ECO (ATLANTIC) OIL & GAS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED
DECEMBER 31, 2012

Prepared by:

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Introduction

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of Eco (Atlantic) Oil & Gas Ltd. and its subsidiary companies, ("**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, 2012. This discussion should be read in conjunction with the audited consolidated annual financial statements of the Company for the year ended March 31, 2012, as well as the unaudited condensed consolidated interim financial statements of the Company for the three and nine month periods ended December 31, 2012, together with the notes thereto. These documents have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). 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 "Risk Factors". 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 27, 2013.

Nature of Business

The Company's business is to identify, acquire, explore and produce petroleum, natural gas, shale gas, and coal bed methane ("**CBM**") licenses in the Republic of Namibia.

Formation and Structure of the Company

The Company, formerly Goldbard Capital Corporation ("**Goldbard**"), was incorporated under the *Business Corporations Act* (Ontario) on September 11, 2007 and was classified as a capital pool company as defined in Policy 2.4 of the TSX Venture Exchange ("**Exchange**").

On November 25, 2011, Goldbard completed a business combination (the "**Business Combination**") when its wholly owned subsidiary, Goldbard Resources Inc., amalgamated with Eco Oil and Gas Ltd. ("**Eco Privateco**"), a private company incorporated in the British Virgin Islands formed to identify, acquire, explore and develop petroleum, natural gas and CBM licenses in the Republic of Namibia.

The Business Combination was accomplished through an exchange of shares, and qualified as a "reverse takeover" under the policies of the Exchange. The Business Combination was accounted for in accordance with IFRS 3, Business Combinations. Eco Privateco is considered to be the acquirer for accounting purposes as the former shareholders of Eco Privateco control the consolidated group subsequent to the transaction. In connection with the transaction, the shareholders of Goldbard approved a consolidation of the common shares of Goldbard on the basis of 2.5 shares for one new share (a "**Consolidated Share**").

Under the terms of the Business Combination, the shareholders of Eco Privateco received 1.253 Consolidated Shares for each share of Eco Privateco held, with a total of 45,359,971 Consolidated Shares issued to the shareholders of Eco Privateco. Holders of Eco Privateco share purchase warrants received replacement warrants entitling them to acquire an aggregate of 3,759,116 Consolidated Shares.

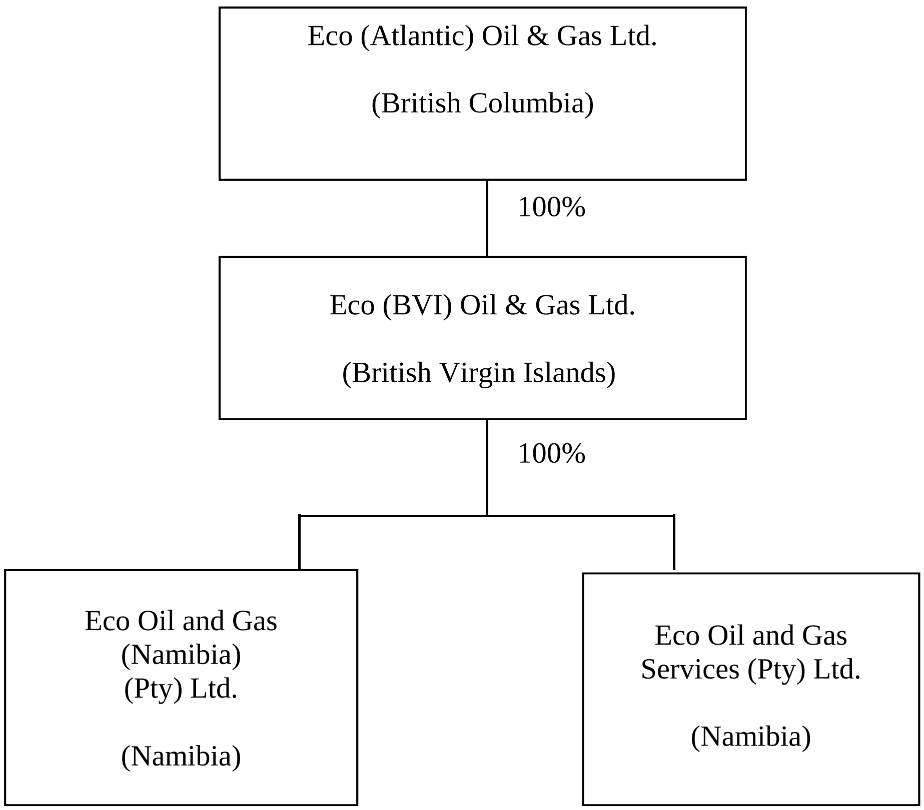
The Business Combination was accounted for as a continuation of the financial statements of Eco Privateco, together with a deemed issuance of shares, equivalent to the Consolidated Shares held by the former shareholders of Goldbard, and a re-capitalization of the equity of Eco Privateco.

The fair value of the shares issued to the Goldbard shareholders was based on a private placement of units by Eco Privateco on April 25, 2011, adjusted for the exchange ratio of 1.253 Consolidated Shares for each Eco Privateco share. Based on this ratio, the deemed price of the Consolidated Share was $0.40.

Concurrent with the Business Combination, Goldbard changed its name to Eco (Atlantic) Oil & Gas Ltd., and was continued into British Columbia under the *Business Corporations Act* (British Columbia).

The shares of the Company trade on the Exchange under the symbol "EOG". The Company also trades on the Namibian Stock Exchange under the symbol "EOG".

Subsequent to the Business Combination, the structure of the Company is as follows:



Significant Developments

- On January 24, 2013, the Company finalized and signed the three joint operating agreements with NAMCOR (as defined below) and Azimuth (as defined below) with respect to the Offshore Licenses (as defined below) located in the prospective Walvis Basin offshore Namibia.

Overview of Operations

<u>Business Overview:</u>

Through its wholly owned subsidiary, Eco Oil & Gas (Namibia) (Proprietary) Limited ("**Eco Namibia**"), the Company holds five petroleum, natural gas and coal bed methane ("**CBM**") licenses, issued by the Government of the Republic of Namibia (the "**Licenses**").

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.

Offshore, the Company holds three licenses (the "**Offshore Licenses**") covering more than 25,000 square kilometers (6,177,000 acres). The Offshore Licenses include (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**").

Onshore, the Company holds two licenses (the "**Onshore Licenses**") covering 30,000 square kilometers (7,413,000 acres). The Company's Onshore Licenses include (i) CBM exploration license number 0031 and (ii) CBM license number 0032.

Offshore Licenses:

Cooper License

The Cooper License covers approximately 5,000 square kilometers (1,235,000 acres) and is located in license area 2012A offshore in the economical waters of the Republic of Namibia (the "**Cooper Block**"). The Cooper License was issued by the Republic of Namibia, Ministry of Mines and Energy (the "**Ministry**") on March 14, 2011 for an initial four year period with two renewal options of two years. Thereafter, a "production license" (as defined in the *Petroleum (Exploration and Production) Act, 1991* (Namibia) ("**Petroleum Act**")) with a term of 25 years, can be sought if a "discovery" (as defined in Petroleum Act) is made.

The Company currently holds a 70% working interest in the Cooper License. A 10% working interest in the Cooper License was granted to the National Petroleum Corporation of Namibia ("**NAMCOR**") and a 20% working interest is held by Azimuth Ltd. ("**Azimuth**"), an exploration and production company jointly owned by Seacrest Capital Ltd. and Petroleum Geo-Services ASA ("**PGS**").

On April 4, 2012, the Company entered into a farmout agreement with NAMCOR (the "**NAMCOR Farmout Agreement**"), setting out the terms pursuant to which the Company carries NAMCOR's working interest in the Licenses during the exploration period. Once production commences, NAMCOR will reimburse the Company, from production, for the full previously carried amount plus 20% interest on funds advanced by the Company. The Company received access to NAMCOR's database of geological studies, 2D and 3D seismic reports and well reports.

On April 12, 2012, the Company, entered into a farmout agreement with Azimuth Namibia Limited ("**Azimuth Namibia**"), a subsidiary of Azimuth, (the "**Azimuth Farmout Agreement**") pursuant to which Azimuth acquired a 20% working interest in each of the Offshore Licenses in return for funding 40% of the cost of 3D seismic surveys covering a total of 2,500 square kilometers across all three Offshore Licenses. The assignment of the 20% working interest in the Offshore Licenses to Azimuth was approved by the Ministry on May 31, 2012.

The exploration activity on the Cooper License is performed in the framework of a joint operating agreement (the "**Cooper JOA**") between the Company, NAMCOR and Azimuth. Pursuant to the Cooper JOA, the Company is designated the operator of the Cooper License. The Cooper JOA was signed on January 24, 2013.

The Company received an independent Leads Report, dated February 1, 2012 for the Cooper Block. The report was prepared by Gustavson Associates LLC of Boulder, Colorado ("**Gustavson**") in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and is available on www.sedar.com.

The data provided includes speculative 2D seismic data and reports from four wells that were drilled in the vicinity of the Cooper Block. The interpretation of over 800 line kilometers of 2D seismic data produced five leads. The leads, which are interpreted as structures with associated faults, are identified as Flat, A, B, C, and D. Based on probabilistic estimates, the Prospective Resources (defined below) for the five leads are listed in the table below.

Lead	Oil in Place, MMBO			Prospective Oil Resources, MMBO		
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Flat	265	594	1,033	59	135	249
A	409	1,086	2,468	91	250	581
B	479	1,259	2,883	105	291	686
C	381	916	1,945	84	210	464
D	415	1,123	2,510	92	259	591
Sum	**1,949**	**4,978**	**10,840**	**431**	**1,146**	**2,571**

(1) MMBO = million barrels of oil.

These estimates do not include consideration for the risk of failure in exploring for these resources. "**Prospective Resources**" (as defined in the independent Leads Report) 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 sub-classified based on project maturity." 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. The Low Estimate represents the P90 values from the probabilistic analysis (in other words, the value is greater than or equal to the P90 value 90% of the time), while the Best Estimate represents the P50 and the High Estimate represents the P10.

Sharon License

The Sharon License covers 10,000 square kilometers (2,471,000 acres) and is located in license area 2213A and 2213B offshore in the economical waters of the Republic of Namibia (the "**Sharon Block**"). The Sharon License was issued by the Ministry on March 14, 2011 for an initial four year period with two renewal options of two years. Thereafter, a "production license" (as defined in the Petroleum Act) with a term of 25 years can be sought if a "discovery", as defined in the Petroleum Act, is made.

The Company currently holds a 70% working interest in the Sharon License. A 10% working interest in the Sharon License was granted to NAMCOR and, pursuant to the Azimuth Farmout Agreement, a 20% working interest is held by Azimuth. (*see "Cooper License" above*)

The exploration activity on the Sharon License is performed in the framework of a joint operating agreement (the "**Sharon JOA**") between the Company, NAMCOR and Azimuth. Pursuant to the Sharon JOA, the Company is designated the operator of the Sharon License. The Sharon JOA was signed on January 24, 2013.

On March 8, 2012, the Company announced the results of an independent Leads Report for the Sharon Block. The report was prepared by Gustavson in accordance with NI 51-101 and is available on www.sedar.com.

The data provided includes speculative 2D seismic data and reports from four wells that were drilled in the vicinity of the block. The interpretation of 606 line kilometers of 2D seismic data produced two leads. The leads are identified as the North Structure and the Wedge. Based on probabilistic estimates, the Prospective Resources for the two leads are listed in the table below.

	Oil in Place, MMBO			**Prospective Oil Resources, MMBO**		
Lead	**Low Estimate**	**Best Estimate**	**High Estimate**	**Low Estimate**	**Best Estimate**	**High Estimate**
N Structure	2,699	8,149	18,690	604	1,864	4,449
Wedge	9,362	25,843	62,016	2,132	5,933	14,706
Total	12,062	33,992	80,706	2,736	7,798	19,155

These estimates do not include consideration for the risk of failure in exploring for these resources. 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. The Low Estimate represents the P90 values from the probabilistic analysis (in other words, the value is greater than or equal to the P90 value 90% of the time), while the Best Estimate represents the P50 and the High Estimate represents the P10.

Guy License

The Guy License covers 10,000 square kilometers (2,471,000 acres) and is located in license area 2111B and 2211A offshore in the economical waters of the Republic of Namibia (the "**Guy Block**", together with the Copper Block and the Sharon Block, the "**Offshore Blocks**"). The Guy License was issued by the Ministry on March 14, 2011 for an initial four year period with two renewal options of two years. Thereafter, a "production license" (as defined in the Petroleum Act) with a term of 25 years can be sought if a "discovery" (as defined in Petroleum Act) is made.

The Company currently holds a 70% working interest in the Guy License. A 10% working interest in the Guy License was granted to NAMCOR and, pursuant to the Azimuth Farmout Agreement, a 20% working interest is held by Azimuth. (*see "Cooper License" above*)

The exploration activity on the Guy License is performed in the framework of a joint operating agreement (the "**Guy JOA**", together with the Copper JOA and the Sharon JOA, the "**Offshore JOAs**") between the Company, NAMCOR and Azimuth. Pursuant to the Guy JOA, the Company is designated the operator of the Guy License. The Guy JOA was signed on January 24, 2013.

On May 22, 2012, the Company announced that it had received an independent Leads Report for the Guy Block. The report was prepared by Gustavson in accordance with NI 51-101 and is available on www.sedar.com.

The data provided includes selected speculative 2D seismic data and reports from four wells that were drilled in the vicinity of the block. The Company acquired 675 line kilometers of 2D seismic data over the eastern part of the block. The seismic data available on these blocks was limited to the eastern portion of the area and one 2D seismic line that extended to the western boundary of the Guy Block. A total of seven lead areas have been identified from the seismic interpretation. The leads are interpreted as structures with associated faults in the Cretaceous and Tertiary aged section. Based on probabilistic estimates, the Prospective Resources for the seven leads are listed below in the table below.

Lead	Oil in Place, MMBO P90	P50	P10	Prospective Oil Resources, MMBO P90	P50	P10
Far West Lead #1	1,249	3,975	9,247	277	917	2,175
Far West Lead #2	3,367	9,605	20,238	759	2,177	4,782
Cretaceous Sand Lead #1	1,654	5,780	14,505	370	1,321	3,405
Cretaceous Sand Lead #2	318	905	2,046	70	211	483
Cretaceous Sand Lead #3	6,000	17,641	38,160	1,362	4,039	8,958
Cretaceous Sand Lead #4	582	1,428	2,960	131	329	702
Cretaceous Sand Lead #5	321	907	2,087	72	208	488
Total	**13,491**	**40,242**	**89,243**	**3,041**	**9,202**	**20,994**

Note that these estimates do not include consideration for the risk of failure in exploring for these resources. 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.

Onshore Licenses:

The Onshore Licenses cover 30,000 square kilometers (7,413,000 acres) and is located in license area 2013B, 2014B, 2114 and 2418 in the Republic of Namibia. The Onshore Licenses were issued on March 14, 2011 for an initial four year period with two renewal options of two years. Thereafter, a "production license" (as defined in the Petroleum Act) with a term of 25 years can be sought if a "discovery" (as defined in Petroleum Act) is made.

The Company currently holds a 90% working interest in the Onshore Licenses and a 10% working interest in the Onshore Licenses was granted to NAMCOR. (*see "Cooper License" above*)

The exploration activity on the Onshore Licenses is performed in the framework of two joint operating agreements (the "**Onshore JOAs**") between the Company and NAMCOR. Pursuant to the Onshore JOAs, the Company is designated the operator of the Onshore Licenses. The Onshore JOAs were signed in April, 2012.

On October 5, 2012, the Company received approval from the Ministry to amend the Company's work program under the Onshore Licenses to include the exploration of shale gas in addition to the current exploration for CBM. Approval was also granted to amend the Company's work program under the Onshore Licenses to include a detailed exploratory well by 2015 instead of 2012.

Financial position

The Company operates in the Republic of Namibia and has no separate business segments.

As at December 31, 2012, the Company had total assets of $10,498,093 and a net equity position of $10,353,200. This compares with total assets of $5,682,120 and a net equity position of $5,090,958 at December 31, 2011 and total assets of $9,877,724 and a net equity position of $9,402,810 at March 31, 2012. The Company had liabilities of $144,893 at December 31, 2012 as compared with $591,162 as at December 31, 2011 and $474,914 at March 31, 2012.

As at December 31, 2012, the Company had working capital of $7,075,819, compared to working capital of $1,373,269 at December 31, 2011 and $6,127,881 at March 31, 2012. The Company had cash on hand and in short-term deposits of $7,157,854 at December 31, 2012, compared to $1,459,906 at December 31, 2011 and $6,275,167 at March 31, 2012.

Licenses development

In the immediate future, the Company will continue developing the Licenses with a view to producing additional NI 51-101 compliant reports on these Licenses.

In addition, the Company is completing the planning, together with Azimuth, of a near term program for 2013 to include additional 2D and 3D surveys on certain of its blocks. The survey will be dependent on the availability of survey vessels and other regional developments in neighboring blocks.

Risks and uncertainties

There are significant uncertainties regarding the price of crude oil and other natural resources and the availability of equity financing for the purposes of acquisitions, exploration and development activities. The future performance of the Company is largely tied to the development of its current oil and natural gas properties and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects.
Uncertainty in the credit markets has also led to increased difficulties in borrowing and raising funds. Companies worldwide have been materially and adversely affected by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of oil and natural gas exploration and development, particularly without excessively diluting the interests of existing shareholders. These trends may limit the ability of the Company to develop and/or further explore its current oil and gas properties and any other property interests that may be acquired in the future.

The Company is aware that governments around the world are looking to the resource sector as a possible source of additional revenue, be it taxes or royalties.

For a summary of other factors and risks that have affected, and which in future may affect, the Company and its financial position, please refer to the section entitled “Risk Factors”, below.

Summarized Financial Information

	Three month period ended December 31		Nine month period ended December 31	
	2012	**2011**	**2012**	**2011**
Revenue				
Interest income	$ 12,433	$ -	$ 41,826	$ -
Operating Expenses				
Consulting, compensation and professional fees	247,607	159,358	988,796	739,883
Recovery of consulting, compensation and professional fees	(8,200)	-	(8,200)	-
Operating costs	92,232	170,660	1,015,755	1,051,088
Recovery of operating costs	(218,470)	-	(218,470)	-
General and administrative costs	157,249	114,478	584,481	326,954
Recovery of general	(23,880)	-	(23,880)	-

and administrative costs				
Share-based compensation	407,705	-	885,000	-
Foreign exchange	650	3,094	5,016	2,011
Depreciation	196	122	1,264	122
Transaction costs	-	1,389,493	-	1,389,493
Net loss for the period	$ (655,089)	$ (1,837,205)	$ (3,237,962)	$ (3,509,551)

Exploration and evaluation assets and expenditures

a) 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.

b) Exploration and evaluation expenditures associated with a business combination or asset acquisition are capitalized.

c) 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.

d) Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

e) Under the Offshore JOAs and the Azimuth Farmout Agreement, 20% or 40% of certain operating, compensation and administrative expenses incurred by the Company are recoverable from Azimuth. During the three months ended December 31, 2012, the Company commenced billing Azimuth its share of such expenses retroactive to April 2012 as indicated in the analysis below

Interest income

During the three and nine month periods ended December 31, 2012, the Company earned interest of $12,433 and $41,826 respectively from funds invested in interest bearing deposits with financial institutions. No funds were held in deposits during the nine month period ended December 31, 2011.

Operating costs

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

During the three month period ended December 31, 2012, the Company incurred expenses in this category of $92,232 and in the amount of $1,015,756 for the nine month period ended December 31, 2012. During the three month period ended December 31, 212, the Company billed Azimuth $218,470 being its retroactive contribution to expenses in this category. (For the three and nine month periods ended December 31, 2011 operating costs were $170,660 and $1,051,088 respectively).

The increase in expenditures on a year to date basis reflects additional amounts spent during the second quarter on acquisition and interpretation of geological data applicable to its Licenses, which was offset by a decrease in operating activities during the third quarter of 2012.

Consulting, compensation and professional fees

Consulting, compensation and professional fees represent amounts paid by the Company for services provided to the Company by certain members of management and independent service providers. It further includes directors' compensation.

During the three month period ended December 31, 2012, the Company incurred expenses in this category of $247,607 and in the amount of $1,611,398 for the nine month period ended December 31, 2012. During the three month period ended December 31, 212, the Company billed Azimuth $8,200 being its retroactive contribution to expenses in this category. (For the three and nine month periods ended December 31, 2011 Consulting, compensation and professional fees were $159,358 and $739,883 respectively).

The increase in amounts paid for these services reflects the additional staffing and services contracted, as the Company migrated from a start-up operation to an operating entity.

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. The stock options vest as to one third on grant date and one third on each anniversary date of the grant, for the next two years. During the three month period ended December 31, 2012, 900,000 stock options were issued by the Company.

The fair value of all stock options that vested during the three and nine month periods ended December 31, 2012 was $407,705 and $885,000 respectively. (During the three and nine month periods ended December 31, 2011 $nil).

General and administrative costs

During the three month period ended December 31, 2012, the Company incurred expenses in this category of $157,249 and in the amount of $584,483 for the nine month period ended December 31, 2012. During the three month period ended December 31, 212, the Company billed Azimuth $23,880 being its retroactive contribution to expenses in this category. (For the three and nine month periods ended December 31, 2011, General and administrative costs were $114,478 and $326,954 respectively).

The increase in general and administrative costs reflects additional public company expenses incurred by the Company as it transitioned from a private to a public company, listed on the TSX Venture Exchange. Also included are additional costs incurred by the company in connection with its listing on the Namibia stock exchange in April 2012.

Foreign Exchange

The foreign exchange movement during the period ended December 31, 2012 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.

Summary of Quarterly Results

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

		Quarter ended			
		December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Total Sales	$	-	-	-	-
Net loss for the period	$	(655,089)	(1,232,239)	(1,321,241)	(2,075,512)
Basic loss per share	$	(0.01)	(0.02)	(0.02)	(0.03)

		Quarter ended			
		December 31, 2011	September 20, 2011	June 30, 2011	January 4, 2011(1) to March 31, 2011
Total Sales	$	-	-	-	-
Net loss for the period	$	(1,837,205)	(887,433)	(884,911)	(456,573)
Basic loss per share	$	(0.04)	(0.02)	(0.02)	(0.01)

Notes:

(1) January 4, 2011, was the date of incorporation of Eco Privateco.

Following the closing of the 2011 Financing (as defined below), the Company commenced its operational activities, resulting in increased losses during the quarters ended September 30, 2011 and June 30, 2011.

During the quarter ended December 31, 2011, the Company recorded a charge of $1,389,493 being the transaction costs related to the Business Combination.

During the quarter ended March 31, 2012, the Company recorded an additional charge of $157,426 in transaction costs related to the Business Combination and recorded a share-based compensation charge of $809,600 in connection with the issue of stock options to directors, officers, consultants and employees of the Company.

During the quarter ended September 30, 2012, the Company paid $272,000, in respect of the annual renewal of its exploration license fees.

a) During the quarter ended December 31, 2012, 20% of certain operating, compensation and administrative expenses, retroactive to April 2012, were billed to Azimuth pursuant to the Offshore JOAs. (*see "Summarized Financial Information" above*)

Liquidity and Capital Resources

The condensed consolidated interim financial statements of the Company for the nine month period ended December 31, 2012 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 Company's condensed consolidated interim 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 these condensed consolidated interim 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.

On April 25, 2011 and May 5, 2011, Eco Privateco completed a private placement of 6,200,000 units (the "**2011 Units**") at $0.50 per unit for net proceeds of $2,972,176 (the "**2011 Financing**"). Each 2011 Unit consisted of one ordinary share of Eco Privateco and one half of one Eco Privateco Warrant. Each Eco Privateco Warrant gave the holder the right to purchase one ordinary share from Eco Privateco at a price per share equal to $1.00, at any time up to a date one year from a Liquidity Event, as defined in the warrant certificate.

The Company acquired cash of $763,117 in connection with the Business Combination.

On January 6, 2012, the Company completed a non-brokered private placement in which it issued 9,874,682 units for net proceeds of $5,662,245. Each unit was subsequently converted into a common share and a half warrant.

On May 10, 2012, the Company received $85,208 from the exercise of 85,000 warrants.

On November 16, 2012, the Company completed a non-brokered private placement in which it issued 8,098,500 common shares for net proceeds of $3,176,318.

The net proceeds from the private placements, Business Combination and warrant exercise noted above were and will continue to be used for the exploration and development of its oil and gas licenses and for general corporate and working capital purposes.

In order to maintain its Licenses, the Company is required to meet the specific minimum work program commitments for each phase of development of the license. Dollar values have also been allocated to each phase. If the Company has completed the minimum exploration work set out for any period earlier than the required date, such additional expenditures will be attributed towards future expenditure requirements. Additionally, if the actual cost of the minimum exploration work is less than the amount of the minimum exploration expenditure, the company shall be relieved of its minimum exploration expenditure obligations for a given period. The minimum aggregate exploration expenditures for all five Licenses under the License Agreements are as follows:

Year	Offshore Licenses(1)	Onshore Licenses(2)
1	$1,650,000	$500,000
2 & 3	$26,500,000	$-
4	$368,750,000	$-2,400,000
5	$750,000	$-
6	$2,000,000	$-
7 & 8	$15,500,000	$-
Total	**$415,150,000**	**$2,900,000**

Notes:
(1) The Company is responsible for 80% of the exploration expenditure for the Offshore Licenses.
(2) The Company is responsible for 100% of the exploration expenditure for the Onshore Licenses.

Management estimates that, to date, the Company has incurred costs of approximately $6,200,000 towards exploration work. These expenses are reflected in the Company's unaudited condensed consolidated interim financial statements as at December 31, 2012, under various categories of expenses, including operating costs, general and administrative costs, consulting and professional fees, and compensation expenses.

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 above. The Company has completed and exceeded the minimum exploration work required for Year 1 and 2 for all the Licenses. The Company has until March 15, 2014 to complete the shooting of certain 3D surveys of the Offshore Blocks, a process that will take an estimated three to four months to complete.

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 joint venture and farm-in opportunities with compatible partner companies having access to capital, in order to meet its exploratory commitments and development strategy in the next 18 months. 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 "Financial Conditions, Liquidity and Capital Resources" and "Risk Factors" below.

At December 31, 2012, the Company had working capital of $7,075,819 (December 31, 2011 - $1,373,269 and March 31, 2012 -$ 6,127,881).

As at the date of this MD&A, the Company had cash on hand and in short term investments of $6,812,000 which are held in Canadian and Namibian banks.

Contractual Obligations

The Company's activities may be subject to environmental regulation, 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.

Common Share Data (as at February 27, 2013)	
Common shares outstanding	68,959,661
Warrants	5,290,756
Options issued to directors, officers, consultants and employees	5,940,000
Common shares outstanding assuming exercise of all Warrants and Options	80,190,417

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.

Transactions Between Related Parties and Balances

The aggregate value of transactions with shareholders and directors and entities over which they have control or significant influence was as follows:

	Three month period ended December 31		Nine month period ended December 31	
	2012	2011	2012	2011
Fees for management services paid to a company controlled by the President and CEO of the Company.	$ 62,000	$ 50,048	$ 182,000	$ 145,574
Amount outstanding at the end of the period.	22,916	16,333	22,916	16,333
Fees for exploration and management services paid to a company controlled by the COO of the Company.	44,991	64,728	201,089	354,358
Amount outstanding at the end of the period.	23,744	21,347	23,744	21,347
Fees paid to a company controlled by the CFO of the Company.	45,000	-	112,500	-
Amount outstanding at the end of the period.	16,950	-	16,950	-
Fees paid to companies controlled by the former CFO of the Company.	-	3,500	7,284	3,500
Amount outstanding at the end of the period.	-	-	-	-
Fees for management services paid to a company controlled by the Executive Vice President of the Company.	30,000	38,675	90,000	38,675
Amount outstanding at the end of the period.	11,300	-	-	11,300
Fees paid to a company controlled by the chairman of the Company.	12,500	36,470	50,000	36,470
Amount outstanding at the end of the period.	17,923	-	17,923	-

Proposed Transactions

There are currently no proposed transactions other than those disclosed herein that are expected to significantly affect the financial condition, results of operations and cash flows of the Company.

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 consolidated financial statements for the year ended March 31, 2012.

Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the condensed consolidated interim 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 condensed consolidated interim financial statements. Accordingly, actual results may differ from these estimated amounts as future confirming events occur. Significant estimates used in the preparation of the condensed consolidated interim financial statements include, but are not limited to, recovery of exploration costs capitalized in accordance with IFRS, stock-based compensation and income taxes.

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.

Warrants

The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing its warrants. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield and expected term.

Income Tax

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.

Risk Factors

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.

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. 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.

For a complete discussion on risk factors, please refer to the Company's Annual Information Form dated July 20, 2012, filed on www.sedar.com.

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 unaudited condensed consolidated interim 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 unaudited interim consolidated financial statements, and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow 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:

(i) 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

(ii) 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 Disclosure for Venture Issuers Without Significant Revenue

	Nine month period ended December 31	
	2012	2011
Expenditures on exploration and evaluation assets		
Cooper License	$ 293,000	$ 535,000
Guy License	597,000	262,000
Sharon License	355,000	435,000
Onshore licenses	212,000	379,000
	$ 1,457,000	$ 1,611,000
General and administrative expenses		
Travel expenses	294,000	154,000
Occupancy and office expenses	135,000	8,000
Public company costs	86,000	118,000
Advertising and Communication	33,000	22,000
Financial services	9,000	13,000
Insurance	27,000	20,000
JOA Recoveries	(24,000)	-
	$ 560,000	$ 335,000

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 "Risk Factors" 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.

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, is available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.