BLUE SKY ENERGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and months ended January 31, 2021 and 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This Management's Discussion and Analysis ("MD&A") relates to the financial position and results of Blue Sky Energy Inc. ("Blue Sky" or the "Company") for the three and six months ended January 31, 2021 and 2020. This MD&A should be read in conjunction with the condensed interim consolidated financial statements of the three and six months ended January 31, 2021 and 2020 and the consolidated financial statements for the years ended July 31, 2020 and 2019. Unless otherwise noted, all references to currency in this MD&A are in Canadian dollars.

All financial statement information discussed in this MD&A have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due.

The Company's certifying officers are responsible for ensuring the consolidated financial statements do not contain any untrue statement of material fact or omit 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 was made. The Company's officers certify that the consolidated financial statements fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as of the date hereof. The Board of Directors approves the consolidated financial statements and ensures that management has discharged its financial responsibilities. The Board of Directors' review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

This MD&A is as of March 5, 2021. The reader should be aware that historical results are not necessarily indicative of future performance.

OVERVIEW

Blue Sky Energy Inc. is an independent Canadian oil and gas exploration company focused on pursuing the exploration, evaluation and development of resource assets. Blue Sky's shares are listed on the NEX board of the TSX Venture Exchange ("TSXV") under the symbol "BSI.H". Additional information relating to the Company can be found on SEDAR at www.sedar.com.

OUTLOOK

The Company will continue its efforts to raise additional financing to advance its Iraq property and evaluate other opportunities which would create shareholder value.

IRAQ PROPERTY

On November 29, 2016, the Company acquired from Sonoro Energy International Holdings B.V. (the "Vendor") all the issued and outstanding shares of Sonoro Energy Iraq B.V. ("Sonoro Iraq"), a company incorporated in the Netherlands and the designated operator and holder of the license agreement with the Al-Salah ad Din Provincial Government of Iraq for bitumen exploration and asphalt production (the "Salah ad Din License") defined in the license as hydrocarbons with an API gravity of less than 25 degrees.

On March 15, 2017, the Company announced that it had received a letter from the Republic of Iraq Salah Ad Din Investment Commission confirming the resumption of work and removal of Force Majeure status related to the Asphalt License that the Company controls through its subsidiary, Sonoro Iraq, subject to securing an investment license. Once the investment license is granted, the Company can plan a new work program. To date, the Company is still waiting for the grant of the investment license.

SUMMARY OF QUARTERLY RESULTS

The Company has and expects to continue to report negative earnings until the Company's exploration program finds and develops producing assets. The Company will continue to utilize proceeds from debt, financing and equity issuances to fund its exploration program and general and administrative operating costs.

As at January 31, 2021, the Company had no operating assets and expects to generate negative cash flow from operations for the foreseeable future.

During the quarter ended January 31, 2021, the Company granted 2,640,000 options to officers, directors and consultants of the Company and recorded share-based compensation of $257,680. The loss in the quarter ended October 31, 2020 was lower due to a gain on concession from creditor of $69,712 as the Company wrote off the balance of a loan payable. The losses in the quarters ended July 31, 2020, April 30, 2020, October 31, 2019 and April 30, 2019 consist of mainly wages, salaries and consulting fees. The income of $355,054 in the quarter ended January 31, 2020, is mainly due to a reversal of $487,500 of consulting fees after the signing of a release.

(in $)	Jan-21	Oct-20	Jul-20	Apr-20	Jan-20	Oct-19	Jul-19	Apr-19
Net (loss) income	(369,718)	(40,032)	(119,984)	(140,685)	355,054	(148,267)	(146,610)	(219,495)
Per share - basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)	0.01	(0.00)	(0.00)	(0.01)
Total assets	22,800	18,876	9,013	13,891	16,639	26,361	13,325	17,392

REVIEW OF FINANCIAL RESULTS

	Three months ended		Six months ended	
($ Canadian)	**January 31, 2021**	January 31, 2020	**January 31, 2021**	January 31, 2020
Expenses				
Wages, salaries and consulting fees	**73,366**	(397,109)	**145,935**	(287,248)
Professional fees	**5,895**	11,479	**6,650**	15,919
General office expenses	**19,557**	18,819	**40,176**	38,369
Travel expenses	**-**	-	**-**	67
Share based compensation	**257,680**	-	**257,680**	-
Shareholder communications and filing fees	**2,882**	2,288	**9,295**	7,111
Foreign exchange loss	**12**	(548)	**123**	(368)
Concession from creditor	**-**	-	**(69,712)**	-
Total expenses before other income and expenses	**359,392**	(365,071)	**390,147**	(226,150)
Other income and expenses				
Interest (expense)	**(10,326)**	(10,057)	**(19,603)**	(19,403)
Net and comprehensive (loss) income for the period	**(369,718)**	355,014	**(409,750)**	206,747
Basic and diluted (loss) income per share	**0.01**	(0.01)	**0.01**	(0.01)
Weighted average number of common shares outstanding basic and diluted	**30,884,961**	30,884,961	**30,884,961**	30,884,961

Expenses

Wages, salaries and consulting fees were $73,366 and $145,935, respectively, during the three and six months ended January 31, 2021. Wages, salaries and consulting fees was a credit balance in both the three and six month periods ended January 31, 2020 due to the reversal of $487,500 of accrued consulting fees which were waived by a consultant.

Professional fees during the three and six months ended January 31, 2021 were $5,895 and $6,650, respectively, compared to $11,479 and $15,919 in the comparative periods. The fees are mainly for audit and other accounting fees incurred and/ or accrued in the periods.

During the three and six months ended January 31, 2021 the Company recorded $19,557 and $40,176, respectively, for general office expenses compared to $18,819 and $38,369 in the same periods in the prior year.

During the three months ended January 31, 2021, the Company granted 2,640,000 options to officers, directors and consultants of the Company and recorded share-based compensation of $257,680. There were no options granted in the prior year.

Shareholder communications and filing fees are the costs associated with maintaining public company filings and investor relations. There was $2,882 and $9,295 incurred during the three and six months ended January 31, 2021, respectively, compared to $2,288 and $7,111 in the comparative periods.

During the six months ended January 31, 2021, the Company recorded a concession from creditor of $69,172 related to one of its outstanding loans.

Interest expense

During the three and six months ended January 31, 2021, the Company incurred interest expense of $10,326 and $19,603, respectively, compared to $10,057 and $19,403, respectively, for the three and six months ended January 31, 2020.

The Company incurred an unsecured loan from Aberdeen International Inc. on May 10, 2017 of $50,000 which was subsequently increased to $250,000 on May 15, 2017 with an original maturity date of July 5, 2017. Interest accrues at 12% annually. The loan maturity was extended until December 31, 2017 with the payment of an arrangement fee of $12,500. The loan was further extended, is due on demand, and at January 31, 2021, the loan balance including accrued interest and arrangement fees was $374,116 (July 31, 2020 - $358,993).

A loan of $62,500 from 2227929 Ontario Inc. was included in accounts payable and accrued liabilities as at July 31, 2019. It was non-interest bearing and due on demand. On August 16, 2019, this loan was reclassified to loans payable as a loan agreement was made with 2227929 Ontario Inc. where it accrues interest at 12% annually and has a maturity date of February 18, 2020. During the three months ended October 31, 2020, the Company recorded a concession from creditor of $69,712 related to the principal plus accrued interest on this loan. During August 2019, an additional loan of $5,500 was received from 2227929 Ontario Inc. and repaid by the Company. On February 6, 2020, and September 29, 2020 the Company drew down additional amounts of $35,000 and $3,023, respectively, on the loan. The loan is unsecured. On January 31, 2021, the loan balance including accrued interest was $42,289 (July 31, 2020 - $106,738).

On October 26, 2020, the Company incurred another unsecured loan from 2227929 Ontario Inc. of $30,000 with a maturity date of June 1, 2021.The Company drew down the $30,000 on the loan on October 29, 2020 and $10,000 on January 29, 2021. Interest accrues at 12% annually. As at January 31, 2021, the balance of the loan, including interest accrued, was $41,030.

On September 16, 2019, the Company incurred an unsecured loan from Medivolve Inc. (formerly Questcap Inc.) in the amount of $10,000 which accrues interest at 12% annually. On June 29, 2020, the maturity date of the loan was extended to June 30,2021 from its original maturity date of June 30, 2020. On January 31, 2021, the loan balance including accrued interest was $11,657 (July 31, 2020 - $11,052).

On October 23, 2019, the Company incurred an unsecured loan from Sulliden Mining Inc. in the amount of $10,000 which accrues interest at 12% annually and had a maturity date of June 30, 2020. On June 30, 2020, the loan was extended to January 31, 2021 and on February 10, 2021 it was extended to October 31, 2021. On January 31, 2021, the loan balance including accrued interest was $11,535 (July 31, 2020 - $10,930).

CASH FLOWS

($ Canadian)		**Three months ended January 31, 2021**	Three months ended January 31, 2020	**Six months ended January 31, 2021**	Six months ended January 31, 2020
Cash flows (used in) operating activities	$	**(2,513)**	$ (475)	$ **(36,249)**	$ (19,242)
Cash flows provided by financing activities		**10,000**	-	**43,023**	20,000
Effect of exchange rate changes on cash		**-**	(548)	**-**	(368)
Net change in cash	$	**7,487**	$ (1,023)	$ **6,774**	$ 390

Cash flows used in operating activities during the three and six months ended January 31, 2021 were $2,513 and $36,249, respectively, compared with $475 and $19,242 used for operating activities during the three and six months ended January 31, 2020. The lower use of funds in the prior period was due to the holding of accounts payable.

There was $43,023 in financing activities from loan amounts received from 2227929 Ontario Inc. during the six months ended January 31, 2021 of which $10,000 was received in the current quarter. During the six months ended January 31, 2020, the Company received $10,000 from a loan from Medivolve Inc. (formerly Questcap Inc.) and $10,000 from Sulliden Mining Inc.

LIQUIDITY AND CAPITAL RESOURCES

Funding for the Company's exploration program and operations has come from loans from Aberdeen International Inc., Medivolve Inc., Sulliden Mining Inc. and 2227929 Ontario Inc. The Company expects to continue to use cash until such time as the Company is able to establish a production base. The Company will require additional financing in order to execute its business plan and will continue its efforts to seek appropriate financing initiatives that benefit the Company. If the Company is not able to secure additional financing, it may not be able to continue as a going concern. The condensed interim consolidated financial statements for the three and six months ended January 31, 2021 and 2020 do not give effect to adjustments that would be necessary and could be material to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern. The Company has no off-balance sheet transactions.

Going concern

Blue Sky is a development stage enterprise. To date, the Company has not found proven reserves. The business of exploration for oil and gas involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable oil and gas operations. The Company’s continued existence is dependent upon the acquisition of oil and gas properties, preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

The Company does not have any operating assets that generate revenues, does not have proven reserves and incurred a loss of $409,750 during the six months ended January 31, 2021. As at January 31, 2021 the Company had a working capital deficiency of $2,186,770. Consequently, the Company’s ability to continue as a going concern is dependent on the Company’s ability to obtain additional financing if, as and when required, and, ultimately, the attainment of profitable operations or the profitable sale of the Company’s exploration interests. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

COMMITMENTS AND CONTINGENCIES

Sonoro Iraq acquisition

On November 29, 2016, the Company acquired Sonoro Iraq. In consideration for the acquisition, the Company will make following contingent payments to the Vendor, totaling $4 million:

- $1 million on first production of petroleum and asphalt;
- $1 million once production hits 15,000 barrels per day;
- $1 million once production hits 40,000 barrels per day; and
- $1 million once production hits 80,000 barrels per day.

All production is as defined in the Salah ad Din License dated October 2, 2010. In the event that no production is achieved related to the Salah ad Din License agreement, no consideration or payments shall be owing or payable to the Vendor. As triggering events have not taken place as at January 31, 2021, the above amounts have not been recorded in the condensed interim consolidated financial statements.

Management contracts

The Company is party to certain management and independent contractor contracts. These contracts require payments of approximately $720,000 to be made upon the occurrence of a change in control to the officers of the Company. As a triggering event has not taken place, the contingent payments have not been reflected in the condensed interim consolidated financial statements. The Company is also committed to payments upon termination of approximately $240,000 pursuant to the terms of these contracts.

Contingencies

Oil and gas operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Novel Coronavirus

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

SHARE CAPITAL

As at the date of this report, there are 30,884,961 common shares of Blue Sky are outstanding and 2,980,000 options with weighted average exercise price of $0.24. There are no off-balance sheet financing arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel compensation

In addition to their contracted fees, executive officers participate in the Company's share option program. Certain executive officers are subject to a mutual termination notice of twelve months. Key management personnel compensation comprised:

	Three months ended January 31, 2021	Three months ended January 31, 2020	**Six months ended January 31, 2021**	Six months ended January 31, 2020
Short term employee benefits	**$ -**	$ -	**$ -**	$ -
Share-based payments	**126,888**	-	**126,888**	-
	$ 126,888	$ -	**$ 126,888**	$ -

Included in accounts payable and accrued liabilities as at January 31, 2021, is $63,889 (July 31, 2020 - $63,889) owing to key management personnel for business and operational consulting services. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

See Note 5 of the financial statements for the three and six months ended January 31, 2021 and 2020 for an outstanding loan payable owing to Aberdeen International Inc., an entity which owns common shares of the Company and an outstanding loan payable to Sulliden Mining Capital Inc., a company whose CFO, Ryan Ptolemy, is CFO of the Company.

CHANGES IN ACCOUNTING POLICIES

The Company will monitor the development of the relevant IFRS and change its accounting policies accordingly.

The Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included the amendments to IAS 1 and IAS 8. The adoption of these amendments on August 1, 2020 did not have a material impact on the Company's consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results could differ from those estimates and these estimates could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Share-based payments and warrants

Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities require interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies and provisions

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against us or un-asserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or un-asserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets are not recognized in the consolidated financial statements.

Foreign Currency Determination

Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. Judgment is necessary in assessing each entity's functional currency. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each consolidated entity.

ADDITIONAL DISCLOSURES

Risks and uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of oil and gas properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Substantial capital requirements

The Company anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. In addition, uncertain levels of near term industry activity coupled with the present uncertainty in global financial markets exposes the Company to additional financing risks. There can be no assurance that debt or equity financing, or funds generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects.

Regulatory

Oil and gas operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Litigation and arbitration

All industries, including the oil and gas industry, are subject to legal claims, with and without merit. Legal proceedings and arbitration may arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or its subsidiary in the future from time to time or the Company or its subsidiary may be subject to another form of litigation. Defense and settlement costs of arbitration or legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and arbitration process, the process of defending such claims (or any other claims that may be brought against the Company), could take away from management time and effort and the resolution of any particular legal proceeding to which the Company or its subsidiary may become subject could have a material effect on the Company's financial position and results of operations.

Third party credit risk

The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company or pursuant to contracts under which the Company is a party, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner.

Competition

The petroleum industry is competitive in all its phases. Blue Sky competes with numerous other organizations in the search for and the acquisition of oil and natural gas properties and in the marketing of oil and natural gas. Our competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than Blue Sky. Our ability to acquire properties in the future will depend on our ability to select and acquire suitable properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods, reliability of delivery and control over key operations infrastructure.

Conflicts of interest

Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in oil and gas or natural resource exploration and development and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Exploration, development and production risks

Oil and natural gas operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Blue Sky depends on its ability to find, appraise, develop and commercially produce oil and natural gas resources and reserves, which will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire additional producing properties or prospects.

The Company may not be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Blue Sky may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that commercial quantities of oil and natural gas will be discovered or acquired by Blue Sky. Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Management's assessment of future plans and operations, capital expenditures, methods of financing capital expenditures and the ability to fund financial liabilities, expected commodity prices and the impact on Blue Sky, future operating costs, future transportation costs, results of arbitration or litigation proceedings; expected change in royalty rate and interest rates may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation to, statements with respect to the Company's development potential and program; the acquisition of Sonoro Iraq, the Company's ability to raise required capital, the future price of oil and gas; the impact of changes in management; the estimation of oil and gas reserves; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; currency exchange rates; potential and stability of foreign jurisdictions; government relations and regulation; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology 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 statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration, development and construction; revocation of government approvals and contracts; timing and availability of external financing on acceptable terms; actual results of exploration activities; changes in project parameters as plans continue to be refined; future prices of oil and gas; failure of plant, equipment or processes to operate as anticipated; litigation or arbitration proceedings; accidents, labour disputes; risks inherent in foreign operations and other risks *of the oil and gas industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information 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. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*