MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2015

Tuscany ENERGY LTD.

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Corporate Profile

Tuscany Energy Ltd. is a heavy oil development and production company with reserves, land holdings and production in Canada. The Company's principal focus is the exploitation of oil resources in Alberta and Saskatchewan through horizontal drilling. The majority of the Company's revenue is generated from oil sales in Saskatchewan.

Corporate Summary

Three months ended March 31,	**2015**	2014
($ Thousands, unless otherwise indicated)		
Financial		
Oil & gas revenue	**2,631**	4,057
Cash flow from operations [(1)]	**509**	1,835
$ per share, diluted [(1)]	**0.01**	0.05
Net loss for the period	**(1,533)**	(220)
$ per share, diluted	**(0.03)**	(0.01)
Capital expenditures, net of dispositions	**513**	1,776
Net debt [(1)]	**(7,211)**	(7,074)
Total assets	**31,685**	34,847
Total shares outstanding at period end	**50,931**	38,663
Operations		
Production		
Oil and NGLs (Bopd)	**748**	553
Gas (Mcfd)	**784**	732
BOEd (6 Mcf = 1 Bbl)	**879**	675
Product Prices		
Oil ($/Bbl)	**36.33**	74.08
Gas ($/Mcf)	**2.62**	5.62

(1) See non-GAAP and additional GAAP measures in MD&A.

Management's Discussion and Analysis ("MD&A")

For the three months ended March 31, 2015

This Management's Discussion and Analysis ("MD&A") for Tuscany Energy Ltd. ("Tuscany" or the "Company") is dated May 27, 2015 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015, as well as the audited financial statements of Tuscany for the year ended December 31, 2014.

The following discussion and analysis is Management's assessment of Tuscany's historical, financial and operating results. The reader should be aware that historical results are not necessarily indicative of future performance.

IFRS

The unaudited condensed consolidated interim financial statements have been prepared in Canadian dollars, except where another currency has been indicated, and in accordance with IAS 34, "Interim financial reporting", as issued by the International Accounting Standards Board.

In Canada, public companies that prepare their financial statements using IFRS are also considered to be following generally accepted accounting principles ("GAAP").

Corporate Summary

The Corporate Summary included on page one of this interim condensed report is incorporated in this MD&A by reference.

Selected Quarterly Information

	2015		**2014**				**2013**	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
($Thousands, except production, price and per share information)								
Oil and NGL's (Bopd)	**748**	777	502	603	553	536	457	255
Natural Gas (Mcfd)	**784**	834	909	931	732	995	937	208
Production (BOEd)	**879**	916	654	758	675	702	613	290
Oil ($/barrel)	**36.33**	61.89	78.23	82.83	74.08	61.06	86.39	69.34
BOE ($/BOE)	**33.26**	55.59	65.38	71.49	66.78	51.07	68.13	62.56
Total production revenue	**2,631**	4,685	3,934	4,931	4,057	3,200	3,875	1,733
Operating and transportation	**1,540**	1,629	1,353	1,482	1,437	1,154	1,476	915
$/BOE	**19.47**	19.33	22.49	21.25	23.14	17.87	26.17	35.06
Cash flow from operations (1)	**509**	1,925	1,857	2,460	1,835	1,309	1,477	324
per share (basic and diluted)	**0.01**	0.04	0.04	0.06	0.05	0.03	0.04	0.01
Net earnings (loss)	**(1,533)**	(5,923)	616	440	(220)	(2,012)	(84)	(445)
per share (basic and diluted)	**(0.03)**	(0.12)	0.01	0.01	(0.01)	(0.05)	0.00	(0.01)
Net overhead	**499**	645	465	588	499	468	447	345
Net capital expenditures	**513**	3,584	4,547	1,618	1,776	1,038	2,669	478
Total assets	**31,685**	33,503	38,324	35,584	34,847	34,317	37,023	22,824
Net debt (1)	**(7,211)**	(6,763)	(6,555)	(6,334)	(7,074)	(7,423)	(8,139)	(322)

(1) *See non-GAAP and additional GAAP measures.*

Over the last eight quarters Tuscany's average production volumes have increased 200% from 290 BOEd for Q2 2013 to 879 BOEd for Q1 2015. The success of the heavy oil drilling program in 2013 and 2014, together with the acquisition of Diaz Resources Ltd. ("Diaz") in early Q3 2013 allowed the Company to more than double its production by Q3 2013 and continue to increase its production levels throughout 2014.

Oil prices received by Tuscany increased from $69.34 per Bbl in Q2 2013 to average $82.83 before the current oil price correction decreased prices to a six year low in Q1 2015 and Tuscany received an average of only $36.32 per Bbl. This sharp decline appears to have begun to reverse in Q2 2015 and Tuscany's oil price is averaging approximately $50 per Bbl in May 2015.

Production revenue tracked the changes in production rates and prices and increased from $1.7 million for Q2 2013 to a high of $4.9 million in Q2 2014 before settling to $4.7 million in Q4 2014 as declining oil prices offset the Company's record production levels, however the sharp decline in oil price in Q1 2015 offset these high production levels and revenue for the quarter declined to $2.6 million.

Operating costs per BOE continued to decline, averaging less than $20 per BOE in Q1 2015.

Cash flow from operations has reflected changes in revenues and operating costs over the past eight quarters and the Company was able to generate sufficient cash flow to reinvest in its development program. As important, growing levels of revenues and cash flow have enabled the Company to raise additional equity financing and escalate the development program.

Results of Operations

Oil & Gas Production

Oil and gas sales and prices	Three months ended March 31, 2015	2014
Average daily sales		
Oil and NGL (Bopd)	**748**	553
Gas (Mcf/d)	**784**	732
BOEd	**879**	675
Average price		
Oil and NGL ($/Bbl)	**36.33**	74.08
Gas ($/Mcf)	**2.62**	5.62
$/BOE	**33.26**	66.78

During Q1 2015, Tuscany's average oil and NGL sales increased to 748 Bopd compared with 553 Bopd for the same period in 2014.

Gas production, converted to BOE's on a 6:1 basis, accounted for approximately 15% of the total production for Q1 2015 but only 7% of total revenue.

Oil and gas prices

During Q1 2015, Tuscany received an average of $36.32 per Bbl of oil compared with the average price of $74.08 per Bbl for the same period in 2014 and $61.89 per Bbl in Q4 2014. Gas prices also declined to average only $2.62 per Mcf compared with $5.62 per Mcf in Q1 2014.

Oil and Natural Gas Sales

For the three months ended March 31, 2015, oil and gas sales totalled $2.6 million, which was a 44% reduction from the $4.7 million for Q4 2014 and 35% lower than the $4.1 million in Q1 2014.

Royalty Expense

The Company's average royalty rate for the three months ended March 31, 2015 was reduced to 1.8% of revenues or $0.61 per BOE primarily as a result of a royally adjustment of $100,000. The rate prior to the adjustment was unchanged from the 5.6% for the same period in 2014. The Company's royalty includes a Government of Saskatchewan surcharge of 1.75% of resource revenues.

Summary of operating net back		Three months ended March 31, 2015		2014
(Thousands, except per BOE information)				
Oil and natural gas liquids	**$**	**2,446**	$	3,687
Natural gas		**185**		370
Total sales		**2,631**		4,057
Royalties		**(48)**		(226)
Revenues, net of royalties		**2,583**		3,831
Operating expenses		**(1,540)**		(1,437)
Operating netback [1]	**$**	**1,043**	$	2,394
$/ BOE				
Oil and natural gas sales	**$**	**33.26**	$	66.78
Royalties		**(0.61)**		(3.72)
Operating expenses		**(19.47)**		(23.65)
Operating netback [1]	**$**	**13.18**	$	39.41

(1) See non-GAAP measures.

Operating Expense

Tuscany's operating expenses for Q1 2015 totalled $1.5 million, or $19.47 per BOE compared with $1.4 million, or $23.65 per BOE in 2014. Operating costs remained constant and with Tuscany's increasing production volumes Tuscany's operating cost per BOE was reduced.

General and Administrative Expense

Overhead		Three months ended March 31, 2015		2014
(Thousands, except per BOE information)				
Salaries and benefits	**$**	**442**	$	453
Office		**167**		163
Consultants		**136**		81
Professional fees		**15**		9
Corporate		**31**		23
Gross expenses		**791**		729
Recovered		**(167)**		(121)
Capitalized		**(125)**		(109)
Recovered and/or capitalized		**(292)**		(230)
Net overhead	**$**	**499**	$	499
Per BOE	**$**	**6.31**	$	8.21

Tuscany's net overhead costs for Q1 2015 were unchanged from the same period in 2014 however, with higher production volumes the cost per BOE declined to $6.31 per BOE from $8.21 a year earlier.

Finance Expense

		Three months ended March 31,		
Finance Expense		**2015**		2014
(Thousands)				
Interest	**$**	**49**		70
Capital lease interest		**-**		(10)
Accretion of ARO		**20**		36
Finance expense	**$**	**69**	$	96

Bank interest expenses for Q1 2015 were $49,000, compared with $70,000 in 2014 as a result of the Company drawing less on its credit facility in Q1 2015.

Depletion and Depreciation

		Three months ended March 31,		
		2015		2014
(Thousands, except per BOE information)				
Depletion and depreciation	**$**	**1,602**	$	1,740
Impairment		**348**		-
Total		**1,950**		1,740
per BOE	**$**	**20.25**	$	28.64

In Q3 2014, Tuscany changed its estimates with respect to depletion of its fixed assets, accounting for the change on a prospective basis. Prior to Q3 2014, the Company depleted its development and production assets on the basis of proved reserves. As a result of the Company's acquisition of Diaz and the additional equity financing in Q3 2014, and the resulting change in the Company's plans and ability to develop its resources, the Company's circumstances have changed and it is engaged in the development of its exploration assets and probable reserves. As a result it depletes its development and production assets on the basis of its proved plus probable reserves ("2P" or "2P reserves"). This both accurately reflects the recent change in circumstance, and aligns the Company's method of estimating depletion with those of the vast majority of its industry peers, enhancing comparability.

For the three months ended March 31, 2015, depletion and depreciation expense declined to $1.6 million compared with $1.7 million for the prior year. This was due to lower depletion rates more than offsetting higher production volumes for the period.

In Q1 2015 the Company increased its estimate of the asset retirement liabilities in the properties in the Alberta gas areas and as a result Tuscany took additional impairment of $348,000 for the quarter.

Capital Additions

		Three months ended March 31,		
		2015		2014
(Thousands)				
Drilling and completions	**$**	**175**	$	1,151
Facilities and pipelines (net of dispositions)		**232**		273
Geological and geophysical (net)		**16**		-
Land		**91**		1
Asset retirement obligation		**391**		(6)
Total	**$**	**905**	$	1,419

During the three months ended March 31, 2015, Tuscany restricted its capital expenditures to completion and facilities work on the Morgan well drilled in December 2014 and the reactivation of an oil well in the Macklin area. Tuscany incurred $513,000 in net capital expenditures compared with $1.4 million in the prior year, plus an additional $391,000 in non-cash capital additions related to revisions in the timing, cost, and discount rates associated with asset retirement obligations.

Liquidity and Capital Resources

The Company has a production loan facility (the "Credit Facility") with a Canadian financial institution, with a lending limit of $8.5 million, repayable on demand and the amount of the Credit Facility is subject to a borrowing base redetermination performed on a periodic basis by the lender which is based on the lenders view of the Company's reserves and future commodity prices. The next review is to be completed by May 31, 2015. Pursuant to the Credit Facility, the Company has a financial covenant to maintain a Working Capital Ratio of at least 1 to 1, with Working Capital Ratio being defined to mean the ratio of (i) current assets of the Company plus any undrawn amount under the Credit Facility, to (ii) current liabilities of the Company less (to the extent included therein) any amount drawn under the Credit Facility. At March 31, 2015, the Company's Working Capital Ratio was 1.1 to 1 and the Company is in compliance with the covenant. The facility is a revolving facility with advances under the facility charged interest at prime plus 1.4% per annum. The loan is secured by a general security agreement providing a security interest over all present and after acquired property and a floating charge on all land.

At March 31, 2015 the Company had outstanding letters of credit of $1.0 million (2014 – $53,000) to creditors and $6.0 million was drawn on the loan facility (2014 - $6.6 million).

Tuscany incurred $513,000 of capital expenditures during the three months ended March 31, 2015. The Company's capital expenditures were financed with cash flow from operations and an increase in net debt.

The Company plans to finance its continuing exploration and development expenditures out of available cash flow from operations. Tuscany has a target net debt limit of one times the current quarters cash flow annualized. Based on the Q1cash flow, the March 31, 2015 net debt was 3.6 times the cash flow, annualized. The sharp decline in commodity price has resulted in Tuscany exceeding this target ratio in Q1 2015 however oil prices have begun to recover since the end of Q1 2015.

During the first quarter of 2015, prices have remained at a level which dictates that Tuscany reduce its heavy oil development program, and consequently the Company will limit expenditures to essential projects and carefully selected land acquisitions until oil prices improve to acceptable levels (See Note 2 to the financial statements- Going concern).

The Province of Alberta has enacted a program whereby companies that are operators in the province are required to maintain a Licenced Liability Rating ("LLR"), defined as a level of "deemed asset", defined by the regulator, operated by them to offset the "deemed liability", defined by the regulator, of future abandonments. If the operator falls short of this amount the operator is required to rectify the condition or post a letter of credit with the Government. As of March 31, 2015, the Company had an LLR rating of less than one and the Company has posted security, in the form of cash deposits and a letter of credit, totaling $1.0 million. Tuscany is conducting abandonments and repairs on wells that it operates to bring this imbalance back into line; however the credit for the restoration of surface land costs may take several years to be approved by the Alberta Government.

At March 31, 2015 the Company had an obligation to incur and renounce $0.9 million of expenditures qualifying as Canadian Exploration Expenses, before December 31, 2015.

Tuscany plans to use cash generated from operations and amounts available under the Credit Facility to meet its obligations and continue the exploration and development of the Company's properties. The Company may also use other sources to fund its obligations and the development of its properties such as industry joint ventures, the sale of non-core assets and equity financing.

The ability of the Company to meet its obligations and continue to develop its properties depends on the ability of the Company to generate cash flow from operations, sell non-core assets or obtain financing from other sources. As a consequence of the significant decline in commodity prices the Company's revenues, cash flow and earnings have been significantly reduced, despite higher production levels. (See Note 2 to the financial statements- Going concern)

At May 27, 2015, Tuscany had outstanding 51,040,892 common shares, warrants to purchase 2,143,000 additional common shares and options to purchase 3,710,000 additional common shares.

Normal Course Issuer Bid ("NCIB")

Tuscany filed a notice of intention to acquire up to 2,300,000 common shares pursuant to the bid, which expires on October 23, 2015. Purchases pursuant to the NCIB are made in the open market through the facilities of the TSX Venture Exchange.

During the three months ended March 31, 2015, the Company purchased 110,000 common shares (2014 – 500 common shares) at an average price of $0.21 per share (2013 - $0.34 per share) pursuant to a NCIB. All shares acquired pursuant to the NICB are cancelled.

Business Risk

The Company is engaged in the exploration, development, production and acquisition of crude oil and natural gas. Tuscany's business is inherently risky and there is no assurance that hydrocarbon reserves will be discovered and economically produced.

Financial risks associated with the petroleum industry include the access to capital necessary to develop reserves, fluctuations in commodity prices, interest rates and currency exchange rates. Operational risks include competition, environmental factors, reservoir performance uncertainties, a complex regulatory environment and safety concerns.

The impact of the recent commodity price decrease has reduced Tuscany's revenue and cash flow from operations. The effect of these lower prices dictate that Tuscany reduce its heavy oil development program and consequently, the Company will limit expenditures to essential projects and carefully selected land acquisitions until oil prices improve. (See Note 2 – Going concern)

The Company minimizes its business risks by focusing on a select group of properties. This enables Tuscany to have more control over the timing, direction and costs related to exploration and development opportunities. The geological focus is on areas in which the prospects are well understood by Management. Technological tools are regularly used to reduce risk and increase the probability of success. The Company closely follows all government regulations and has an up-to-date emergency response plan that has been communicated to all field operations by Management. Tuscany also carries insurance coverage to protect itself against potential losses.

Employing a highly motivated and experienced staff of petroleum and natural gas professionals further minimizes the business risk.

The Company is exposed to commodity price and market risk for its principal products of petroleum and natural gas. Commodity prices are influenced by a wide variety of factors of which most are beyond the control of Tuscany.

Please also refer to the Risk Factors section in the Company's most recently filed annual information form.

Contractual Obligations and Commitment

The Company has asset retirement obligations with respect to the abandonment and reclamation of wells and facilities owned by the Company. Tuscany includes an estimate of the present value of the liabilities for such costs on its balance sheet. The present value of these liabilities at March 31, 2015 was $5.1 million (December 31, 2014 – $5.1 million). The total estimate of undiscounted cost of these liabilities as at March 31, 2015, was estimated to be $5.5 million (December 31, 2014 – $6.3 million). The present value of the obligation at March 31, 2015 has been discounted using average risk free rates of 1.34% to 2.33%. The Company expects to incur $1.7 million of these obligations within the next three years and the remainder are expected to be incurred between 2018 and 2026.

The Company is committed to make office lease payments until October 31, 2016. The lease payment commitments total $135,000 in 2015 and $155,000 in 2016.

Off Balance Sheet Arrangements

Tuscany does not currently utilize any off balance sheet arrangements to enhance liquidity and capital resource positions or for any other purpose.

Related Party Transactions

Humboldt Capital Corporation ("Humboldt") and certain of its officers and directors owned 34.5% of the outstanding shares of Tuscany at March 31, 2015. Humboldt is controlled by Robert Lamond, who owns approximately 72% of the common shares of Humboldt. Mr. Lamond is the Chairman and CEO of Humboldt and Tuscany. Humboldt's business includes the ownership, acquisition and sale of securities and Humboldt owns interests in companies in the oil and gas sector, which compete with Tuscany and may operate jointly with Tuscany.

The Company has a joint cost sharing agreement with Humboldt where the parties agreed to share certain overhead costs based on an estimate of the amount of time spent on administering each of the companies and the amount of office space used by each of the companies.

For the three months ended March 31, 2015 Tuscany charged Humboldt $79,000 (2014 – $59,000).

These transactions were measured at the amount of consideration established and agreed to by the related parties.

Application of Critical Accounting Estimates

Tuscany's financial statements have been prepared in accordance with IFRS. The significant accounting policies used by Tuscany are disclosed in Note 4 to the Consolidated Financial Statements included in the Company's annual report for the year ended December 31, 2014. Certain accounting policies require that Management make appropriate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The following discusses such accounting policies and is included in Management's Discussion and Analysis to aid the reader in assessing the critical accounting policies and practices of the Company and the likelihood of materially different results being reported. Tuscany's Management reviews its estimates regularly. The emergence of new information and changed circumstances may result in actual results or changes to amounts estimated that differ materially from current estimates.

Reserves estimates

Commercial petroleum reserves are determined based on estimates of petroleum-in-place, recovery factors and future oil and natural gas prices and costs. Tuscany engages an independent qualified reserve evaluator to evaluate all of the Company's oil and natural gas reserves at each year-end.

Reserve adjustments are made annually based on actual oil and natural gas volumes produced, the results from capital programs, revisions to previous estimates, new discoveries and acquisitions and dispositions made during the year and the effect of changes in forecast future crude oil and natural gas prices. There are a number of estimates and assumptions that affect the process of evaluating reserves.

Proved reserves are the estimated quantities of crude oil, natural gas and natural gas liquids determined to be economically recoverable under existing economic and operating conditions with a high degree of certainty (at least 90 percent) those quantities will be exceeded. Proved plus probable reserves are the estimated quantities of crude oil, natural gas and natural gas liquids determined to be economically recoverable under existing economic and operating conditions with a 50 percent certainty those quantities will be exceeded. Tuscany reports production and reserve quantities in accordance with Canadian practices and specifically in accordance with "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101").

The estimate of proved plus probable reserves is an essential part of the depletion calculation, the impairment test and hence the recorded amount of oil and gas assets.

Tuscany cautions users of this information that the process of estimating crude oil and natural gas reserves is subject to a level of uncertainty. The reserves are based on current and forecast economic and operating conditions; therefore, changes can be made to future assessments as a result of a number of factors, which can include commodity prices, new technology, changing economic conditions, and future reservoir performance and forecast development activity.

Recoverability of asset carrying values

Tuscany assesses its property, plant and equipment ("PP&E") for impairment by comparing the carrying amount to the recoverable amount of the underlying assets. The determination of the recoverable amount involves estimating the higher of an asset's fair value less costs to sell or its value-in-use, the latter of which is based on its discounted future cash flows using an applicable discount rate. Future cash flows are calculated based on estimates of future commodity prices and inflation and are discounted based on Management's current assessment of market conditions.

Recoverability of exploration and evaluation assets

Exploration and evaluation ("E&E") assets are assessed for impairment by comparing the carrying amount to the recoverable amount. The assessment of the recoverable amount involves a number of assumptions, including the timing, likelihood and amount of commercial production, further resource assessment plans, and future revenue and costs expected from the asset, if any.

Asset Retirement Obligations

Tuscany recognizes a provision for future abandonment activities in the consolidated financial statements at the net present value, discounted at the risk-free rate, of the estimated future expenditures required to settle the estimated obligation at the balance sheet date. The measurement of the asset retirement obligation ("ARO") involves the use of estimates and assumptions including the discount rate, the amount and expected timing of future abandonment costs and the inflation rate related thereto. The estimates were made by Management considering current costs, technology and enacted legislation.

Income Tax Accounting

Tuscany follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability, using the enacted or substantively enacted income tax rates. Current income taxes for the current and prior periods are measured at the amount expected to be recoverable from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period. The deferred income tax assets and liabilities are adjusted to reflect changes in enacted or substantively enacted income tax rates that are expected to apply, with the corresponding adjustment recognized in earnings or in shareholders' equity depending on the item to which the adjustment relates.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded by Management.

New and amended accounting standards adopted

Effective January 1, 2014, the Company adopted, as required, amendments to IAS 32,

"Financial Instruments: Presentation" ("IAS 32"). The amendments indicate that the right to offset financial assets and liabilities must be available on the current date and must not be contingent on a future event. The adoption of IAS 32 had no impact on the Company's Financial Statements.

On January 1, 2014, the Company adopted IFRIC 21 Levies. IFRIC clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached. The adoption of IFRIC 21 had no impact on the Company's Financial Statements.

Financial Instruments

All financial instruments are required to be measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading," "available-for-sale," "held-to-maturity," "loans and receivables" or "other financial liabilities" as defined by the standard.

Cash is measured at fair value. Accounts receivable are designated as "loans and receivables" and are carried at amortized cost. Accounts payable are designated as "other financial liabilities" and are carried at cost.

The Company's financial instruments that are currently included in the balance sheet are comprised of cash, accounts receivable, accounts payable, bank debt, and capital lease obligation.

Fair Values of Financial Assets and Liabilities

The fair values of financial instruments that are included in the balance sheet approximate their carrying amount due to the short-term maturity of those instruments.

Level 1 fair value measurements are based on unadjusted quoted market prices.
Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.

Level 3 fair value measurements are those with inputs for the asset or liability that are not based on observable market data.

Credit Risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in the Company incurring a financial loss. The Company is exposed to credit risk on its accounts receivable to a maximum of the carrying value. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks. Approximately $535,000 (2014 – $780,000) of accounts receivable balances are in excess of 90 days. Management has reviewed the items comprising the accounts receivable balance and has made allowance for amounts deemed uncollectible and determined that all remaining accounts are collectible.

Interest Rate Risk

The Company is exposed to risks from interest rate fluctuation on its cash balances and bank debt.

Liquidity Risk

The Company is exposed to liquidity risk from the possibility that it will encounter difficulty meeting its financial obligations. The Company manages this risk by forecasting cash flows in an effort to match operating cash flow to future expenditures and to arrange financing, if necessary. It may take many years and substantial cash expenditures to pursue exploration and development activities on all of the Company's existing undeveloped properties. Accordingly, the Company may need to raise additional funds from outside sources in order to explore and develop its properties. There is no assurance that adequate funds from debt and equity markets will be available to the Company in a timely manner. The timing of cash outflows relating to financial liabilities are outlined in the table below:

Liquidity (thousands)	< 1 year	years 2 & 3	> 3 years
Accounts payable and accrued liabilities	$ 4,411	$ -	$ -
Bank loan	$ 6,043	$ -	$ -

Foreign Currency Exchange Risk

The Company currently has no material exposure to foreign currency fluctuations in its cash or accounts receivables.

Outlook

Due to the recent increase in US and Canadian oil prices since March 31, 2015, the significant drop in US drilling and the plateauing of US production, Tuscany is encouraged that the worst part of this oil cycle is behind us. With its conservative balance sheet and large portfolio of development locations, Tuscany expects to resume active drilling and completion operations during the Q3 2015.

Management believes the Company will also benefit indirectly from avoiding any negative repercussions resulting from the recent government change in Alberta, as almost 90% of the Company's revenue comes from assets in Saskatchewan, which over the intermediate term, Management expects will represent a more certain and stable environment to incur substantial capital additions.

Advisories

Drilling locations

Disclosed herein are possible drilling locations. Of the 80 possible development locations identified herein, 19 are proved locations, 15 are probable locations and 46 are unbooked locations. Proved locations and probable locations are derived from the McDaniel Report and are drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on prospective acreage and an assumption as to number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have any attributed reserves or resources. Unbooked locations have been identified by Management as an estimation of our future drilling activities based on an evaluation of applicable geological, seismic, engineering, production and reserves information. There is no certainty that we will drill all unbooked locations, and if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will also be dependent upon the availability of capital, regulatory approvals, seasonal restrictions, commodity prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relatively close proximity to such unbooked drilling locations, other unbooked drilling locations are further away from existing wells where Management has less information about the characteristics of the reservoir, therefore, there is more uncertainty whether wells will be drilled in such locations and, if drilled, there is more uncertainty that such wells will result in additional reserves, resources or production.

Non-GAAP Measures and additional GAAP measures

Included here are references to terms commonly used in the oil and gas industry, such as cash flow from operations, annualized cash flow from operations, operating netback and barrels of oil equivalent ("BOE"). Such terms do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies.

Non-GAAP measures also include the term, "annualized cash flow from operations" which equals four times the most recent quarterly "cash flow from operations". "Cash flow per share" is calculated using the weighted average shares outstanding consistent with the calculation of earnings per share. In addition, the Company presents "net debt" and "working capital", calculated as the aggregate of current assets, less current liabilities and long term debt.

		March 31,		
Net debt		**2015**		2014
(Thousands)				
Current assets [1]	**$**	**3,243**	$	3,941
Less current liabilities [1]		**(10,454)**		(10,941)
Less long term capital leases		**-**		(74)
Net debt	**$**	**(7,211)**	$	(7,074)

(1) As reported in unaudited condensed consolidated balance sheets

Cash flow from operations is calculated as cash from operating activities, as reported on the consolidated statements of cash flows, before changes in non-cash working capital and the cost of abandonment and site restoration. Management believes cash flow from operations, which is not impacted by fluctuations in non-cash working capital balances, is more indicative of operational performance of the Company.

Cash flow from operations is reconciled to cash flow from operating activities as follows:

		Three months ended March 31,		
Cash flow from operations		**2015**		2014
(Thousands, except per share information)				
Cash provided by (used in)				
operating activities [1]	**$**	**572**	$	1,993
Settlement of ARO liabilities [1]		**421**		25
Change in non-cash working capital [1]		**(484)**		(183)
Cash flow from operations	**$**	**509**	$	1,835

(1) As reported in unaudited condensed consolidated statements of cash flows

Also included in this report is an additional GAAP measures "Operating net back". Operating netback is calculated as oil and gas sales less royalties, operating expenses and transportation expenses and is a measure of the profitability of operations before administrative, financing, depletion and depreciation expenses, and gains or losses on sale of property, plant and equipment. These terms are not defined under IFRS and therefore are referred to as additional GAAP measures

BOE Presentation

The term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in this report are derived by converting gas to oil in the ratio of six Mcf of gas to one Bbl of oil. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Forward-looking Statements

Certain of the statements contained herein including, without limitation, Management's assessment of future plans and operations, drilling plans and the timing thereof, plans to limited expenditures to essential projects and carefully-selected land acquisitions until oil prices improve to acceptable levels, expectation that the Company will resume growth when commodity prices recover and the expected timing thereof, plans to finance continuing exploration and development expenditures, expected expenditures on abandonment operations, expected effects of low oil prices, and expected commodity prices may be forward-looking statements. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions may be used to identify these forward-looking statements. These statements reflect Management's beliefs at the date of the report and are based on information available to Management at that time. Forward-looking statements involve significant risk and uncertainties.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" in the Company's Annual Information Form and elsewhere herein. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Tuscany's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at Tuscany's website (www.Tuscanyenergy.com). Although the forward-looking statements contained herein are based upon what Management believes to be reasonable assumptions, including but not limited to assumptions as to the price of oil and natural gas, interest rates, exchange rates and the regulatory and legal environment in which Tuscany operates, the recoverability and production characteristics of Tuscany's reserves, Tuscany's capital expenditures program and future operations and other matters, Management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements and other information contained herein concerning the oil and gas industry and the Company's general expectations concerning this industry is based on estimates prepared by Management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

Corporate Information

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