

ORACLE ENERGY CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the three months ended March 31, 2015

Introduction

The following management discussion and analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2015 and the audited annual consolidated financial statements as at and for the years ended December 31, 2014 and 2013. The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A is intended to help the reader understand the consolidated financial statements of the Company. All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-looking statements

Readers are cautioned that the MDA contains forward-looking statements and actual events may vary from management's expectations. Forward looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar statements that certain events will occur. Forward looking statements are based on management's opinions and estimates on the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual results and future events to differ materially from those anticipated in such statements.

1.1 Date of this report

The date of this MD&A is May 27, 2015 and it contains information up to and including this date.

1.2 Overall Performance

The Company

Oracle Energy Corp. (the "Company") was incorporated on October 2, 1985 under the Business Corporations Act of British Columbia. The Company is in the business of acquiring, exploring and evaluating oil and gas properties and developing these properties further or disposing of them when the evaluation is completed. The Company trades on Tier 2 of the TSX Venture Exchange ("TSX-V") under symbol OEC.

At this time, the Company has no operating income from production. Funding for operations is raised primarily through sale of capital stock. Future operations and the Company's ability to meet its commitments are dependent on the Company's ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the further success of the business could be adversely affected.

1Q 2015 performance

During the first quarter the Company continued work on its growth strategy in Africa, and

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termination of its activities in Portugal.

Several potential asset acquisitions in Nigeria are being actively developed, including participation through acquisition or farm-in, in various exploration, development and production opportunities; through IOC divestments, Marginal Fields, and other situations.

Subsequent to March 31, 2015, the Company engaged a New York investment bank to advise on funding required to further progress these activities.

The Company is awaiting confirmation from the Portuguese authorities of its exit proposal, and an orderly exit plan for termination of all associated activities at minimum cost has been developed.

After March 31 the Company sold 190,700 shares of Global Resources Investment Trust (“GRIT”) for net proceeds of \$57,165 to meet immediate working capital requirements.

1.3 Selected Annual Information

Following is a summary of selected audited financial information for the Company’s most recent three fiscal years.

	2014	2013	2012
Revenues	Nil	Nil	Nil
Net loss	(\$1,918,353)	(\$1,346,930)	(\$2,313,459)
Loss per share basic & fully diluted	\$0.03	\$0.04	\$0.08
Working capital (deficiency)	(\$694,290)	(\$907,025)	(\$873,290)
Total assets	\$250,927	\$185,842	\$220,135
Long term debt	Nil	Nil	Nil
Total liabilities	\$941,270	\$991,137	\$1,089,724
Share capital	\$16,977,342	\$15,215,366	\$13,667,695
Deficit	(\$21,155,652)	(\$19,237,299)	(\$17,890,369)

2012 to 2013: the lower 2013 net loss mainly reflects 2012 costs not repeated in 2013, including a non-cash expense of \$624,797 for the fair value of extending the expiry date of Company warrants, higher costs associated with restructuring and expanding the management team and Board of Directors in 2012 to support the Company’s new strategy, including consulting, management fees and a non-cash expense of \$285,657 for the fair value of incentive stock options, and a \$165,342 write down of Romania property interests disposed of in 2012.

2013 to 2014: the higher 2014 net loss mainly reflects 2014 costs not incurred in 2013, including an unrealized loss of \$694,845 on the GRIT short term investment, a write-down of capitalized exploration and evaluation costs of \$131,213 for the Portugal concession, a non-cash expense of \$112,654 for the fair value of extending the expiry date of Company warrants, a one-time

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signing bonus of \$150,000 for the new Chairman, and a non-cash expense of \$253,151 for the fair value of incentive stock options granted during the year. These higher costs were partly offset by reductions in consulting and management fees resulting from the decision by key management personnel and consultants to discontinue regular monthly compensation effective January 1, 2014, as well as lower advertising and communications costs of \$75,619 and lower travel and promotion costs by \$105,334.

Changes in share capital reflect the results of private placements and, in 2014, the issue of 9,000,000 common shares in the share exchange agreement with Global Resources Investment Trust PLC (“GRIT”) at a deemed value of \$0.10 each.

1.4 Results of Operations

Operations

During the three months ended March 31, 2015, the Company reported a net loss of \$172,355 (\$0.003 per share) compared to \$569,404 (\$0.012) for the three months ended March 31, 2014. The reduction was primarily in the following categories:

- *Advertising and promotion costs* - \$3,247 (\$25,952 in Q1, 2014).
- *Consulting and management fees* in both quarters were low in comparison to prior periods due to the discontinuance of billings from insiders effective January 1, 2014.
- *Finance costs* - \$Nil (\$112,654 in Q1, 2014). The Q1, 2014 charge related to extending the expiry date of certain warrants. There was no similar transaction in Q1, 2015.
- *Share based payments* - \$17,063 (\$Nil in Q1, 2014) related to graded vesting of certain stock options.
- *Unrealized loss on short-term investments* - \$80,428 (\$355,130 in Q1, 2014). Adverse market conditions for junior resource companies persisted into 2015 and the fair value of GRIT’s portfolio, and therefore GRIT shares, fell in both Q1, 2014 and Q1, 2015.

Other routine ongoing cash operating expenses, in aggregate, declined slightly.

Oil & gas properties

Nigeria

Oracle is focused on obtaining concessions in the prolific West Africa basins, particularly in Nigeria.

Nigeria's proven oil and gas reserves are estimated by the United States Energy Information Administration as being in excess of 37 billion barrels and 180 TCF, respectively. Its reserves make Nigeria the tenth largest in world oil reserves and seventh largest in world gas reserves. In

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2013 its crude oil production averaged approximately 2.4 million barrels per day. Nigeria has over one thousand discovered oil and gas fields of which less than three hundred and fifty are developed. Entrance into these opportunities requires foreign companies to work in partnership with Nigerian companies. The Oracle team has successful “on the ground” experience in developing and operating these fields, and long term relationships with senior oil industry professionals leading Nigerian companies. Oracle remains focused on applying its expertise and relationships to build near and long term shareholder value.

In August 2012 the Company entered into a Memorandum of Understanding with Bolad Energy Company Ltd. (“Bolad”), a Nigerian registered corporation, with the objective of participating as the technical and financial partner in the acquisition and development of Marginal Fields in Nigeria. Marginal Fields are fields that may have been explored or partially explored, but that have not yet been commercialized, and are open to acquisition only by indigenous Nigerian companies. Bolad was formed in 1996 and comprises a highly experienced team of former international oil company executives with a proven track record of exploration success and bringing major Nigerian oil and gas fields into production. Bolad has established relationships with Nigerian government agencies responsible for oil and gas regulation in Nigeria, and with international oil companies (“IOCs”) operating in Nigeria.

The Marginal Fields program was introduced to encourage indigenous participation in the oil industry and to provide the government with revenue from fields that are currently undeveloped. The program is also intended to discourage continuous holding of undeveloped fields by IOCs.

In July 2013 the Company entered into a Memorandum of Understanding with Greenacres Energy Company Ltd. (“Greenacres”), a Nigerian registered corporation, with the objective of participating in Marginal Field acquisitions and as the Joint Venture partner in Nigerian oil and gas asset acquisitions from IOCs. Greenacres was formed in 2010 and comprises a highly experienced team of former oil and gas executives with a proven track record of exploration success and bringing major Nigerian oil and gas fields into production. Greenacres has established relationships with Nigerian government agencies responsible for oil and gas regulation in Nigeria, and with IOCs operating in Nigeria.

The government of Nigeria is committed to further indigenization of the oil and gas industry. The divestment of properties in Nigeria by IOC’s supports the government’s policy of encouraging investment by indigenous companies in the oil and gas industry. Oracle’s management see this as an excellent opportunity for foreign companies to partner with capable indigenous companies, and the Company, with its Nigerian partners, are continuing to focus on acquisitions in Nigeria’s oil and gas sector as a source of growth.

The Company has identified several potential investments and is currently engaged in negotiations on various near term producing opportunities. Subsequent to March 31, 2015 an engagement letter was signed with a New York investment bank to advise Oracle on raising new sources of capital, to further progress these activities in support of the Nigeria growth strategy.

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Nigeria risks and uncertainties

In executing its acquisition strategy in Nigeria, the Company will utilize the services of independent professional technical advisors as required to support its analyses and conclusions. However, if it is successful in its objective of acquiring an interest or interests, it would become exposed to the laws governing the petroleum industry in Nigeria with respect to matters such as taxation and environmental compliance, potential political and community unrest, oil price volatility, and other regulatory and political factors, any of which could adversely affect the Company and its exploration and production activities, the trading price of its common shares, its operations or financial condition.

Portugal

In February 2013, the Company was awarded the Barreiro oil and gas concession in Portugal's southern Lusitanian Basin, and in July 2013 the TSX-V accepted for filing the contract between Government of Portugal and Oracle for Petroleum Exploration, Development and Production Rights in the Barreiro Concession Area (the "Property"). The Property covers an area of approximately 211,275 acres (855 sq. km). The contract provided for an initial exploration period of 8 years that expires on January 31, 2021, and required the following payments and commitments:

Work programme:

- First year – geological and geophysical studies with estimated investment of €78,000
- Second year - acquisition of airborne gravity and magnetic data acquisition, seismic reprocessing, and geologic interpretation, with an estimated investment of €234,000.
- Third year - acquisition of 250km of seismic 2D data with estimated investment of €3,000,000
- Fourth year - execution of one exploration or appraisal well with estimated investment of €2,000,000
- Fifth year - execution of one exploration or appraisal well with estimated investment of €2,000,000
- Sixth year - execution of one exploration or appraisal well or acquisition of 100 km² of 3D seismic and execution of five (5) shallow wells, with estimated investment of €2,000,000, or 5 shallow wells with estimated investment of €2,000,000
- Seventh year - execution of one exploration or appraisal well with estimated investment of €2,000,000
- Eighth year - execution of one exploration or appraisal well with estimated investment of €2,000,000

Surface rental:

- First 3 years of initial period - €20.00 /km²
- Remaining years of initial period - €40.00 /km²
- First year extension of initial period - €60.00 /km²

Technology transfer/geology funding:

- First 3 years - €12,000 per annum

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- Fourth year to eighth year, and extensions - €15,000 per annum

Performance bond: with value equivalent to 50% of budgeted annual work programme

An NI 51-101 Technical Report dealing with the Barreiro concession was accepted by and filed with the TSX-V on November 7, 2013. The report, by Chapman Petroleum Engineering Ltd., (“Chapman report”) deals with two of the three areas of oil & gas potential expected to be present in the property; the Triassic Pre-salt, and a Liassic (Lower Jurassic) unconventional resource play. The Jurassic reef play, previously targeted in the concession, was not considered in the report due to well results that strongly suggest a poor top seal to the reservoir.

The report indicated best estimate prospective resources in the Silves formation of 34,690 MMscf with a net present value before income tax, discounted at 10%, before risk, of \$91.6 million. The report also indicated best estimate prospective resources in the Lias formation of 237,668 MMscf. No economic analysis was performed on the Lias due to the early stage and large infrastructure needed to fully develop these considerable resources.

After carefully considering the Chapman report, and weighing the costs and resources required to de-risk the play, the Board made a decision to withdraw from this opportunity and exit Portugal, to focus exclusively on lower risk opportunities in Africa. As a result of this decision, capitalized exploration and evaluation costs associated with the Barreiro concession totaling \$131,213 were written down to zero in Q4, 2014. Oracle is currently working collaboratively with the Portuguese authorities to exit the concession without significant cost or ongoing liability to the Company.

1.5 Summary of Quarterly Results

	Q1 March 31 2015	Q4 December 31 2014	Q3 September 30 2014	Q2 June 30 2014	Q1 March 31 2014	Q4 December 31 2013	Q3 September 30 2013	Q2 June 30 2013
Net Loss	(\$172,355)	(\$460,939)	(\$409,600)	(\$478,410)	(\$569,404)	(\$302,941)	(\$288,253)	(\$303,740)
Loss per share	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)

The main factors causing significant fluctuations in Net Loss from quarter to quarter were as follows:

- *Consulting and Management fees.* To conserve cash resources compensation for key management personnel (except for the \$150,000 signing bonus paid to the new Chairman in Q2, 2014 and reported as management fees) was discontinued effective January 1, 2014, pending acquisition of a new asset and associated funding. Other consulting expenses paid to third parties vary from quarter to quarter.

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– *Exploration and evaluation expenses and write-down of exploration and evaluation assets.* Expensed expenditures of \$20,644 in Q3, 2013 and \$34,200 in Q4, 2014 related to the Portugal concession. Also, as a result of the decision to exit Portugal capitalized exploration and evaluation costs relating to this concession of \$131,213 were written down to zero in Q4, 2014

– *Finance costs.* Non-cash Finance costs of \$112,654 in Q1, 2014 for extending the expiry date of certain Company warrants

– *Share-based payments.* Non-cash share-based payments of \$131,665 in Q2, 2014, \$8,314 in Q3, 2014, \$113,172 in 4Q, 2014, and \$17,063 in Q1, 2015, for stock options granted to key personnel and consultants 2012).

– *Travel and promotion.* Varied from quarter to quarter depending on requirements, for travel to Africa and Europe to progress acquisition opportunities and to secure financing.

– *Unrealized loss on short term investments.* Reflects reductions in fair value of GRIT shares (\$355,130 in Q1, 2014, \$48,186 in Q2, 2014, \$217,226 in Q3, 2014, \$74,303 in Q4, 2014 and \$80,428 in Q1, 2015).

1.6 Liquidity

At March 31, 2015 the Company had cash of \$17,070 (\$15,976 at December 31, 2014) and a working capital deficiency of \$849,326 (\$694,290 at December 31, 2014). Of the total working capital deficiency \$696,603 was owed to related parties (\$612,547 at December 31, 2014)

Financing activities

To fund ongoing acquisition development activities and working capital requirements the Company finances its activities primarily through the issue of capital stock and loans from related parties. In 2014 it also completed a securities exchange agreement with a third party.

During the three months ended March 31, 2015 cash provided by financing activities was \$69,854, compared to net cash consumed by financing activities during the same period in 2014 of \$5,000.

In September 2013 the Company announced a non-brokered private placement financing of up to \$1,200,000 consisting of the issuance of up to 12,000,000 units of the Company at \$0.10 per Unit. Each Unit consisted of one common share and one-half of one non-transferable common share purchase warrant. At December 31, 2013 the Company had completed tranche one of this financing for 5,211,000 units for net cash proceeds of \$521,100, and received additional subscriptions of \$100,000 for future tranches. In 2014 the Company completed tranche two of this financing for 1,000,000 units of the Company at \$0.10 per unit for net cash proceeds of

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\$92,000 after Finders' fees.

In June 2014 the Company announced a non-brokered private placement financing of up to \$800,000 consisting of the issuance of up to 8,000,000 units of the Company at \$0.10 per unit. Each Unit consisted of one common share and one-half of one non-transferable common share purchase warrant. At the same time the Company also granted 2,470,000 incentive stock options to key management personnel and consultants of the Company. In September 2014 the Company completed the financing for 8,100,000 units of the Company at \$0.10 per unit for net proceeds of \$800,500 after Finders' fees. 95,000 warrants exercisable on the same terms as the private placement warrants were also issued as Finders fees. Insiders of the Company subscribed for 5,000,000 units.

In the first quarter of 2014 the Company closed a securities exchange agreement with Global Resources Investment Trust PLC ("GRIT"). GRIT conducted share exchange transactions with 41 junior resource companies (32 headquartered in Canada), acquiring an initial portfolio of securities in exchange for 39,520,012 GRIT ordinary shares having a deemed value of £39,520,012 (approximately \$73,250,000).

In accordance with the terms of its agreement the Company issued 9,000,000 common shares of Oracle at \$0.10 per share to GRIT, in exchange for 473,029 ordinary shares of GRIT (the "GRIT Shares"), at the deemed price of £1.00 per GRIT Share. The GRIT Shares were distributed pursuant to a prospectus published by GRIT in the U.K. on February 28, 2014. GRIT's application to list its ordinary shares on the premium listing segment of the Official List and to trade on the London Stock Exchange ("LSE") main market became effective on March 7, 2014. Distribution of GRIT Shares to the Company and other Canadian based issuers was also made pursuant to a discretionary exemption order granted by the Ontario and British Columbia Securities Commissions dated November 13, 2013.

As finder's fees the Company issued 500,000 shares of Oracle at a deemed value of \$0.10 each, recorded as share issue costs; and a cash fee of \$25,000 is payable.

The Company will seek to sell the GRIT Shares through the facilities of the London Stock Exchange. However, market conditions for junior resource companies have deteriorated and at March 31, 2015 the Company had cumulative unrealized losses on the GRIT shares of \$775,273, based on LSE quoted bid/offer spread mid-price. Despite the decline in value it is still the Company's intent to sell these shares. In doing so the Company will seek to maximize the proceeds it receives, however there is no assurance as to the timing of disposition or the amounts that will be realized. Funds realized from the sale of the GRIT Shares will be used by the Company for working capital and new project development. Subsequent to March 31, 2015 the Company sold 190,700 of the 473,029 GRIT shares, realizing net proceeds of \$57,165.

The Company expects to continue raising additional funds to finance exploration and development of its acquisition strategy in Africa and Europe, and to meet related obligations and working capital commitments. Subsequent to March 31, 2015 an engagement letter was signed with a New York investment bank to advise Oracle on raising new sources of capital. However,

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future operations and the Company's ability to meet its commitments are dependent on its ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures. Issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the further success of the business could be adversely affected.

Operating Activities

Net cash used for operating activities was \$68,760 during the three months ended March 31, 2015 as compared to net cash provided by operations of \$788 during the same period in 2014. In 2014 cash used in operations of \$101,268 was more than offset by the net change in non-cash working capital items (primarily due to reductions in amounts receivable and prepaids, and increases in accounts payable and accrued liabilities). In 2015 cash used in operations of \$74,608 was only partly offset by a \$5,848 net change in non-cash working capital items.

Investing Activities

No cash was used for investing activities during the three months ended March 31, 2015, and compared to \$26,266 in the comparable period in 2014 (relating to the Portugal property).

1.7 Capital Resources

The Company is in the oil and gas exploration and development business and has incurred losses since its inception. To date the Company has had limited revenue and funded its operations primarily through the issuance of capital stock, including the private placement and stock exchange transactions described in detail under Liquidity, section 1.6. The Company must continue to raise additional financing to progress its strategy for the acquisition and development of oil and gas properties in Nigeria. The Company currently has insufficient funds to meet expected operating and capital expenditures without raising additional capital. The Company will use its best efforts to do so, however, there can be no assurances that the Company will be able to continue to secure financing in amounts and on terms deemed acceptable to continue these activities.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements during the three months ended March 31, 2015.

1.9 Transactions with Related Parties

Transactions with key management personnel

	THREE MONTHS ENDED MARCH 31	
	2015	2014
Salaries and other short term benefits	\$ Nil	\$ Nil
Share-based payments	17,063	Nil

Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, certain senior officers, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

As at March 31, 2015, \$141,007 (December 31, 2014 - \$139,441) were owing to key management personnel or to a company controlled by a director and the amounts were included in due to related parties. The amounts payable are non-interest bearing, unsecured, and have no specific terms of repayment.

b) Other Related Party Transactions

- i) During the three months ended March 31, 2015, the Company charged \$231 (2014 - \$814) to corporations with at least one common officer and director for recovery of expenses. As at March 31, 2015, \$6,356 (December 31, 2014 - \$6,125) were due from these corporations and the amounts were included in amounts receivable. The amounts receivable are non-interest bearing, unsecured, and have no specific terms of repayment.
- ii) During the three months ended March 31, 2015, the Company was charged \$1,313 (2014 - \$3,350) under a shared services arrangement for office space and administrative assistance by Companies with at least one common director and two common officers. As at March 31, 2015, \$10,494 (December 31, 2014 - \$9,004) were due and included in due to related parties. The amounts payable are non-interest bearing, unsecured, and have no specific terms of repayment.

1.10 Notes Payable

The Company has entered into loan agreements with several directors, officers, shareholders and other related parties. As at March 31, 2015, the total loans from related parties were \$555,934 (December 31, 2014 - \$463,792).

The outstanding loans are unsecured, bear interest at 12% per annum, and are due on demand,

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six months after receipt of funds. During the three months ended March 31, 2014, the Company recorded a total of \$12,943 (2014 - \$6,424) in interest expense on notes payable to related parties.

1.11 Proposed Transactions

At the date of this report there are no proposed asset or business acquisitions or dispositions for which the directors or senior management consider confirmation by the Board of Directors to proceed with the transaction to be probable.

1.12 Critical Accounting Estimates

Preparation of the unaudited condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant areas requiring the use of management estimates include:

- the recoverability of amounts receivable and prepayments which are included in the statement of financial position;
- the carrying value of investments;
- the carrying value and recoverable amount of exploration and evaluation assets;
- the estimated useful lives of property, plant and equipment which are included in the consolidated statement of financial position and the related depreciation included in net income/loss for the reporting period;
- the inputs used in accounting for share-based compensation expense in net income/loss;
- the inputs used in accounting for the present values of decommissioning liabilities and quarterly accretion expense; and
- the inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the company will have future taxable income.

1.13 Changes in Accounting Policies including Initial Adoption

Financial data in the unaudited condensed interim consolidated financial statements is prepared using accounting principles and practices consistent with those used in preparation of the audited

annual consolidated financial statements as at December 31, 2014. The reader should refer to the annual audited consolidated financial statements for a complete summary of significant accounting policies.

The following accounting standards and interpretations have not been implemented as they will only be applied for the first time in future periods. The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

Applicable to annual periods beginning on or after January 1, 2015:

Amendments to IAS 32 Financial Instruments: Presentation

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) amends to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- The meaning of “currently has a legally enforceable right of set-off”;
- The application of simultaneous realization and settlement;
- The offsetting of collateral amounts;
- The unit of account for applying the offsetting requirements

Applicable to annual periods beginning on or after January 1, 2016:

IFRS 9 Financial Instruments (2011)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. 14

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

This standard applies to annual periods beginning on or after August 1, 2015 and supersedes IFRS 9 (2009). However, for annual reporting periods beginning before August 1, 2015, the Company may early-adopt IFRS 9 (2009) instead of applying this standard.

1.14 Financial Instruments and Other Instruments

The carrying value of cash, accounts receivable, accounts payable and due to related parties and notes payable approximates their fair values due to the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to

significant interest, currency or credit risk arising from these instruments.

1.14.1 Financial Risk Exposure and Risk Management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfilment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Concentration Risk

Concentration risk exists in cash and cash equivalents because significant balances are maintained with one financial institution. The risk is mitigated because the financial institution is a prime Canadian bank.

b) Credit Risk

Credit risk primarily arises from the Company's cash and cash equivalents and accounts receivable. The risk exposure is limited to their carrying amounts at the balance sheet date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company endeavors to ensure there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

As at March 31, 2015, the Company does not have sufficient cash to fund the exploration and development of its resource properties to commercial production and therefore requires additional funding, which if not raised, may result in the delay, postponement or curtailment of some of its activities. Management continues to evaluate the need for additional financing and expects to raise the additional funds necessary to continue its planned activities in the normal course.

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The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

d) Market Risk

The significant market risks to which the Company is exposed are currency and interest rate risk.

i) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at March 31, 2015 and December 31, 2014 the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	MARCH 31, 2015		DECEMBER 31, 2014	
Cash	EUR	2,282	EUR	2,282
	USD	4,844	USD	-
Short term investments	GBP	66,224	GBP	113,527
Amounts receivable	EUR	3,988	EUR	3,988
Accounts payable	EUR	10,350	EUR	35,850
	USD	6,034	USD	5,373
Notes payable	USD	19,870	USD	-

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of \$9,104 (December 31, 2014 - \$26,731) in income/loss from operations.

(ii) Interest Rate Risk

The Company's policy is to invest cash in guaranteed investment certificates at

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fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at March 31, 2015 and December 31, 2014 no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

(iii) Equity price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's financing abilities due to movements in individual equity prices or general movements in the stock market. The company closely monitors equity prices and the stock market to determine the appropriate course of action to be taken by the Company. The Company's investments consist of common or ordinary shares which are subject to fair value fluctuations.

Currently the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments.

The Company's investments are subject to fair value fluctuations. As at March 31, 2015, if the fair value of the investments had decreased/increased by 20% with all other variables held constant, the net loss for the three months ended March 31, 2015 would have been \$24,945 higher/lower.

1.15 Other MD & A Requirements

1.15.1 Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com and at the Company's website: www.oracleenergy.com.

1.15.2 Outstanding Share Data

Authorized:

- Unlimited number of common shares without par value
- 5,000,000 preferred shares, par value of \$5 per share (none issued)

As of the date of this report, the Company has 62,500,131 issued and outstanding shares,

4,620,000 exercisable stock options, and 9,892,166 outstanding warrants.

1.16 Investor Relations

The Company has no Investor Relations contracts in place as at March 31, 2015.

1.17 Disclosure Controls and Procedures

In contrast to the certificate required under National Instruments 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this 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 financial statements for external purposes in accordance with the issuer's 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 this 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.