Cooper JOA and the Sharon JOA, the "**Offshore JOAs**"). Pursuant to the AziNam Farmout Agreement, AziNam has been designated the operator of the Guy License.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided in the Petroleum Agreement for the Guy License for each year of exploration is as follows:

Exploration Activities		Expenditure(1) (as provided in the Petroleum Agreement) US$		Company's share of Expenditure(1) US$
Year 6 (ending March 31, 2017)				
• Resource assessment and production assessment	$	250,000	$	139,000
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	122,750,000	$	68,249,000
• Offtake/production engineering	$	500,000	$	278,000
Year 9 (ending March 31, 2020)				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	5,000,000	$	2,780,000
Total	$	128,500,000	$	74,446,000

Notes

(1) Management expects the actual costs of the Exploration Activities to be less than those provided in the Eco Petroleum Agreement. Management estimates the Company's share of Exploration Activities to be approximately US$22.7 million.

Tamar License

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

On August 31, 2012, PAO Namibia entered into an agreement (the "**Spectrum Agreement**") with Spectrum, pursuant to which PAO Namibia granted a 10% carried working interest in the Tamar Block to Spectrum. Pursuant to the Spectrum Agreement, under certain conditions, including without limitation, the farm-in by a third party into to the Tamar Block (a "**Farm-In**"), Spectrum's working interest may be reduced to 5%. The Spectrum Agreement further provides that PAO Namibia has an option to buy back the carried interest by paying Spectrum US$1,450,000 prior to a Farm-In or US$900,000 after a Farm-In.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided in the PAO Petroleum Agreement for the Tamar License for each year of exploration is as follows:

Exploration Activities	Expenditure[(1)] (as provided in the Petroleum Agreement) US$	Company's share of Expenditure[(1)] US$
Year 6 (ending October 31, 2017) • Complete and interpret 500 km^2 3D seismic survey • Evaluation of farm out and relinquishment of part (original 25%) or all Tamar 50 Block	$ 8,000,000	$ 5,760,000
Year 8 (ending October 31, 2019) • Drill exploratory well (subject to the availability of adequate drilling rigs)	$ 50,000,000	$ 36,000,000
Total	$ 58,000,000	$ 41,760,000

Notes
(1) As mentioned above, management expects the actual costs of the Exploration Activities to be less than those provided in the PAO Petroleum Agreement. Management estimates the Company's share of Exploration Activities to be approximately US$31 million.

GHANA

Ghana License

The Ghana License covers approximately 944 square kilometers and is located in the Deepwater Cape Three Points West Block, located in the Tano Cape Three Points Basin offshore in the economical waters of Ghana (the "**Ghana Block**"). The Company holds a 50.51% interest in the Ghana Block, A-Z holds a 27.79% interest, GNPC holds a 13% interest, and GNPCEPCL and PetroGulf each hold a 4.35% interest.

The exploration activity on the Ghana License is performed in the framework of a joint operating agreement among the Ghana Block Parties (the "**Ghana JOA**"). Under the Ghana JOA, the Company is designated the operator of the Ghana License.

One of the Ghana Block Interest holders ("**Defaulting Party**") did not pay the last cash call within the time required under the Ghana JOA and on February 9, 2016 the Company issued a default letter, requiring the Defaulting Party to pay the cash call within 45 days as prescribed by the Ghana JOA. As of the date of the filing of this report, the cash call has not yet been satisfied.

As of the date hereof, the Company is taking the final steps to acquire approximately 1,000 square kilometers of 3D seismic data for the Ghana Block.

Pursuant to the Ghana Petroleum Agreement, the Company will be required to undertake specific exploration activities on the Ghana License. As of the date hereof, Exploration Activities and the aggregate expenditure as provided in the Ghana Petroleum Agreement is expected to be as follows:

Exploration Activities		Expenditure (as provided in the Petroleum Agreement) US		Company's share of Expenditure US$
Year 3	**(ending March 2018)**			
•	Purchase at least 850 km2 3D seismic survey	$ 1,275,000	$	740,000
•	Reprocess at least 850 km2 3D seismic survey	$ 400,000	$	232,000
•	Drill exploratory well	$ 40,000,000	$	23,200,000
Total		$ 41,675,000	$	24,172,000

GUYANA

Guyana License

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

In accordance with the Guyana Petroleum Agreement, the Company holds a 40% working interest in the Guyana Licenses and Tullow holds a 60% interest. Under the Guyana Petroleum Agreement, Tullow will act as operator. As part of an agreement between Tullow and the Company, the Company received payment in the amount of US$400,000 and will be fully carried for US$1,250,000 of the 3D survey required in the initial 4 years of the exploration program. Details of the work program are set out in the table below.

Exploration Activities		Expenditure (as provided in the Petroleum Agreement) US		Company's share of Expenditure US$
Year 4	(ending June 2020)			
•	Review existing regional 2D data and complete 3D survey Complete and interpret 500 km^2 3D seismic survey	$ 3,000,000	$	-
•	Conduct and process 1,000km^2 3D			
Year 7 (ending June 2023)				
•	1st renewal period – Drill one exploration well (contingent)	$ 60,000,000	$	24,000,000
Year 10 (ending June 2026)				
•	2nd renewal period – Drill one exploration well (contingent)	$ -	$	-
Total		$ 63,000,000	$	24,000,000

Financial position

The Company’s current operations are focused on Namibia, Ghana and Guyana.

As at December 31, 2015, the Company had total assets of $10,490,365 and a net equity position of $8,536,080. This compares with total assets of $15,503,772 and a net equity position of $9,233,935 as at December 31, 2014. The Company had liabilities of $1,954,285 as at December 31, 2015, as compared with $ 11,220,469 as at December 31, 2014.

As at December 31, 2015, the Company had working capital of $4,232,813, compared with working capital of $1,595,275 at December 31, 2014. The Company had cash on hand of $5,285,149 compared with $12,202,003 at December 31, 2014, short-term investments of $100,000 at December 31, 2015, compared with $100,000 at December 31, 2014.

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

	Nine months ended December 31,		Three months ended December 31,	
	2015	2014	2015	2014
		Unaudited		
Revenue				
Income from Farm-out Agreements	$ -	$ 1,027,000	$ -	$ -
Operator Fees	7,551	-	7,551	-
Interest income	11,142	23,077	1,107	5,835
Operating expenses:				
Compensation costs	404,391	791,075	62,435	311,053
Professional fees	338,201	559,082	34,256	223,645
Operating costs	207,589	1,270,859	46,932	961,491
General and administrative costs	462,537	610,008	132,401	227,952
Share-based compensation	12,800	1,043,414	5,800	11,249
Net loss for the period	(1,123,400)	(3,069,997)	(56,136)	(1,572,988)

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.

Income from Farm out agreements

During the three and nine month periods ended December, 2015, the Company earned $ nil from Income from Farm out agreements, as compared with $1,027,000 earned during the three and nine month periods ended December 31, 2014. The amount in 2014 relates to the Tullow Farmout Agreement as described above.

Operator Fees

During the three and nine month periods ended December, 2015, the Company earned $7,551 from Operator Fees, as compared with $ nil earned during the three and nine month periods ended December 31, 2014. The amount in 2015 relates to operator fees on the Ghana License.

Interest income

During the three month period ended December 31, 2015, the Company earned interest of $1,107 from funds invested in interest bearing deposits with financial institutions, as compared with $5,835 earned during the three month period ended December 31, 2014. The decrease in interest earned during the three month period December 31, 2015 reflects the decrease in average cash balances during the period as the Company used its cash reserves to finance its operations and a decrease in interest rates during the period.

During the nine month period ended December 31, 2015, the Company earned interest of $11,142 from funds invested in interest bearing deposits with financial institutions, as compared with $23,077 earned during the nine month period ended December 31, 2014. The decrease in interest earned during the nine month period December 31, 2015 reflects the decrease in average cash balances during the period as the Company used its cash reserves to finance its operations and a decrease in interest rates during the period.

Expenses

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

Operating costs

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

During the three month period ended December 31, 2015, the Company incurred operating costs of $377,219 in operating costs, and billed JOA Recoveries of $330,287 in this category. These expenses included primarily, expenses incurred on the processing and interpretation of the 3D seismic program on the Cooper License, and expenses incurred to pursue the Ghana License. During the three month period ended December 31, 2014, the Company incurred operating costs of $10,924,051 in operating costs net of JOA Recoveries of $9,962,560 in this category.

During the nine month period ended December 31, 2015, the Company incurred expenses of $3,669,836 in operating costs and billed JOA Recoveries of $3,462,247 in this category. These expenses included primarily, expenses incurred on the execution of the 3D seismic program on the Cooper License, expenses incurred on the execution of the 2D seismic program on the Guy License and expenses incurred to pursue the Ghana License. Included in the recoveries were recoveries under the Tullow Farmout Agreement in respect of the 3D seismic program on the Cooper License and recoveries in respect of the 2D seismic program on the Guy License. During the nine month period ended December 31, 2014, the Company incurred expenses of $11,439,203 in operating costs net of billed JOA Recoveries of $10,168,344 in this category.

Compensation costs

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

During the three month period ended December 31, 2015, the Company incurred expenses of $62,435 for compensation costs compared to $311,053 for the three month period ended December 31, 2014.

During the nine month period ended December 31, 2015, the Company incurred expenses of $404,391 for compensation costs compared to $791,075 for the nine month period ended December 31, 2014.

The decrease in 2015 is a result of cost saving measures introduced by management and the board during the third quarter of 2015.

Professional fees

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

During the three month period ended December 31, 2015, the Company incurred professional fees of $34,256 compared to $223,645 for the three month period ended December 31, 2014.

During the nine month period ended December 31, 2015, the Company incurred expenses of $338,201 for professional fees compared to $559,082 for the nine month period ended December 31, 2014.

General and administrative costs

During the three month period ended December 31, 2015, the Company incurred general and administrative costs of $141,188, and billed JOA Recoveries of $8,787 in this category. During the three month period ended December 31, 2014, the Company incurred general and administrative costs of $297,280 and billed JOA Recoveries of $69,327 in this category.

During the nine month period ended December 31, 2015, the Company incurred expenses of $532,041 in general and administrative costs and billed JOA Recoveries of $69,504, being its contribution to expenses in this category. During the nine month period ended December 31 2014, the Company incurred expenses of $688,874 and billed JOA Recoveries of $78,866 in this category.

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

The Company continues to decrease its general and administrative costs, despite a one-time payment during the third quarter, in respect of the termination of a rental lease contract in Calgary which the Company assumed in connection with its amalgamation with Pan African Oil Ltd.

In January 2016, the Company made further reductions in general and administrative costs, and certain reductions in compensation costs. These savings will be reflected in future quarters.

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.

Foreign exchange

The foreign exchange movement during three and nine month periods ended December 31, 2015, reflects the movements of the United States dollar, Euro and Namibian dollar relative to the Canadian dollar. The Company's cash and cash equivalents and short-term investments are held in Canadian dollars and US Dollars.

Summary of Quarterly Results

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

	Quarter Ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total income	$ 8,658	$ 3,025	$ 7,010	$ 4,574,554
Net income (loss) for the period	$ (56,136)	$ (38,539)	$ (1,028,725)	$ 103,687
Basic income (loss) per share	$ 0.00	$ (0.00)	$ (0.01)	$ 0.00

	Quarter Ended			
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Total income	$ 5,835	$ 1,034,255	$ 9,988	$ -
Net income (loss) for the period	$ 1,572,988	$ (646,617)	$ (850,392)	$ (686,135)
Basic income (loss) per share	$ 0.02	$ (0.01)	$ (0.01)	$ (0.01)

During the quarter ended March 31, 2014, the Company recorded a share-based compensation charge of $31,545 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company.

During the quarter ended June 30, 2014, the Company paid $267,716, for the annual renewal of its exploration license fees and recorded a share-based compensation charge of $15,582 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company.

During the quarter ended September 30, 2014, the Company executed the Tullow Farmout Agreement and recorded $1.0 million in income from farm-out agreements on the consolidated statement of operations and comprehensive income (loss). The Company also recorded a share-based compensation charge of $1,016,583 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company and the grant of 4,100,000 restricted share units ("**RSUs**") to Company directors, officers and consultants to the Company. The RSUs grant accounted for $1,004,500 of the charge and the vesting of stock options for $12,083 of the charge.

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

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

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

Additional Disclosure for Venture Issuers Without Significant Revenue

	Nine months ended December 31, 2015	Nine months ended December 31, 2014
Expenditures on exploration and evaluation		
Cooper License	$ 1,681,000	$ 9,066,000
Guy License	235,000	1,535,000
Sharon License	316,000	457,000
Daniel License	25,000	72,000
PEL 50	18,000	-
Ghana License	33,000	850,000
Total	2,308,000	11,980,000
General and administrative expenses		
Occupancy and office expenses	$ 291,264	$ 220,790
Travel expenses	140,059	344,650
Public company costs	29,831	40,823
Insurance	54,037	66,114
Financial services	11,619	9,346
Advertising and Communication	2,889	5,146
Depreciation	2,342	2,005
Recovered under JOAs	(69,504)	(78,866)
	$ 462,537	$ 610,008

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 nine month period ended December 31, 2015, the Company's overall position of cash and cash equivalents decreased by $5,205,669. This decrease in cash can be attributed to the following activities:

1) The Company's net cash used from operating activities during the nine month period ended December 31, 2015 was $2,844,362 as compared to cash used in operating activities of $8,560,697 for the nine month period ended December, 2014. This main reason for the decrease is due to the fact that a significant portion of operating expenses incurred during the third quarter ended December 31, 2015 were in respect of the acquisition of the Ghana License, and were therefore capitalized.

2) Cash used in investing activities during the nine month period ended December 31, 2015 was $1,612,382 during the nine month period ended December 31, 2015 as compared to $ nil for the nine month period ended December 31, 2014. The amount in 2015 relates to the Company's portion of costs incurred in connection with the acquisition of the Ghana License and Guyana License.

3) Cash used in financing activities for the nine month period ended December 31, 2015 was $748,925 as compared to $ nil during the nine month period ended December 31, 2014. The cash used is as a result of the Company's normal course issuer bid, which also resulted in cancelation of 4,650,000 shares at an average cost of approximately $0.16 per share.

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

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

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

Common Share Data (as at February 26, 2016)

Common Shares	88,054,399[(1)]
Options issued to directors, officers, consultants and employees	7,891,052
Common shares outstanding on a fully diluted basis	95,945,451

Note:

(1) In connection with the Amalgamation, in order for the former shareholders of PAO to obtain Common Shares, they are required to surrender for cancellation the certificates representing their PAO shares (the "**Certificates**"). Former shareholders of PAO have six years to surrender their Certificates, failing which their Common Shares will be cancelled. As at February 26, 2016, there remains 1,024,642 Common Shares to be issued to the former shareholders of PAO. Such Common Shares are held by Equity Financial Trust Company as agent for former shareholders of PAO.

Off-Balance Sheet Agreements

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

Contractual Commitments

Licenses

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

Financial Instruments

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

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

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

Risks and Uncertainties

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

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

For a complete discussion on risk factors, please refer to the Company's Annual Information Form dated July 29, 2015, filed under the Company's profile at www.sedar.com.

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

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

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

Stock Based Compensation

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

Income Taxes

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

Changes in Accounting Policies

Policies not yet adopted

IFRS 9, "Financial Instruments: Classification and Measurement", effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning April 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 15, "Revenue from Contracts with Customers", effective for annual periods beginning on or after January 1, 2017, with early adoption permitted, replaces existing revenue standards and interpretations with a single standard and provides additional guidance on revenue recognition for contracts with customers. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the year beginning April 1, 2018 and has not yet considered the potential impact of the adoption of IFRS 15.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

1) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

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

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

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

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