ECO (ATLANTIC) OIL & GAS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED
December 31, 2014

Prepared by:

ECO (ATLANTIC) OIL & GAS LTD.

120 Adelaide Street West, Suite 800
Toronto, ON, Canada, M5H 1T1

February 25, 2015

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 (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, 2014. This discussion should be read in conjunction with the audited consolidated annual financial statements of the Company for the year ended March 31, 2014, together with the notes thereto as well as the unaudited condensed consolidated interim financial statements for three and nine month periods ended December 31, 2014 (the "**Financial Statements**"). These documents have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board. This MD&A contains forward-looking information that is subject to risk factors including those set out under "Forward Looking Information" below and elsewhere in this MD&A, including under "Risks and Uncertainties". Further information about the Company and its operations can be obtained from the offices of the Company or at www.ecooilandgas.com. All amounts are reported in Canadian dollars, unless otherwise noted. This MD&A has been prepared as at February 25, 2015.

Forward Looking Information

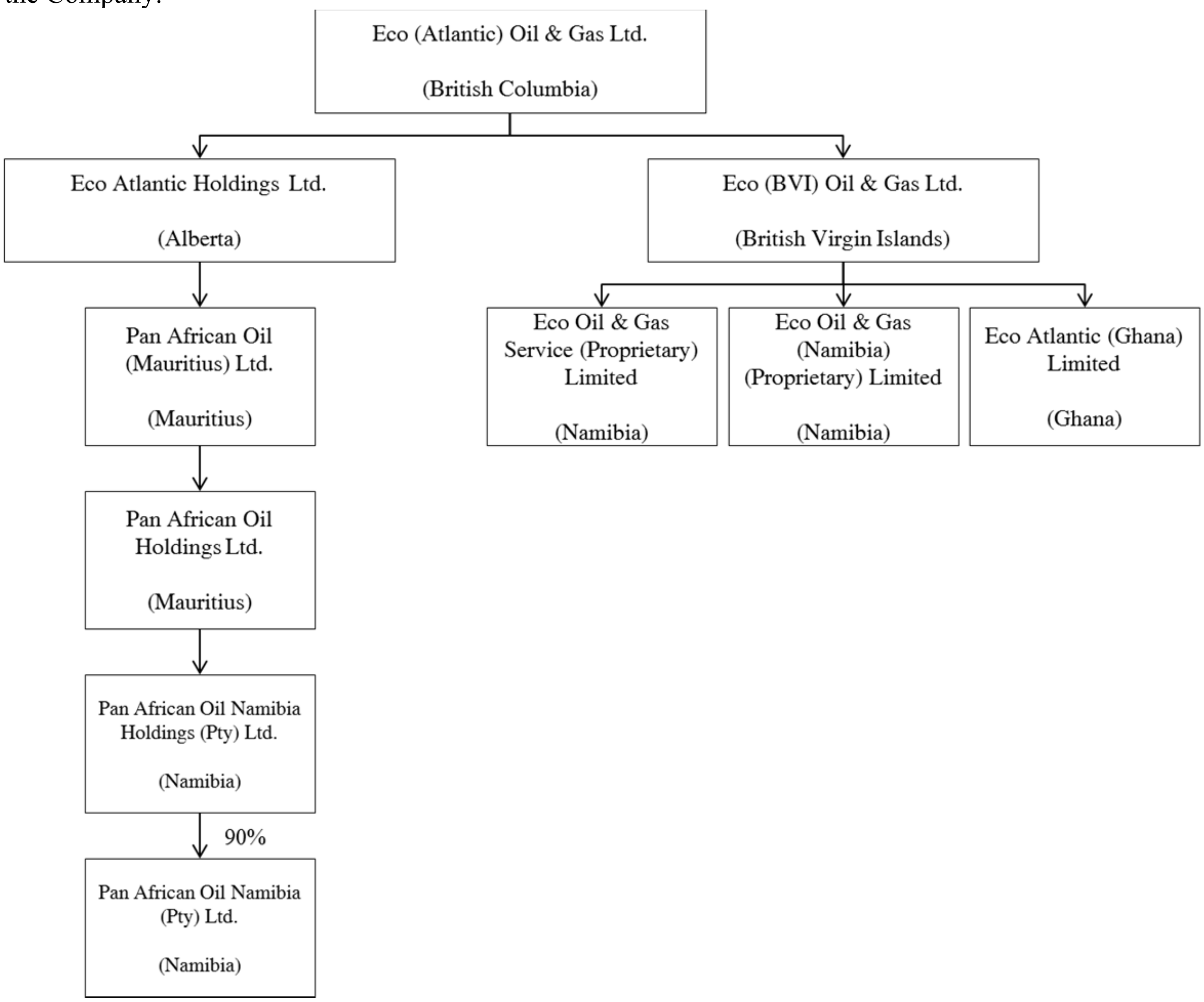
Statements contained in this MD&A that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of petroleum and/or natural gas; capital expenditures; costs, timing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

Nature of Business and Structure of the Company

The Company's business is to identify, acquire and explore petroleum, natural gas, shale gas, and coal bed methane ("**CBM**") licenses. The Company primarily operates in the Republic of Namibia ("**Namibia**") and is pursuing an initiative to commence operations in the Republic of Ghana ("**Ghana**").

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

Following the Amalgamation (as defined below), the structure of the Company and its significant subsidiaries is as follows. Other than Pan African Oil Namibia (Pty) Ltd. ("**PAO Namibia**"), of which the Company owns 90% of the issued shares, the significant subsidiaries shown below are wholly-owned by the Company.



Significant Developments

- On December 2, 2014, the Company announced the completion of a 1,000 kilometer 2D seismic survey on the Guy Block (as defined below).
- On December 19, 2014, the Company entered into an amalgamation agreement (the "**Amalgamation Agreement**") with 1864361 Alberta Ltd. ("**Subco**"), a wholly-owned subsidiary of Eco Atlantic incorporated solely for the purpose of completing the amalgamation, and Pan African Oil Ltd. ("**PAO**") to acquire all of the issued and outstanding capital of PAO (the "**Amalgamation**"). On January 28, 2015, the Company completed the Amalgamation and, as a result, the former shareholders of PAO will receive 0.323 of a Common Share in exchange for each common share of PAO formerly held. The resulting corporation, Eco Atlantic Holdings Ltd., is a wholly-owned subsidiary of Eco Atlantic. Upon the closing of the amalgamation, the Company acquired approximately $2.9 million and the Namibian petroleum exploration licenses held by PAO.

  In connection with the Amalgamation, Eco Atlantic issued to the former security holders of PAO 18,830,737 Common Shares, 1,396,375 stock options of Eco Atlantic and 2,969,326 Common Share purchase warrants of Eco Atlantic. After giving effect to the completion of the Amalgamation, Eco Atlantic has 81,890,398 Common Shares issued and outstanding, 8,516,9875 Common Shares reserved for issuance upon the exercise of outstanding Eco Atlantic stock options, and 7,906,667 Common Shares reserved for issuance upon exercise of outstanding Eco Atlantic common share purchase warrants.
- On January 5, 2015, the Company entered into an amended and restated farmout agreement (the "**AziNam Farmout Agreement**") with AziNam (as defined below) pursuant to which the Company transferred a portion of its working interest in the Offshore Licenses in exchange for, among other things, an aggregate of $4.2 million (the "**Famout Transaction**"). The Farmout Transaction closed on February 4, 2015.

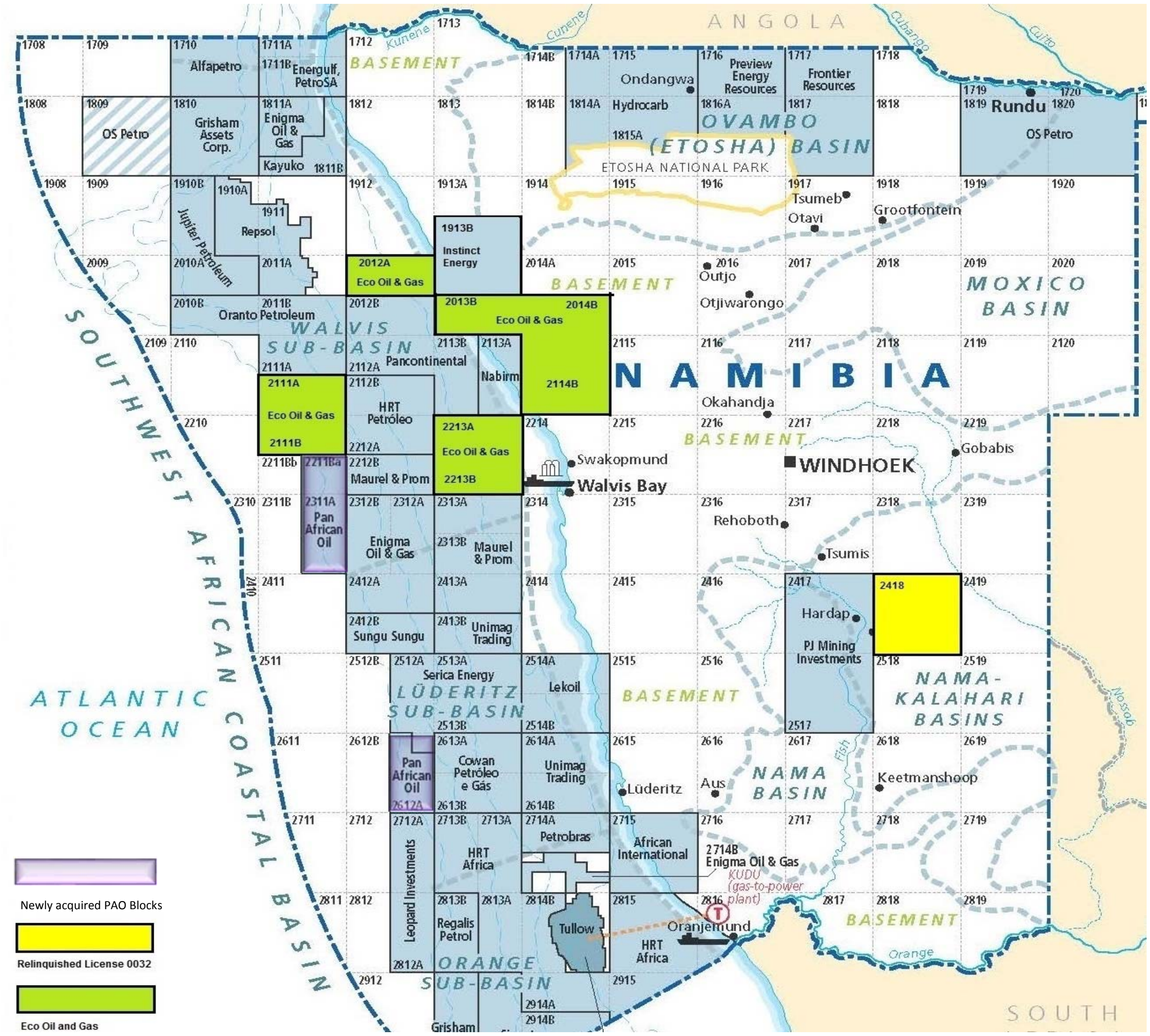
<u>Business Overview:</u>

Through its wholly owned subsidiary, Eco Oil and Gas (Namibia) (Pty) Ltd., the Company holds three offshore petroleum licenses (the "**Offshore Licenses**"), being (i) petroleum exploration license number 0030 (the "**Cooper License**"), (ii) petroleum exploration license number 0033 (the "**Sharon License**"), and (iii) petroleum exploration license number 0034 (the "**Guy License**"), and one license that consists of both onshore and offshore portions, being CBM and petroleum exploration license number 0031 (the "**Daniel License**", and collectively with the Offshore Licenses, the "**Licenses**"). The terms of the Licenses are governed by petroleum agreements (each, a "**Eco Petroleum Agreement**" and collectively, the "**Eco Petroleum Agreements**"), as amended, for each of the Licenses, dated March 7, 2011, between the Company and Namibia's Ministry of Mines and Energy (the "**Ministry**").

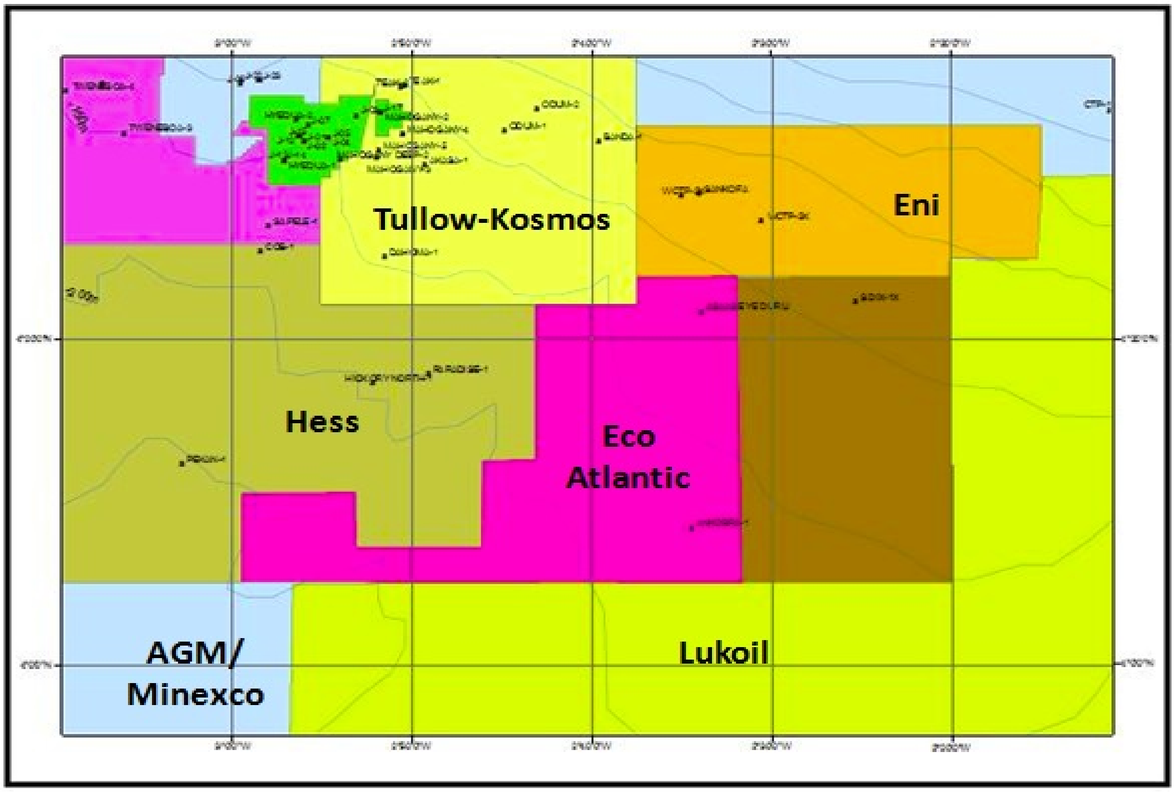
As discussed above, upon the completion of the Amalgamation, the Company, through PAO Namibia, acquired the Namibian petroleum exploration licenses held by PAO (the "**PAO Licenses**"), being (i) petroleum exploration license number 50, and (ii) petroleum exploration license number 51 located offshore in the economical waters of Namibia. The terms of the PAO Licenses are governed by petroleum agreements (each, a "**PAO Petroleum Agreement**" and collectively, the "**PAO Petroleum Agreements**"), for each of the PAO Licenses, dated October 28, 2011, between the Company and the Ministry.

As discussed above, the Company is also in final stages of executing its initiative to acquire an interest in the Deepwater Cape Three Points West Block, located in the Tano Cape Three Points Basin, offshore Ghana.

The locations of the Licenses are indicated on the map below:



The location of the Ghana Block is indicated in the map below:



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.

NAMIBIA

Cooper License

The Cooper License covers approximately 5,800 square kilometers (1,433,000 acres) 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 Kudu Limited, a wholly owned subsidiary of Tullow Oil plc ("**Tullow**"), holds a 25% working interest. The Company, AziNam and Tullow proportionally carry NAMCOR's working interest during the exploration period.

Pursuant to the AziNam Farmout Agreement, AziNam will fund 40% of the Company's share cost for the first 500 square kilometer of a 1,000 square kilometer 3D seismic survey on the Cooper Block (capped at US$2,080,000).
Pursuant to the famrout agreement with Tullow, dated July 17, 2014 (the "**Tullow Farmout Agreement**"), Tullow will a carry the Company's share of costs to execute and process a 1,000 square kilometer 3D seismic survey (capped at US$4.103 million), and will reimburse the Company for 25% of

the its past costs in an amount of US$1,027,000, which amount has been received as of December 31, 2014 and the 3D survey was completed on November 2014. Processing and interpretation are expected to be concluded by June 2105. 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, in return for a carry of the Company's share of costs to drill an exploration well on the Cooper Block (capped at $18.17 million) and the reimbursement of an additional 15% of the Company's past costs (the "**Second Transfer**"). There is no guarantee that the Second Transfer will be completed.

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. However, Tullow may replace the Company as the operator (i) upon the closing of the Second Transfer, or (ii) on an earlier date, provided Tullow commits to the drilling of an exploration well on the Cooper Block.

Pursuant to the Eco Petroleum Agreements, the Company is required to undertake specific exploration activities on each of the Licenses during each phase of development (each, an "**Exploration Activity**"). In the Eco 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. Based on recent exploration activity in Namibia and the current oil services market, management expects the actual expenditures on the Exploration Activities to be much less than that provided in the Eco Petroleum Agreements.

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

Exploration Activities	Expenditure[1] (as provided in the Petroleum Agreement)		Company's share of Expenditure[1]	
Year 4 (ending March 31, 2015)				
• Complete and interpret a 1,000 Sq Km 3D seismic survey	$	7,700,000	$	0
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Resource assessment and production assessment	$	250,000	$	62,500[1]
Year 9 (ending March 31, 2020)				
• After interpretation of 3D survey, drill exploratory well	$	40,000,000	$	0[1]
• Offtake/production engineering	$	500,000	$	125,000[1]
Total	$	48,450,000	$	187,500

Notes

(1) These numbers assume that the Second Transfer will be completed and the Company's working interest will be 25%. There is no guarantee that the Second Transfer will be completed. If the Second Transfer is not completed, the 25% from Tullow will be transferred back to the Company at no cost and the Company will be responsible for 67.5% of the listed Expenditure.

Sharon License

The Sharon License covers approximately 11,400 square kilometers (2,817,000 acres) and is located in license area 2213A and 2213B offshore in the economical waters of Namibia (the "**Sharon Block**"). The Company holds a 60% working interest in the Sharon License, NAMCOR holds a 10% working interest and AziNam holds a 30% working interest. The Company and AziNam proportionally carry NAMCOR's working interest during the exploration period.

Pursuant to the AziNam Farmout Agreement, AziNam will fund 100% of the 3,000 kilometer 2D seismic survey recently acquired for the Sharon Block. Furthermore, AziNam will fund 55% of a 1,000 kilometer square 3D seismic survey on the Sharon Block.

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

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

Exploration Activities	Expenditure(1) (as provided in the Petroleum Agreement) US$		Company's share of Expenditure(1) US$	
Year 4 (ending March 31, 2015)				
• Interpret a 3,000 Km 2D seismic survey	$	100,000	$	0
Year 5 (ending March 31, 2016)				
• Complete and interpret a 1,000 Sq Km 3D seismic survey	$	10,000,000	$	4,500,000
• Evaluation report	$	600,000	$	270,000
Year 6 (ending March 31, 2017)				
• Resource assessment and production assessment	$	250,000	$	166,750
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	122,750,000	$	81,874,250
• Offtake/production engineering	$	500,000	$	333,500
Year 9 (ending March 31, 2020)				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	5,000,000	$	3,335,0000
Total	$	139,200,00	$	90,479,500

Notes

(1) Management expects the actual costs of the Exploration Activities to be much less than those provided in the Eco Petroleum Agreement. Management estimates the Company's share of Exploration Activities to be approximately US$30 million.

Guy License

The Guy License covers 11,400 square kilometers (2,817,000 acres) and is located in license area 2111B and 2211A offshore in the economical waters of Namibia (the "**Guy Block**", together with the Cooper Block and the Sharon Block, the "**Offshore Blocks**"). 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 will fund 100% of the cost for the shooting and processing of the recently completed 1,000 kilometer 2D seismic survey on the Guy Block. Additionally, AziNam will fund 66.44% of the costs of a 8,000 square kilometer 3D seismic survey on the Guy Block.

The exploration activity on the Guy License is performed in the framework of a joint operating agreement among the Company, NAMCOR, and AziNam (the "**Guy JOA**", together with the Cooper JOA and the Sharon JOA, the "**Offshore JOAs**"). Under the AziNam Farmout Agreement, AziNam will be designated the operator of the Guy License.

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

Exploration Activities	Expenditure[1] (as provided in the Petroleum Agreement) US$		Company's share of Expenditure[1] US$	
Year 4 (ending March 31, 2015)				
• Complete and interpret a 1,000 Km 2D seismic survey	$	1,200,000	$	0
Year 5 (ending March 31, 2016)				
• Complete and interpret an 800 Sq Km 3D seismic survey	$	8,000,000	$	2,640,000
• Evaluation report	$	600,000	$	198,000
Year 6 (ending March 31, 2017)				
• Resource assessment and production assessment	$	250,000	$	139,000
Year 7 and 8 (ending March 31, 2018 and 2019)				
• Assuming a target has been defined after interpretation of 3D survey, drill exploratory well	$	122,750,000	$	68,249,000
• Offtake/production engineering	$	500,000	$	278,000
Year 9 (ending March 31, 2020)				
• Complete and interpret a 500 Sq Km 3D seismic survey	$	5,000,000	$	2,780,000
Total	$	138,300,00	$	74,284,000

Notes

(1) Management expects the actual costs of the Exploration Activities to be much less than those provided in the Eco Petroleum Agreement. Management estimates the Company's share of Exploration Activities to be approximately US$27 million.

Daniel License

The Daniel License covers approximately 23,000 square kilometers (5,683,000 acres) and is located in license areas 2013B, 2014B and 2114 in Namibia (the "**Daniel Block**"). The Company currently holds a 90% working interest in the Daniel License and NAMCOR holds a 10% carried interest. The Company carries NAMCOR's working interest in the Daniel License during the exploration period.

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

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

Exploration Activities	Expenditure (as provided in the Petroleum Agreement) US$	Company's share of Expenditure US$
Year 4 (ending March 31, 2015)		
• Core hole drilling	$ 1,200,000	$ 1,200,000
• Evaluation report	$ 250,000	$ 250,000
Year 6 (ending March 31, 2017)		
• Assessment of second core hole	$ 250,000	$ 250,000
Year 7 and 8 (ending March 31, 2018 and 2019)		
• Offtake/production engineering	$ 1,500,000	$ 1,500,000
Total	$ 3,200,000	$ 3,200,000

PAO 50 - Walvis Block

The PAO 50 – Walvis Block covers approximately 8,070 square kilometers (1,944,140 acres) and is located in license areas 2211B and 2311A offshore in the economical waters of the Republic of Namibia. PAO Namibia (the "**PAO 50 Block**"), holds an 80% working interest in the PAO 50 Block (the Company's net inters is 72% due to its 90% ownership of PAO Namibia), Spectrum Geo Ltd. ("**Spectrum**") holds a 10% working interest, and NAMCOR holds a 10% working interest.

On August 31, 2012, PAO Namibia entered into an agreement (the "**Spectrum Agreement**") with Spectrum, pursuant to which it granted a 10% carried working interest in the PAO 50 Block to Spectrum. Pursuant to the Spectrum Agreement, under certain conditions, including the farm in by a third party into to the Walvis Block (a "**Farm-In**") Spectrum's working interest may be reduced to 5%. The Spectrum Agreement further provides that PAO Namibia has an option to buy back the carried interest by paying Spectrum US$1,450,000 prior to a Farm-In or US$900,000 after a Farm-In.

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

As of the date hereof, the remaining Exploration Activities and the aggregate expenditure as provided in the PAO Petroleum Agreement for the PAO50 Block for each year of exploration is as follows:

Exploration Activities	Expenditure[(1)] (as provided in the Petroleum Agreement) US$	Company's share of Expenditure[(1)] US$
Year 4 (ending October 31, 2015) • Acquisition and processing of technical data including, without limitation, geological, geochemical, geophysical, seismic, gravimetric, magnetometric, and well log data • Complete and interpret 1000 km 2D seismic survey • Identification and characterization of leads and prospects • Evaluation of farm out and relinquishment of part (original 50%) or all of the Walvis Block	$ 6,000,000	$ 6,000,000
Year 6 (ending October 31, 2017) • Complete and interpret 500 km^2 3D seismic survey • Evaluation of farm out and relinquishment of part (original 25%) or all Walvis Block	$ 8,000,000	$ 8,000,000
Year 8 (ending October 31, 2019) • Drill exploratory well (subject to the availability of adequate drilling rigs)	$ 50,000,000	$ 50,000,000
Total	$ 64,000,000	$ 64,000,000

Notes

(1) As mentioned above, management expects the actual costs of the Exploration Activities to be less than those provided in the PAO Petroleum Agreement. Management estimates the Company's share of Exploration Activities to be approximately US$44 million.

PAO 51 Lüderitz Block

The PAO 51 Lüderitz Block covers approximately 4,867 square kilometers (1,202,661 acres) and is located in license area 2612A offshore in the economical waters of the Republic of Namibia (the "**Lüderitz Block**"). PAO Namibia holds a 90% working interest in the Lüderitz Block (the Company's net interest is 81% due to its 90% ownership of PAO Namibia) and NAMCOR holds a 10% working interest.

Production on the Lüderitz Block is subject to a 5% royalty payable to the Government of Namibia.

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

Exploration Activities	Expenditure(1) (as provided in the Petroleum Agreement)	Company's share of Expenditure(1)
Year 4 (ending October 31, 2015) • Acquisition and processing of technical data including, without limitation, geological, geochemical, geophysical, seismic, gravimetric, magnetometric, and well log data • Complete and interpret 500 km 2D seismic survey • Identification and characterization of leads and prospects • Evaluation of farm out and relinquishment of part (original 50%) or all of the Block	$ 2,500,000	$ 2,500,000
Year 6 (ending Ocboer 31, 2017) • Complete and interpret 250 km^2 3D seismic survey • Evaluation of farm out and relinquishment of part (original 25%) or all Block	$ 6,000,000	$ 6,000,000
Year 8 (ending October 31, 2019) • Drill exploratory well (subject to the availability of adequate drilling rigs)	$ 40,000,000	$ 40,000,000
Total	$ 48,500,000	$ 48,500,000

Notes

(1) Management expects the actual costs of the Exploration Activities to be much less than those provided in the PAO Petroleum Agreement. Management estimates the Company's share of Exploration Activities to be approximately US$42 million.

<u>GHANA</u>

Deepwater Cape Three Points West Block

On July 29, 2014, the Company announced that the Parliament of the Ghana ratified a petroleum agreement (the "**GPA**"), pursuant to which the Company, through its wholly-owned subsidiary, Eco Atlantic (Ghana) Ltd., may acquire an interest in the Deepwater Cape Three Points West Block, located in the Tano Cape Three Points Basin, offshore Ghana (the "**Ghana Block**"). The parties to the GPA will be the Company, the Government of Ghana, the Ghana National Petroleum Company ("**GNPC**"), GNPC Exploration and Production Company Limited ("**GNPCEPCL**"), A-Z Petroleum Products Ghana Limited ("**A-Z**"), and PetroGulf Limited ("**PetroGulf**"). The GPA is in final form and is not yet effective. Pursuant to the GPA, the Company will hold a 50.42% interest in the Ghana Block, A-Z will hold a 27.88% interest, GNPC will hold a 13% interest, GNPCEPCL will hold a 4.35% interest, and PetroGulf will hold a 4.53% interest. The GPA is conditional upon, among other things, the execution of a joint operating agreement among the Ghana Block interest holders and the posting of a performance bond with the Government of Ghana and GNPC. The GPA provides for a term of a total of 25 years, subject to the discovery of oil within the first seven years. There is no guarantee that the GPA will become effective, that the conditions to the GPA will be satisfied, or that the procurement of an interest in the Ghana Block will be completed.

During the period under review the Company acquired from GNPC the existing 1,687km of 2D Seismic data on the Ghana Block

Financial position

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

As at December 31, 2014, the Company had total assets of $15,503,772 and a net equity position of $4,283,303. This compares with total assets of $7,236,482 and a net equity position of $6,964,476 as at December 31, 2013. The Company had liabilities of $11,220,469 as at December 31, 2014, as compared with $272,006 as at December 31, 2013.

As at December 31, 2014, the Company had working capital of $1,595,275, compared with working capital of $4,273,774 at December 31, 2013. The Company had cash on hand, in short-term deposits and in trust of $12,202,003 at December 31, 2014, compared with $ 4,350,415 at December 31, 2013.

As of February 25, 2014, the company has cash on hand, in short-term deposits and in trust of approximately $10.3 million.

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 Month Period Ended December 31,		Nine Month Period Ended December 31,	
	2014	2013	2014	2013
Revenue				
Interest income	$ 5,835	$ 14,465	$ 23,077	$ 53,916
Share-based compensation	$ 11,249	$ 118,250	$ 1,043,414	$ 339,250
Compensation costs	$ 311,053[1]	$ 335,487[1]	$ 791,075[2]	$ 763,898[2]
General and administrative costs	$ 227,952[3]	$ 210,602[3]	$ 610,008[4]	$ 584,820
Professional fees	$ 223,645	$ 18,168	$ 559,082	$ 109,437
Operating costs	$ 961,491[5]	$ 183,131[5]	$ 1,270,859[6]	$ 717,236[6]
Expense reimbursement	$ -	$ -	$ (1,027,000)	$ -
Foreign Exchange loss (gain)	$ (156,568)	$ (113)	$ (154,314)	$ 4,840
Expense reimbursement	$ -	$ -	$ (1,027,000)	$ -
Write-down of licenses	$ -	$ -	$ -	$ 585,343
Net loss for the period	$ (1,572,988)	$ (850,961)	$ (3,069,997)	$ (3,050,908)

Notes:
Net of the following amounts recovered pursuant to the Offshore JOAs:

(1) Compensation costs $47,456 (2013 - $16,063)
(2) Compensation costs $92,601 (2013 - $8,200)
(3) General and administrative costs $69,327 (2013 - $9,937)
(4) General and administrative costs $78,866 (2013 - $47,785)
(5) Operating costs $8,802,560 (2013 - $48,847)
(6) Operating costs $9,008,344 (2013 - $166,945)

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, 2014, the Company earned interest of $5,835 from funds invested in interest bearing deposits with financial institutions, as compared with $14,564 earned during the three month period ended December 31, 2013. The decrease in interest earned during the three month period ended December 31, 2014 reflects the decrease in average cash balances during the period as the Company used its cash reserves to finance its operations.

During the nine month period ended December 31, 2014, the Company earned interest of $23,077 from funds invested in interest bearing deposits with financial institutions, as compared with $53,916 earned during the nine month period ended December 31, 2013. The decrease in interest earned during the nine month period ended December 31, 2014 reflects the decrease in average cash balances during the period as the Company used its cash reserves to finance its operations.

Expenses

The Company commenced billing AziNam for its share of certain compensation, operating and administrative expenses effective from April 2012 and commenced billing Tullow for its share of certain compensation, operating and administrative expenses effective from March 2014 ("**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, 2014, the Company incurred expenses of $9,764,051 in operating costs, and billed JOA Recoveries of $8,802,560 in this category. These expenses included primarily, expenses incurred on the execution of the 3D seismic program on the Cooper License, expenses incurred on the execution of the 2D seismic program on the Guy License and expenses uncured to pursue the Ghana Block. Included in the recoveries were recoveries under the Tullow Farmout Agreement in respect of the 3D seismic program on the Cooper License. During the three month period ended December 31, 2013, the Company incurred expenses of $231,978 in operating costs net of JOA Recoveries of $48,847 in this category.

During the nine month period ended December 31, 2014, the Company incurred expenses of $10,279,203 in operating costs and billed JOA Recoveries of $9,008,344 in this category. These expenses included primarily, expenses incurred on the execution of the 3D seismic program on the Cooper License, expenses incurred on the execution of the 2D seismic program on the Guy License and expenses uncured to pursue the Ghana Block. Included in the recoveries were recoveries under the Tullow Farmout Agreement in respect of the 3D seismic program on the Cooper License and recoveries in respect of the 2D seismic program on the Guy License. During the nine month period ended December 31, 2013, the Company incurred expenses of $884,181 in operating costs net of billed JOA Recoveries of $166,945 in this category.

Compensation costs

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

During the three month period ended December 31, 2014, the Company incurred expenses of $358,509 for compensation costs and billed JOA Recoveries of $47,456 in this category. During the three month period ended December 31, 2013, the Company incurred expenses of $351,550 and billed JOA Recoveries of $16,063 in this category.

During the nine month period ended December 31, 2014, the Company incurred expenses of $883,676 for compensation costs net of billed JOA Recoveries of $92,601 in this category. During the nine month period ended December 31, 2013, the Company incurred expenses of $772,098 net of billed JOA Recoveries of $8,200 in this category.

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, 2014, the Company incurred expenses of $223,645 for professional fees. During the three month period ended December 31, 2013, the Company incurred expenses of $18,168 in this category.

During the nine month period ended December 31, 2014, the Company incurred expenses of $559,082 for professional fees. During the nine month period ended December 31, 2013, the Company incurred expenses of $109,437 in this category.

General and administrative costs

During the three month period ended December 31, 2014, the Company incurred expenses of $297,279 in general and administrative costs and billed JOA Recoveries of $69,327 in this category. During the three month period ended December 31, 2013, the Company incurred expenses of $220,539 and billed JOA Recoveries of $9,937 in this category.

During the nine month period ended December 31, 2014, the Company incurred expenses of $688,874 in general and administrative costs net of billed JOA Recoveries of $78,866, being its contribution to expenses in this category. During the nine month period ended December 31, 2013, the Company incurred expenses of $632,605 net of billed JOA Recoveries of $47,785 in this category.

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

Share based compensation

The share based compensation expense reflects the fair value of restricted share units ("**RSUs**") and stock options granted to directors, officers, employees and consultants of the Company.

With regards to stock options, in general, one third of the stock options granted vest on the grant date and one third vests on each anniversary date of the grant, for the next two years.

No stock options were granted during the three and nine month periods ended December 31, 2014.

The fair value of all stock options that vested during the three and nine month periods ended December 31, 2014, was $11,249 and $1,043,414 (2013 $118,250 and $339,250).

With regards to RSUs, on August 29, 2014, 4,100,000 RSUs were granted to certain Company directors, officers and consultants to the Company. The RSUs vested immediately on the grant date. These RSUs had a fair value of $0.245 per unit based on the market price of the Company's common shares on the grant date. $1,004,500 was recognized as share-based compensation expense during the nine months ended December 31, 2014.

Foreign exchange

The foreign exchange movement during the three and nine month period ended December 31, 2014, 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 eight quarters are as follows:

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

	Quarter Ended			
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Total Sales	$ -	$ -	$ -	$ -
Net loss for the period	$ (850,961)	$ (857,247)	$ (1,342,700)	$ (788,066)
Basic loss per share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)

During the quarter ended March 31, 2013, the Company recorded a share-based compensation charge of $111,000 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company.

In August 2013, the Company relinquished CBM exploration license number 0032 (the "**Relinquished License**"). The capitalized costs associated with the Relinquished License were written-off during the three months ended June 30, 2013. During the quarter ended June 30, 2013, the Company recorded a share-based compensation charge of $114,000 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company.

During the quarter ended September 30, 2013, the Company incurred costs of $180,262 in connection with the acquisition and interpretation of 2D data on its Cooper license. During the quarter, the Company recorded a share-based compensation charge of $107,000 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company.

During the quarter ended December 31, 2013, the Company incurred costs of $106,596 in connection with the interpretation of 2D data on its Cooper license. The Company recorded a share-based compensation charge of $118,250 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company.

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

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

During the quarter ended September 30, 2014, the Company recorded a share-based compensation charge of $1,016,583 in connection with the vesting of stock options issued to directors, officers, consultants and employees of the Company and the grant of 4,100,000 RSUs to Company directors, officers and consultants to the Company. The RSUs grant accounted for $1,004,500 of the charge and the vesting of stock options for $12,083 of the charge.

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

Additional Disclosure for Venture Issuers Without Significant Revenue

	Nine Month Period Ended December 31, 2014		2013
Expenditures on exploration and evaluation			
Cooper License	$ 9,066,000	$	623,000
Guy License	$ 1,535,000	$	343,000
Sharon License	$ 457,000	$	343,000
Daniel License	$ 72,000	$	84,000
Ghana License	$ 850,000	$	-
Relinquished License	$ -	$	-
	$ 11,980,000	$	1,405,000
General and administrative expenses			
Travel expenses	$ 345,000	$	244,000
Occupancy and office expenses	$ 221,000	$	222,000
Public company costs	$ 41,000	$	67,000
Insurance	$ 66,000	$	57,000
Financial services	$ 9,000	$	34,000
Advertising and Communication	$ 5,000	$	7,000
Depreciation	$ 2,000	$	2,000
Recovered under JOAs	$ (79,000)	$	(48,000)
	$ 610,000	$	585,000

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.

As discussed above, pursuant to the Eco Petroleum Agreement and the PAO Petroleum Agreements, the Company is required to undertake specific exploration activities on each of the Licenses and the PAO Licenses during each phase of development. (See "Business Overview" for information on the Company's commitments.)

Management estimates that, to date, the Company has incurred costs of approximately $23 million towards exploration work on the Licenses and the Relinquished License. These expenses, less those relating to the Relinquished License, are reflected in its Financial Statements, 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 herein. The Company has completed the minimum exploration work required to date for each of the 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 for 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 "Risk Factors" below.

Common Share Data (as at February 25, 2015)

Common Shares	91,890,398
Common Shares reserved for issuance upon the exercise of Warrants	7,906,667
Options issued to directors, officers, consultants and employees	8,516,975
Common shares outstanding on a fully diluted basis	108,314,040

Off-Balance Sheet Agreements

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

Contractual Commitments

Licenses

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

Leases

The Company has office lease commitments as follows:

2015	$ 16,089
Total	$ 16,089

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. 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.

Transactions Between Related Parties and Balances

	Three Month Period Ended December 31, 2014 CDN$	Three Month Period Ended December 31, 2013 CDN$	Nine Month Period Ended December 31, 2014 CDN$	Nine Month Period Ended December 31, 2013 CDN$
Fees for management and exploration services paid to a company controlled by the COO of the Company	$ 55,542	$ 47,666	$ 160,424	$ 139,384
Amount outstanding at the end of the period.	$ 88,380	$ 41,568	$ 88,380	$ 41,568
Fees for management services paid to a company controlled by the President and CEO of the Company.	$ 75,488	$ 66,000	$ 219,747	$ 132,000
Amount outstanding at the end of the period.	$ 30,239	$ -	$ 30,239	$ -
Fees for management services paid to a company controlled by the CFO of the Company.	$ 82,500	$ 45,000	$ 173,260	$ 135,000
Amount outstanding at the end of the period	$ -	$ 15,000	$ -	$ 15,000
Fees for management services paid to a company controlled by the Executive Vice President of the Company.	$ 30,000	$ 30,000	$ 90,000	$ 90,000
Amount outstanding at the end of the period	$ -	$ 10,000	$ -	$ 10,000
Fees paid to a company controlled by the Chairman of the Company.	$ 20,349	$ 18,311	$ 62,053	$ 52,383
Amount outstanding at the end of the period.	$ 20,239	$ 18,311	$ 20,239	$ 18,300

Remuneration of the Company’s directors and its Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and its Executive Vice President was as follows:

	Three Month Period Ended December 31, 2014 CDN$	Three Month Period Ended December 31, 2013 CDN$	Nine Month Period Ended December 31, 2014 CDN$	Nine Month Period Ended December 31, 2013 CDN$
Salaries, fees and benefits	$ 265,963	$ 227,477	$ 749,128	$ 662,767
Stock-based compensation	$ 8,056	$ 102,329	$ 1,019,917	$ 313.987
Total	$ 274,018	$ 323,808	$ 1,769,045	$ 976,754

Risks and Uncertainties

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

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

For a complete discussion on risk factors, please refer to the Company's Annual Information Form dated July 29, 2014, filed under the Company's profile at www.sedar.com.

Critical Accounting Estimates

The Company's critical accounting estimates are defined as those estimates that have a significant impact on the portrayal of its financial position and operations and that require management to make judgments, assumptions and estimates in the application of IFRS. Judgments, assumptions and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur and additional information is obtained, these judgments, assumptions and estimates may be subject to change. The Company believes the following are the critical accounting estimates used in the preparation of its consolidated financial statements. The Company' significant accounting policies can be found in note 3 of the Company's Financial Statements.

Use of estimates

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

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

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

Stock Based Compensation

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

Income Taxes

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

Changes in accounting policies

<u>Policies not yet adopted</u>

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

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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

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

(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 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.