

**ECO (ATLANTIC) OIL & GAS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED
December 31, 2016**

Prepared by:

ECO (ATLANTIC) OIL & GAS LTD.

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February 27, 2017

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, 2016. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2016, together with the notes thereto, as well as the unaudited condensed consolidated interim financial statements for three and nine month periods ended December 31, 2016 (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.ecoilandgas.com. All amounts are reported in Canadian dollars, unless otherwise noted. This MD&A has been prepared as at February 27, 2017.

Forward Looking Information

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

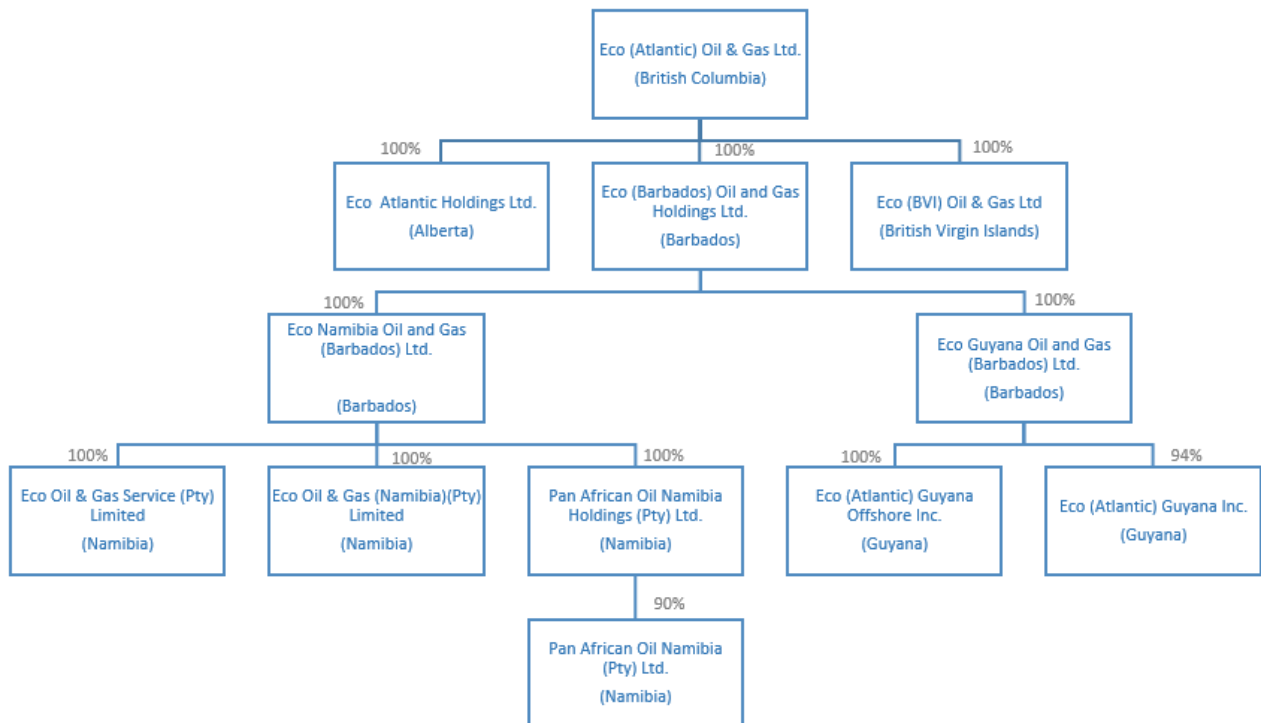
Nature of Business and Structure of the Company

The Company’s business is to identify, acquire and explore petroleum, natural gas, and shale gas. The Company operates in the Republic of Namibia (“**Namibia**”) and the Co-Operative Republic of Guyana (“**Guyana**”)

The common shares of the Company (the “**Common Shares**”) trade on the TSX Venture Exchange (the “**TSXV**”) under the symbol “**EOG**”, and on the London Stock Exchange’s AIM (the “**AIM**”) under the symbol “**ECO**”.

The structure of the Company and its significant subsidiaries, as of December 31, 2016, 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 (100%) by the Company.



Significant Developments during the nine month period ended December 30, 2016 and through to the date of this report.

- On August 5, 2016, the Company issued 234,736 restricted share units (“**RSUs**”) to certain directors, officers and consultants pursuant to the terms of the Company’s restricted share unit plan (the “**RSU Plan**”). The RSUs vested immediately.
- On October 11, 2016, the Company approved amendments of the expiry date of 5,670,000 incentive stock options granted to directors and officers (the “**Options**”). The Options were originally set to expire on January 12, 2017, May 16, 2017 and December 24, 2017. Following the amendments, the Options are set to expire on January 12, 2022, May 16, 2022 and December 24, 2022 respectively.
- Effective October 31, 2016, the Company entered into two separate Share Purchase Agreements for the reorganization of its corporate structure (the “**Reorganization**”). The Reorganization will not result in any change in the beneficial ownership to any of the licenses owned by the Company and was undertaken solely for internal efficiency purposes.
- On November 21, 2016, the Company received the necessary approvals from GNPC and GNPC Exploration and Production Company to execute a Share Purchase and Sale Agreement (the “**Ghana Agreement**”) pursuant to which the Company sold its total interest in Eco Atlantic Ghana Limited (“**Eco Ghana**”) to PetroGulf Ghana Limited (“**PetroGulf**”). Eco Ghana held the Company’s interest in the Three Point West Deep Water Offshore Block Ghana’s economic waters (the “**Ghana Block**”). Pursuant to the Ghana Agreement, the Company is expected to receive US\$576,580 as reimbursement for past operating expenditures owed to the Company on the Ghana Block. As a result of the Ghana Agreement the Company will have no remaining obligations in Ghana generally, and in the Ghana Block, specifically, as PetroGulf has fully assumed all obligations of Eco Ghana on the Ghana Block.
- On November 28, 2016, the Company granted 833,600 RSU’s to certain directors, officers and consultants of the Company pursuant to the RSU Plan. 433,600 of the granted RSU’s vested immediately and the remainder will vest upon the achievement of certain milestones and otherwise expire on November 27, 2026.
- On December 30, 2016, the shareholders of the Company approved, among other matters, the following: (i) the increase of the size of the Company’s board of directors (the “**Board**”) to seven; (ii) the election of all incumbent directors and the election of Mr. Gadi Levin to the Board; (iii) an amendment to the Articles of Association of the Company requiring that in the event that the shares of the Company are traded on an exchange other than the TSXV that all shareholders holding an interest in three percent (3%) or more of the Company's shares (including all legal and beneficial interests, direct or indirect, or interests in financial instruments which are referenced to such shares, of such shareholder,) shall notify the Company of their interest and of any subsequent relevant changes to their holdings which changes shall include any increase or decrease to such holdings through any single percentage threshold; (iv) the approval of the Company’s stock option plan; and (v) the approval of the Company’s RSU Plan including the approval of an additional 8,534,933 RSU’s for future issuance.

- On February 8, 2016, the Company completed an admission and listing on the AIM market of the London Stock Exchange (“AIM”) (the “**Admission**”). The Company raised £5.09 million (\$8.4 million) before expenses by placing 31,781,250 new Common Shares (the “**UK Placing**”) with investors at a placing price (the “**Placing Price**”) of £0.16 (\$0.26) per Common Share (the “**Placing**”).

In addition to securities issued pursuant to the UK Placing, Common Shares and warrants were issued to the UK advisors in relation to the Company’s Admission to AIM in the aggregate amount of 812,500 Common Shares and 3,835,311 warrants and one Canadian service provider subscribed for 306,748 Common Shares. The exercise period for the warrants includes 12, 24, and 30 month periods and corresponding exercise prices of 17.6, 19.2 and 16 pence per Common Share, respectively (\$0.29, \$0.31 and \$0.27).

Following Admission, the Company had 118,249,833 Common Shares issued and outstanding.

The UK Advisors were also paid aggregate cash advisory fees of £215,000 (CDN \$356,126) and aggregate cash commissions of £256,950 (CDN \$425,612).

Concurrently with the Admission, the Board was increased by one to allow for the appointment of Mr. Derek Linfield to the Board

Following the UK placing, and as of the date of this report, the Company has cash and cash equivalents of \$6.9 million.

Overview of Operations

Eco Guyana, the Company’s 94% owned subsidiary, holds a 40% interest in the Orinduik 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.

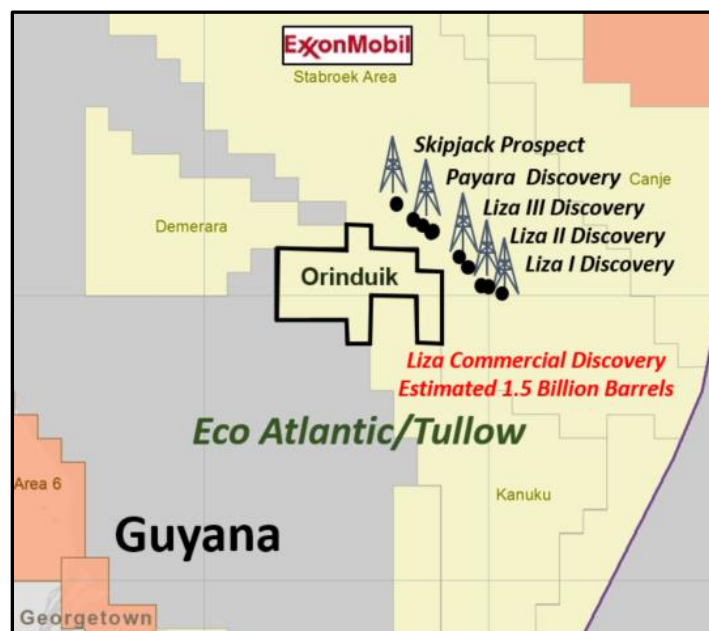
Through its subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company currently holds interests in three offshore petroleum licenses in Namibia, being (i) petroleum exploration license number 0030 (the “**Cooper License**”), (ii) petroleum exploration license number 0033 (the “**Sharon License**”), and (iii) petroleum exploration license number 0034 (the “**Guy License**”). The terms of the Cooper License, Sharon License and Guy License are governed by petroleum agreements (each, an “**Eco Namibia Petroleum Agreement**” and collectively, the “**Eco Namibia Petroleum Agreements**”) between the Company and Namibia’s Ministry of Mines and Energy (the “**Ministry**”).

Through its subsidiary, PAO Namibia, the Company currently holds an interest in one offshore petroleum license in Namibia, being petroleum exploration license number 0050 (the “**Tamar License**”) subject to renewal. The terms of the Tamar License is governed by a petroleum agreement (the “**Tamar Petroleum Agreement**”) between PAO Namibia and the Ministry.

The Company is in the development stage and has not yet commenced principal 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.

Guyana



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, Eco Guyana 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. Tullow will carry the Company’s share of costs of the 3D survey required under the work program for the Guyana License (up to US\$1,250,000).

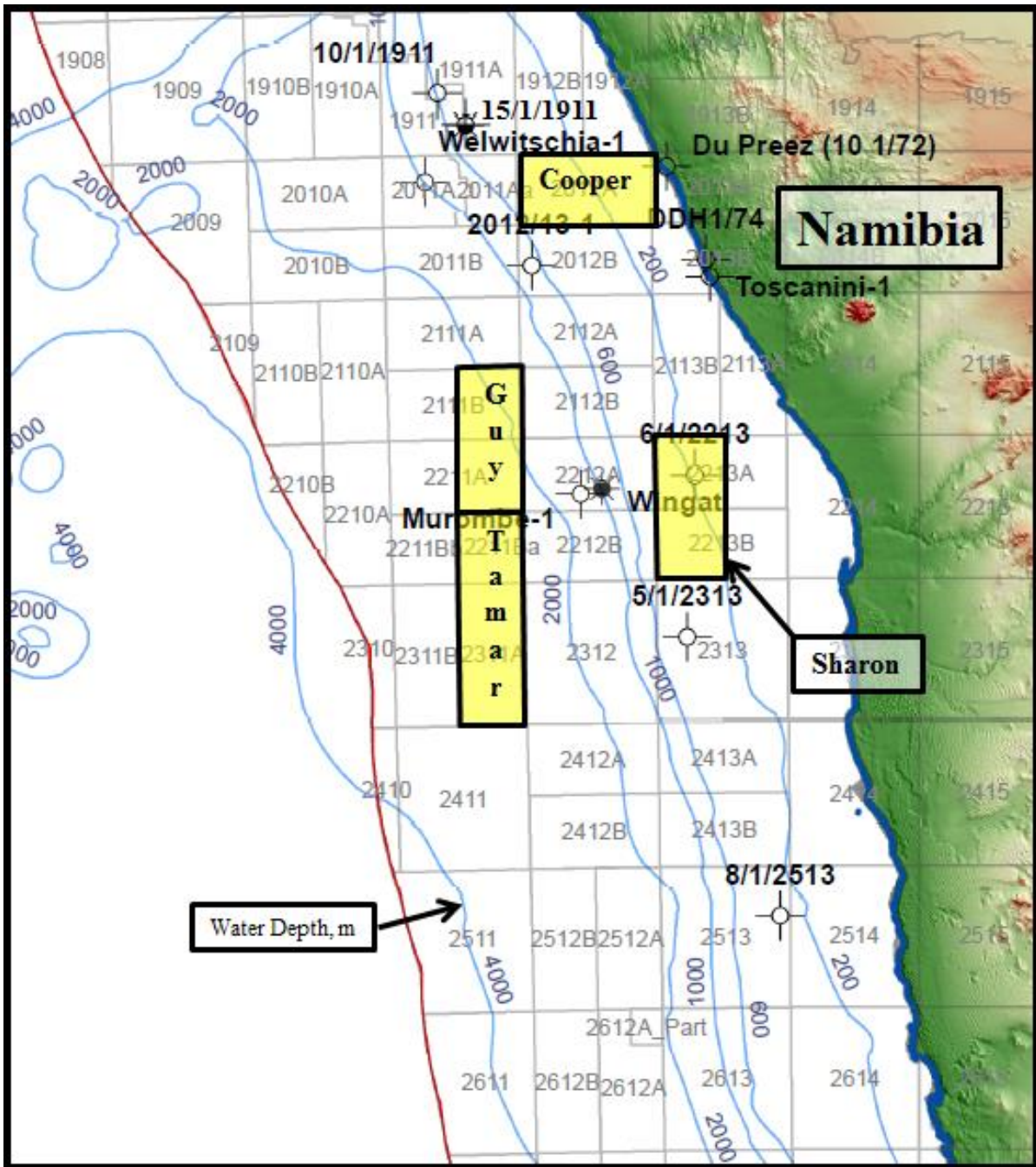
In light of recent discoveries activity in the immediate region by other petroleum explorers, and advancement of the interpretation of the Orinduik Block that is encouraging to the Company, Tullow and the Company have agreed to complete an accelerated work program including a 2,000 Kms² 3D seismic survey scheduled to start in calendar Q2 2017.

As of the date hereof, the remaining Exploration activities and the aggregate expenditure as estimated by management based on current costs for the Guyana License for each year of exploration is as follows⁽¹⁾:

Exploration Activities	Expenditure		Company’s share of
	US		Expenditure
			US\$
Year 4 (ending June 2020)			
• Review existing regional 2D data and complete 3D survey	\$	8,000,000	\$ 2,000,000
• Complete and interpret 2,000 km ² 3D seismic survey			
• Conduct and process 2,000km ² 3D			
Year 7 (ending June 2023)	\$	35,000,000	\$ 14,000,000
• 1 st renewal period – Drill one exploration well (contingent)			
Year 10 (ending June 2026)			
• 2nd renewal period – Drill one exploration well (contingent)	\$	-	\$ -
Total	\$	43,000,000	\$ 16,000,000

Note: (1) Exploration activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Namibia



NAMIBIA

Cooper License

The Cooper License covers approximately 5,000 square kilometers and is located in license area 2012A offshore in the economical waters of Namibia (the “**Cooper Block**”). 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 Namibia Limited, holds a 25% working interest. The Company, AziNam and Tullow proportionally carry NAMCOR’s working interest during the exploration period.

Pursuant to the Company’s original farmout agreement with Tullow (the “**Tullow Farmout Agreement**”), 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 17.14% of its past costs (the “**Second Transfer**”); such terms were subsequently updated in January 2017 as set out below. There is no guarantee that the Second Transfer will be completed.

The Company recently completed the execution, processing and interpretation of a 1,100 square kilometers 3D seismic survey. In accordance with the Tullow Farmout Agreement, Tullow paid US\$4.103 million towards the Company’s share of costs and, pursuant to an amended and restated farmout agreement with AziNam (the “**AziNam Farmout Agreement**”), AziNam paid US\$2.08 million towards the Company’s share of costs.

The exploration activity on the Cooper License is performed in the framework of a joint operating agreement among the Company, NAMCOR, AziNam, and Tullow (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.

On April 15, 2016, the Ministry approved the Company’s progression into the next phase of exploration on the Cooper License. Accordingly, the work program for the Cooper License has been extended into the first Renewal Phase, until March 14, 2018. The Ministry also waived the relinquishment requirement for the Cooper Block (as required under the Petroleum Agreement), and accordingly the Cooper JOA partners may continue the exploration work on the entire block area.

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.

Pursuant to the company’s farmout agreement with Tullow Namibia Limited (“**Tullow**”) as amended on February 1, 2017 (the “**Tullow Amended Farmout Agreement**”) if Tullow elects to proceed into the second renewal exploration period or commits to drill an exploration well on the Cooper License before such time, Tullow will acquire from the Company an additional up to 15 per cent working interest in the Cooper License and become the Operator of the Cooper License. In addition, subject to a minimum contribution of US \$2.25 million by the Company, Tullow will carry the Company in respect of the Company’s share of any drill costs in relation to the first exploration well (if proposed and drilled by Tullow) up to a total well cost of US \$35 million. In addition, Tullow will reimburse the Company for 17.14% of all past costs incurred and paid for by the Company in respect of the Cooper License (save for any costs already reimbursed, paid or carried by AziNam or Tullow). If Tullow elects not to proceed into the second renewal exploration period, then it will be deemed to have transferred back to the Company its

entire 25% working interest. working interest and will remain obliged to carry the Company in respect of: (i) the Company’s working interest share of the costs, which the Company has agreed to participate in and which were approved by the operating committee and the parties to the Cooper JOA (as hereinafter defined); and (ii) the seismic carry (to the same extent Tullow would have been liable for had it not elected to transfer its working interest).

In December 2016, Eco Atlantic, as Operator of the Cooper Block, contracted RBS, a specialized consulting firm in Windhoek, Namibia, with the support of its partners on the Cooper License, to acquire assist with an EIA Permitting survey and the associated filings necessary for environmental clearances to drill a well on of the associated documentation in respect of the Cooper Block. These permits and clearances are a pre-requisite for the issue of the Drilling Permit. The Company hopes to receive the EIA clearance in the second half of 2017.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided estimated by management based on current costs for the Cooper License for each year of exploration is as follows⁽¹⁾:

Exploration Activities	Expenditure US\$	Company’s share of Expenditure ⁽²⁾ US\$
Year 7 and 8 (ending March 31, 2018 and 2019)		
• Resource assessment and production assessment	\$ 250,000	\$ 62,500
Year 9 (ending March 31, 2020)		
• After interpretation of 3D survey, drill exploratory well	\$ 35,000,000	\$ 2,250,000
• Offtake/production engineering	\$ 500,000	\$ 125,000
Total	\$ 35,750,000	\$ 2,437,500

Notes

- (1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.
- (2) 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 5,000 square kilometers (following the 50% relinquishment of as described below) and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the “**Sharon Block**”). The Company holds a 60% working interest in the Sharon License, NAMCOR holds a 10% working interest and AziNam holds a 30% working interest. The Company and AziNam proportionally carry NAMCOR’s working interest during the exploration period.

Pursuant to the AziNam Farmout Agreement, AziNam funded the Company’s share of costs for the recently acquired 3,000 kilometer 2D seismic survey for the Sharon Block. Furthermore, AziNam will fund 55% of a 1,000 kilometer 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.

On April 15, 2016, the Ministry approved the Company’s progression into the next phase of exploration on the Sharon License. Accordingly, the work program for the Sharon License has been extended into the first Renewal Phase, until March 14, 2018. Second Renewal phase is until March 2020. Furthermore, the Company's exploration obligations have been reduce reduced by 50% to correspond with the relinquishment of 50% of the acreage in the license, as required under the Petroleum Agreement. This relinquishment pertains to the eastern half of the Sharon Block. The Company considers this shallow section non-prospective.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Sharon License for each year of exploration is as follows⁽¹⁾:

Exploration Activities	Expenditure US\$	Company's share of Expenditure US\$
Year 7 (ending March 31, 2018)		
• Complete and interpret a 500 Sq Km 3D seismic survey	\$ 3,500,000	\$ 1,575,000
• Resource assessment and production assessment	\$ 250,000	\$ 166,750
Year 8 and 9 (ending March 31, 2019 and 2020)		
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	\$ 20,000,000	\$ 13,340,000
• Offtake/production engineering	\$ 500,000	\$ 333,500
Year 10 (ending March 31, 2021)		
• Complete and interpret a 500 Sq Km 3D seismic survey	\$ 4,000,000	\$ 2,668,000
Total	\$ 28,250,000	\$ 18,083,250

Notes

- (1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Guy License

The Guy License covers 5,000 square kilometers (following the 50% relinquishment of as described below) and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the “**Guy Block**”). The Company holds a 50% working interest in the Guy License, NAMCOR holds a 10% working interest and AziNam holds a 40% working interest. The Company and AziNam proportionally carry NAMCOR’s working interest during the exploration period.

Pursuant to the AziNam Farmout Agreement, AziNam funded the Company’s share of costs for the shooting and processing of the recently completed 1,000 kilometer 2D seismic survey on the Guy Block. Additionally, AziNam funded 66.44% of the costs of an 870 square kilometer 3D seismic survey on the Guy Block. To date, the execution of the 3D seismic survey is complete and the Company expects the processing and interpretation of the said survey to be completed during the third calendar quarter of 2016.

The exploration activity on the Guy License is performed in the framework of a joint operating agreement among the Company, NAMCOR, and AziNam (the “**Guy JOA**”). Pursuant to the AziNam Farmout Agreement, AziNam has been designated the operator of the Guy License as of July 1, 2015.

On May 12, 2016, the Ministry approved the Company’s progression into the next phase of exploration on the Guy License. Accordingly, the work program for the Guy License has been extended into the first Renewal Phase, until March 14, 2018. Second Renewal phase is until March 2020. Furthermore, the Company's exploration obligations have been reduced by 50% to correspond with the relinquishment of 50% of the acreage in the license, as required under the Petroleum Agreement. This relinquishment pertains to the western portion of the Guy Block in the ultra-deep section that the Company and its operating partner, AziNam, consider non-prospective.

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Guy License for each year of exploration is as follows: ⁽¹⁾

Exploration Activities	Expenditure US\$	Company's share of Expenditure 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	\$ 35,000,000	\$ 19,460,000
• 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	\$ 40,750,000	\$ 22,657,000

Notes

- (1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Tamar License

The Tamar License (subject to formal renewal) covers approximately 7,500 square kilometers and is located in license areas 2211B and 2311A offshore in the economical waters of Namibia (the “**Tamar Block**”). The Company holds an 80% working interest in the Tamar Block (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.

Pursuant to an agreement with Spectrum (the “**Spectrum Agreement**”) the Company carries Spectrum’s 10% working interest. Pursuant to the Spectrum Agreement, Spectrum’s working interest may be reduced to 5% under certain circumstances, including without limitation, the farm-in by a third party into to the Tamar Block (a “**Farm-In**”). The Company has an option to buy back Spectrum’s for US\$1,450,000 prior to a Farm-In and US\$900,000 after a Farm-In.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as estimated by management based on current costs for the Tamar License for each year of exploration is as follows: ⁽¹⁾

Exploration Activities	Expenditure US\$	Company's share of Expenditure US\$
Year 6 (ending October 31, 2017)		
<ul style="list-style-type: none"> • Complete and interpret 500 km² 3D seismic survey • Evaluation of farm out and relinquishment of part (original 25%) or all Tamar License 	\$ 8,000,000	\$ 8,000,000
Year 8 (ending October 31, 2019)		
<ul style="list-style-type: none"> • Drill exploratory well (subject to the availability of adequate drilling rigs) 	\$ 35,000,000	\$ 35,000,000
Total	\$ 43,000,000	\$ 43,000,000

Notes

- (1) Exploration Activities are not currently committed and cost estimates are based on management estimates for the costs if the relevant Exploration Activity was to be undertaken as at the date of this document.

Financial position

The Company's current operations are focused on Namibia and Guyana.

As at December 31, 2016, the Company had total assets of \$4,247,304 and a net equity position of \$2,904,770. This compares with total assets of \$7,312,774 and a net equity position of \$4,774,195 as at March 31, 2016. The Company had liabilities of \$1,342,534 as at December 31, 2016, as compared with \$2,538,579 as at March 31, 2016.

As at December 31, 2016, the Company had working capital of \$1,413,957 compared with working capital of \$1,670,741 as at March 31, 2016. The Company had cash on hand of \$1,141,402 as at December 31, 2016, compared with \$3,463,178 as at March 31, 2016, short-term investments of \$49,818 as at December 31, 2016, compared with \$100,000 at March 31, 2016.

Environmental Regulation

The Company's activities may be subject to environmental regulations, which may cover a wide variety of matters. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company does not believe that any provision for such costs is currently required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

Summarized Financial Information

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
Revenue				
Interest income	303	1,107	3,835	11,142
	<u>303</u>	<u>1,107</u>	<u>3,835</u>	<u>11,142</u>
Operating expenses:				
Compensation costs	60,478	62,435	247,655	404,391
Professional fees	104,360	29,677	237,634	322,683
Operating costs	417,333	(144,607)	1,555,171	(371,091)
General and administrative costs	78,048	120,944	313,175	416,951
Share-based compensation	608,569	5,800	683,603	12,800
Foreign exchange gain	(20,389)	(212,908)	(29,433)	(279,470)
Total operating expenses	<u>1,248,399</u>	<u>(138,659)</u>	<u>3,007,805</u>	<u>506,263</u>
Net loss for the period from continuing operations	\$ (1,248,096)	\$ 139,766	\$ (3,003,970)	\$ (495,121)
Discontinued operations	<u>821,452</u>	<u>(195,902)</u>	<u>767,544</u>	<u>(628,279)</u>
Net loss for the period	\$ (426,644)	\$ (56,136)	\$ (2,236,426)	\$ (1,123,400)

Exploration and evaluation assets and expenditures

For oil and gas prospects not commercially viable and financially feasible, the Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities. Exploration and evaluation expenditures associated with a business combination or asset acquisition are capitalized.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset.

Interest income

During the three month period ended December 31, 2016, the Company earned interest of \$303 from funds invested in interest bearing deposits with financial institutions, as compared with \$1,107 earned during the three month period ended December 31, 2015.

During the nine month period ended December 31, 2016, the Company earned interest of \$3,835 from funds invested in interest bearing deposits with financial institutions, as compared with \$11,142 earned during the nine month period ended December 31, 2015.

The decrease in interest earned during the three month and nine month periods ended December 31, 2016 as compared to the three month and nine month periods ended 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, 2016, the Company incurred net operating costs of \$417,333 as compared to a net recovery of \$144,607 during the three month period ended December 31, 2015.

During the nine month period ended December 31, 2016, the Company incurred net operating costs of \$1,555,171 as compared to a net recovery of \$371,091 during the nine month period ended December 31, 2015.

The expenses in 2016 included primarily costs incurred on the Guyana License and on the processing and interpretation of the 3D seismic program on the Guy License. Expenses incurred on the seismic work completed on the Cooper License were carried by our partners.

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, 2016, the Company incurred net compensation costs of \$60,478 compared to \$62,435 for the three month period ended December 31, 2015.

During the nine month period ended December 31, 2016, the Company incurred compensation costs of \$247,655 compared to \$404,391 for the nine month period ended December 31, 2015.

The decrease in 2016 is a result of cost saving measures introduced by management and the Board.

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, 2016, the Company incurred net professional fees of \$104,360 compared to \$29,677 for the three month period ended December 31, 2015.

During the nine month period ended December 31, 2016, the Company incurred net professional fees of \$237,634 for professional fees compared to \$322,683 for the six month period ended December 31, 2015.

General and administrative costs

General and administration costs include public company charges, travel and entertainment, occupancy and general office expenditures.

During the three month period ended December 31, 2016, the Company incurred net expenses of \$78,048 compared to \$120,944 the three month period ended December 31, 2015.

During the nine month period ended December 31, 2016, the Company incurred net expenses of \$313,175 compared to \$416,951 for the nine month period ended December 31, 2015.

The Company continued to decrease its general and administrative costs through to December 31, 2016. Following the Placing and Admission to AIM, and considering the Companies planned increased activities in 2107, the Company will continue to carefully monitor its level of general and administrative spending.

Share based compensation

The share based compensation expense reflects the fair value of stock options and RSU's granted to directors, officers, employees and consultants of the Company.

Foreign exchange

The foreign exchange movement during the three and nine month period ended December 31, 2016, 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.

Discontinued operations

The Company's operating results from discontinued operations in Eco Atlantic (Ghana) Ltd. as detailed, above are summarized as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
Revenues				
Operator Fees	\$ 4,233	\$ 7,551	\$ 11,804	\$ 7,551
Expenses				
Professional Fees	-	4,579	30,410	15,518
Operating costs	43,065	191,539	74,111	578,680
General and administrative costs	23	11,457	160	45,586
Foreign exchange	(200)	(4,122)	(314)	(3,955)
Write off of license	1,612,382	-	1,612,382	-
Write off of Liabilities/Obligations	(1,698,315)	-	(1,698,315)	-
Pre-tax operating income (loss) from discontinued operations	\$ 47,278	\$ (195,902)	\$ (6,630)	\$ (628,279)
Income tax on operations	-	-	-	-
Operating income (loss) from discontinued operations	\$ 47,278	\$ (195,902)	\$ (6,630)	\$ (628,279)
Proceeds of sale of operations	774,174	-	774,174	-
Profit (loss) on sale of discontinued operations	\$ 821,452	\$ (195,902)	\$ 767,544	\$ (628,279)

Summary of Quarterly Results

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

	Quarter Ended			
	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Total income	\$ 303	\$ 1,093	\$ 2,439	\$ 555,059
Net income (loss) for the period	\$ (426,644)	\$ (1,143,065)	\$ (666,717)	\$ (3,984,096)
Basic income (loss) per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.05)

	Quarter Ended			
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total income	\$ 8,658	\$ 3,025	\$ 7,010	\$ 5,595,007
Net income (loss) for the period	\$ (56,136)	\$ (38,539)	\$ (1,028,725)	\$ 3,249,663
Basic income (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ 0.04

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 Ghana License. In the last quarter ended March 31, 2015, the Company also focused on acquiring the Guyana License, which was approved in January 2016, and the execution of the 3D seismic program on the Guy Block.

During the quarter ended March 31, 2016, the Company was granted the Guyana License, completed the processing and interpretation of the 3D seismic data on the Cooper Block and commenced the processing and interpretation of the 3D seismic data on the Guy Block.

During the quarters ended June 30, September 30, and December 31, 2016, the Company continued to advance work on its licenses in Guyana, Namibia and Ghana (only up to November 21, 2016) and to reduce general and administrative expenses.

Additional Disclosure for Venture Issuers Without Significant Revenue

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
Gross expenditures on exploration and evaluation				
Cooper License	247,000	\$ 534,000	516,000	\$ 1,681,000
Guy License	23,000	-	614,000	235,000
Sharon License	113,000	66,000	240,000	316,000
Daniel License	-	-	-	25,000
Tamar License	1,000	18,000	17,000	18,000
Guyana License	234,000	-	633,000	-
Ghana License	302,000	791,000	332,000	2,518,000
Total	<u>920,000</u>	<u>1,409,000</u>	<u>2,352,000</u>	<u>4,793,000</u>
General and administrative expenses				
Occupancy and office expenses	\$ 17,764	\$ 56,702	\$ 102,189	\$ 245,678
Travel expenses	35,520	48,591	106,286	140,059
Public company costs	15,945	7,627	48,105	29,831
Insurance	10,583	11,441	64,008	54,037
Financial services	2,354	4,335	7,109	11,619
Advertising and Communication	247	812	2,391	2,889
Depreciation	-	223	259	2,342
Recovered under JOAs	(4,365)	(8,787)	(17,172)	(69,504)
	<u>\$ 78,048</u>	<u>\$ 120,944</u>	<u>\$ 313,175</u>	<u>\$ 416,951</u>

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, 2016, the Company's overall position of cash and cash equivalents decreased by \$2,321,776. This decrease in cash can be attributed to the following activities:

- 1) The Company's net cash used from operating activities from continuing operations during the nine month period ended December 31, 2016 was \$5,273,490 as compared to \$2,844,362 for the nine month period ended December 31, 2015. This primary uses of cash were for expenses incurred on the Guy and Guyana Licenses and the Admission and UK placing.
- 2) The Company's net cash used from operating activities from discontinued operations in respect of the Ghana license during the nine month period ended December 31, 2016 was \$1,605,752 as compared to \$635,830 for the nine month period ended December 31, 2015.
- 3) Cash used in investing activities for the nine month period ended December 31, 2016 was \$Nil as compared to \$1,612,382 cash from financing for the nine month period ended December 31, 2015. The cash used in 2015 is as a result of the Company's acquisition of the Ghana License.
- 4) Cash used in investing activities from discontinued operations in respect of the Ghana license for the nine month period ended December 31, 2016 was \$1,612,382 as compared to \$Nil cash from financing for the nine month period ended December 31, 2015.
- 5) Cash used in financing activities for the nine month period ended December 31, 2016 was \$316,602 as compared to \$748,925 for the nine month period ended December 31, 2015. The cash used is as a result of the Company's normal course issuer bid each period.

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.

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 27, 2017)

Common Shares	(1) 118,249,833
Options issued to directors, officers, consultants and employees	7,870,000
Warrants	3,835,311
Common shares outstanding on a fully diluted basis	<u>129,955,144</u>

Note:

- (1) In connection with the Amalgamation, the former shareholders of PAO are required to surrender for cancellation the certificates representing their PAO shares (the “**Certificates**”) in order to obtain Common Shares. Former shareholders of PAO have six years from the effective date of the Amalgamation, being January 28, 2015, to surrender their Certificates, failing which their Common Shares will be cancelled. Such Common Shares will be held by Equity Financial Trust Company as agent for former shareholders of PAO until cancelled.

Off-Balance Sheet Agreements

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

Contractual Commitments

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 AIM Admission Document dated February 8, 2017, filed under the Company’s profile at www.sedar.com.

Transactions between Related Parties and Balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company.

Remuneration of the Company's directors, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Vice President and Fees for management services and operating costs paid to private companies which are controlled by directors or officers of the Company and fees to directors were as was as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
Salaries, operating and consulting fees and benefits	\$ 181,751	\$ 163,136	\$ 590,422	\$ 493,718
Stock-based compensation	482,665	-	526,517	-
	<u>\$ 664,417</u>	<u>\$ 163,136</u>	<u>\$ 1,116,940</u>	<u>\$ 493,718</u>

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's significant accounting policies can be found in note 3 of the Company's Financial Statements.

Use of estimates

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

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

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

Stock Based Compensation

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

Income Taxes

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

Changes in Accounting Policies

Policies not yet adopted

(i) IFRS 9 – Financial instruments (“**IFRS 9**”) was issued by the IASB its final form in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS39. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has yet to evaluate the impact of this new standard.

(ii) IFRS 15 - Revenue from contracts with customers (“**IFRS 15**”) proposes to replace IAS 18 – Revenue, IAS 11 – Construction contracts and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis of transaction to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. 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.

(iii) IFRS 16 - Leases (“**IFRS 16**”) replaces IAS 17, Leases (“**IAS 17**”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company has yet to evaluate the impact of this new standard.

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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