INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

NOVEMBER 29, 2017

The following Management Discussion and Analysis ("MD&A") prepared as of September 30, 2017, and dated August 29, 2017, is provided for reviewing the results for the three and six months ended September 30, 2017 and is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations as at the three and six months ended September 30, 2017 and 2016. This discussion and analysis of the performance, financial condition, and future prospects of Bow Energy Ltd. (the "Company" or “Bow”) should be read in conjunction with the Company’s audited financial statements for the year ended March 31, 2017 together with the notes thereto.

Petroleum and natural gas reserves and volumes are converted to a common unit of measure on a basis of six thousand cubic feet of gas to one barrel (bbl) of oil. BOEs may be misleading, particularly if used in isolation. The forgoing conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms to the Canadian Securities Regulators’ National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities. For the purpose of this MD&A, oil is defined to include the following commodities: light and medium oil and primary heavy oil.

Amounts are shown in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts that address activities, events or developments that Bow expects are forward-looking statements. The Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions which the Company is required to make regarding future events and may constitute forward-looking statements within the meaning of applicable securities laws. Management’s assessment of future plans and operations, capital expenditure requirements, methods of financing and the ability to fund financial liabilities, changes in royalty rates and the timing and impact of accounting policies may constitute forward-looking statements under applicable laws and necessarily involve risks including and without limitation, risks associated with oil and gas exploration, development and exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations imprecision of reserve estimates, environmental risks, competition from, other producers, the inability to fully realize the benefits of acquisitions, delays resulting from, or inability to obtain, required regulatory approvals and ability to access sufficient capital from internal and external sources. Readers and investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include market prices, exploration and exploitation successes, continued availability of capital and financing and general economic, market or business conditions.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will be realized. The use of any of the words "anticipate", "believe", "continue", "estimate", "expect", "may", "will", "forecast", "project", "plan", "should" and similar expressions are intended to identify forward-looking information. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The risks associated with these forward-looking statements include, but are not limited to, the following:

Fluctuations in oil production levels; Volatility in market prices for gas, liquids and oil; Uncertainties associated with estimating reserves; Well production and decline rates; Changes in the general economic conditions in Canada and Worldwide; The effects of weather conditions; The ability of Bow to obtain financing including equity and debt; and Actions taken and policies by governmental or regulatory authorities including changes to tax laws, incentive programs, royalty calculations and environmental regulations.

Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and the forward-looking statements are expressly qualified in their entirety by this cautionary statement.

Additional information related to the Company is available on SEDAR at www.sedar.com, and on the Company's website at http://bowenergy.ca/

DESCRIPTION OF BUSINESS

Bow is a Canadian natural resources company presently engaged in the acquisition, exploration, and development of oil and gas properties in Indonesia. Shares of the Company trade on the TSX Venture Exchange ("Exchange") under the symbol "ONG".

On January 24, 2017, ACL International Ltd. amended its name to Bow Energy Ltd.

On June 30, 2015 the TSX Venture Exchange accepted the Company's change of business from a general insurance brokerage issuer to an oil and gas issuer. The Company met the requirements to be listed as a TSX Venture Tier 1 issuer. Effective July 2, 2015, listing of the Company's shares was transferred from the NEX to the TSX Venture exchange.

Overall, Bow Energy Ltd. has contracts covering a total land position in Indonesia of 948,029 net acres.

South Block A

South Block A is located onshore North Sumatra, Indonesia. Bow is the operator of the 421 km block with a 44.48% Working Interest. The block has a proven petroleum system on trend with the Arun, Pase, Rantu and Kual Simpang gas fields. There are multiple prospects and leads with the potential for stacked pay. The block has existing infrastructure leading to a high demand oil and gas market. Part of the Ductch vintage oil field known as Paya Bili. The block was purchased on Jul 2, 2015.

The Company has advanced a total of $1,971,491 to its subsidiary Renco Elang Energy Pte. Ltd. ("REE") which holds Bow's interest in SBA. These advances are interest free loans. As part of the REE shareholder's agreement, all after-tax proceeds from the operations of SBA are first paid against the shareholder loans, prior to any distributions relative to each party's share interests.

REE's partner PT. Prosys Oil and Gas International ("POGI") defaulted on cash call requirements to fund SBA as part of their 14% working interest. The deadline to remedy the defaults was on October 23, 2016. POGI's interest in SBA was subsequently transferred in the following proportions: REE: 8.3% and KRX Energy (SBA) Pte Ltd. 5.7%. The proportionate interests in SBA are now: 59.3% for REE and 40.7% for Lion.

During the year, Indonesian regulatory authority, BPMA, granted an additional 4-year extension, effective as of January 19, 2017, to the exploration term for South Block A. The extension was granted following the drilling of the Amanah Timur-1 discovery well. This completed the work commitments for the block. Following the extension, REE is reviewing results from the discovery to identify commercialization options and work towards filing a Plan of Development for approval by the regulatory authority. As per the government requirements, following relinquishment the remaining area of the SBA PSC is 421 km^2. REE has selected the remaining area to ensure remaining acreage contains previously identified prospects and leads. The work program for the new extension is comprised of 50 km^2 of 3D seismic and drilling of 3 wells. After 2 years, the regulator will review progress on the block. During that time, the work commitment requires REE and its partner to either complete the work program or submit a Plan of Development. Failure to meet either target may result in expiry of the PSC, without financial penalty.

Bukit

On May 24 2017, Bow closed corporate acquisitions resulting in Bow acquiring interests in four Production Sharing Contracts ("PSCs") and one non-conventional joint study agreement ("JSA"), all interests are located onshore in Sumatra, Indonesia. The Company's wholly owned subsidiary, Bow Energy International Holdings

Inc. (“BEIH”), acquired all of Bukit Energy Inc.’s shareholding interests (the “Bukit Assets”) in five Singapore holding companies (the “Holding Companies”) that own the interests. The Holding Companies being acquired by BEIH own the following interests in the conventional and non-conventional PSCs and non-conventional JSA:

- Bohorok PSC (conventional) – operated 50% participating interest, 465,266 net acres
  - Drill ready step-out location with resource potential of 41 BCF & 3 MMBC (internal estimates)
- Palmerah Baru PSC (conventional) – operated 54% participating interest, 98,977 net acres
  - Several light oil play trends, shallow and deep analogues in surrounding PSC’s with prolific production
- Palmerah Deep PSC (non-conventional)- operated 69.36% participating interest, 170,398 net acres
  - Area underlies conventional PSC
- Mahato PSC (conventional)- 20% participating interest, 167,115 net acres, non-operated
  - 2 drill ready locations adjacent to producing fields
- Bohorok Deep (non-conventional)- 20.25% participating interest in a JSA, non-operated with option to become operator
  - Area of JSA underlies the Bohorok PSC and adjacent to Pertamina’s nonconventional PSC

Langsa TAC

The Company owned a 50% interest in a Technical Assistance Contract for a block referred to as “Langsa TAC”. Located in the East Aceh Offshore contract area in North Sumatra, Indonesia the block covers an area of approximately 77 square kilometers. The TAC expired on May 14, 2017 and operations from this unit of business have been classified as discontinued.

OVERALL PERFORMANCE

Operationally, the six months ended were marked by a significant change in the business with the expiry of the Langsa TAC operation. As this major line of business ceased during the first quarter, current revenue and expenditures related to the operations were classified as discontinued operations. Net loss of $725,717 was recorded for the six months ended September 30, 2017 compared to a loss of $1,959,624 for the six months ended September 30, 2016. A loss of $83,828 from discontinued operations was included in the period ended September 30, 2017 and the reclassification of the loss to discontinued operations resulted in a loss from discontinued operations of $1,737,694 for the comparative period ended September 30, 2016.

During the six months ended September 30, 2017, the Company was focused on closing the acquisition of the Bukit Assets and transitioning to operating those assets. General and administrative expenses increased to $584,708 from $176,599 in the comparative period for the six months ended September 30 2017. The increase was attributable to increases of rent $27,513, share based payments from stock options of $84,420 and an increase in staffing costs with important strategic executive hires, which increased salaries by $16,258 for the period and $219,554 in expenses for the Bukit operations.

Interest expense increased $45,711 for September 30, 2017 in comparison to the six months ended September 30, 2016 due to the change in capital structure of the business, with the emphasis on debt financing.

Working capital for the period ended September 30, 2017 changed substantially to a working capital deficiency of $1,672,716 from a working capital balance of $1,207,613 at the year ended March 31, 2017. The Company’s Langsa TAC operation was a net positive contributor to cash and provided a consistently healthy working capital ratio. The working capital deficiency at September 30, 2017 is reflective of the change in business to an exploration and evaluation company. Current assets were used in the period to purchase the Bukit Assets and at the time of the acquisition the Bukit assets added $903,198 of current liabilities to the Company’s financial position.

SELECTED ANNUAL INFORMATION

Years ended March 31,	**2017**	**2016**	**2015**
Revenue	$ 7,180,747	$ 8,008,404	$ -
Net earnings (loss)	(1,170,643)	(7,937,966)	10,035,187
Total assets	5,157,592	5,965,731	1,866,829
Current liabilities	1,449,396	1,428,518	136,184
Total long-term liabilities	-	-	818,054
Equity	3,708,196	4,537,214	912,591
Earnings (loss) per share – basic and fully diluted	(0.01)	(0.10)	1.04

The Company's total assets decreased by $808,139 as at March 31, 2017 compared to March 31, 2016 due to depletion of production assets of $2,559,446, which was offset by the continued funding of SBA through the Advances to joint venture, which increased by $949,187. March 31, 2015 was a windup year for the previously operated insurance business and assets were disbursed to shareholders.

The Company continued to have no long-term liabilities for March 31, 2017 as compared to March 31, 2015 as the USD $645,000 note became current in 2016 and remains current as of this report.

The net loss for the year ended March 31, 2017 of $1,170,643 included final windup costs related to the insurance business, included in discontinued operations of $173,188. Net loss from continuing operations was attributed to the losses generated from the production assets of the Langsa TAC; the loss directly attributable as calculated by revenue less oil and gas operating expenses, impairment, and depletion was equivalent to $476,085. Losses from the year ended March 31, 2016 of $7,937,966 included $9,791,198 of net non-cash expenses consisting of depreciation and impairment costs relating to the depletion of oil and gas properties relating to the asset acquisition from Blue Sky Langsa Ltd., and a loss from discontinued operations of $31,638.

The net earnings for the year ended March 31, 2015, were generated through the gain on sale of its Canadian operations. At this time, Bow had not yet become an operating oil and gas producer.

Equity of the Company decreased by $829,018 due to losses and changes in accumulated other comprehensive income. The Company did not sell any common shares during the March 31, 2017 year. For the year ended March 31, 2016, total equity increased by $3,624,623 over March 31, 2015, primarily due to an increase in share capital of $10,781,872 resulting from the issuance of common shares for the asset acquisition from Blue Sky Langsa Ltd., which was offset by net losses of $7,937,966.

RESULTS OF OPERATIONS IN THE PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

Expenses

General and administrative

General and administrative expenses increased to $584,708 from $176,599 in the comparative period for the six months ended September 30 2017. The increase was attributable to increases of rent $27,513, share based payments from stock options of $84,420, and the addition of the expenses related to the Bukit operations of $219,554 for the period. The increase in staff is required in order to manage the ongoing development of the Bukit Assets, as the Company acts as the operator for the PSCs in these assets.

Discontinued operations

Operationally, the first quarter was marked by a significant change in the business with the expiry of the Langsa TAC operation. The Langsa TAC joint operation, a major line of business ceased during the quarter. Current revenue and expenditures related to the operations were classified as discontinued operations. A summary for the discontinued operations for the six months ended is as follows.

Six months ended September 30,	2017	2016
Revenue	$ 872,800	$ 1,822,045
General and administrative	-	(15,578)
Oil and gas expenditures	(642,941)	(2,266,683)
Exchange gain	314	-
Depletion	(314,001)	(1,277,478)
Loss from discontinued operations	(83,828)	(1,737,694)

Revenue in 2017 was only recorded over a two-month period because the licence expired on May 14, 2017.

Bukit Assets acquisition

The Company acquired the Bukit Assets during the period ended June 30, 2017, for a total of USD $1,967,494 for a total CDN purchase price of $2,648,247. The Company paid an initial amount of $1,072,049 (USD $796,470), assumed liabilities of $819,945 (USD $609,172), issued a note payable of $673,000 (USD $500,000) which is due and payable on August 31, 2017 and had closing costs of $83,253.

The purchase price allocation can be summarized as follows:

Cash	$ 724
Trade and other receivables	24,775
Prepaid expenses and deposits	421,455
Exploration and evaluation assets	2,201,293
	$ 2,648,247

The fair values of identifiable assets acquired as reported in the table above were estimated based on information available at the time of preparation of these interim condensed consolidated financial statements. Actual amounts recognized by the Company once the acquisition accounting is finalized may differ materially from these estimates.

Exploration and evaluation assets can be summarized as follows for the period:

	Bohorok	Palmerah Baru	Palmerah Deep	Mahato	Total
Cost as at April 1, 2017	-	-	-	-	-
Acquisition of Bukit assets (Note 5)	1,127,365	455,173	224,902	292,903	2,100,343
Additions	-	-	-	-	-
Foreign currency translation change	(86,027)	(34,733)	(17,162)	(22,351)	(160,273)
Cost as at September 30, 2017	1,095,524	442,316	218,550	284,630	2,041,020

INTEREST AND FINANCING COSTS

Six months ended September 30,		2017		2016
Interest	$	91,226	$	44,987
Accretion		5,835		-
	$	97,061	$	44,987

The Company incurred higher interest costs in 2017 due to the issuance of a new note issued on October 24th and the amendment to an existing note of USD $645,000, which increased the interest rate to 9%. An accretion expense was recorded in the September 30, 2017 period due to the fair market valuation of the amended debt and the subsequent amortization of the finance costs over the maturity period.

CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017 AND SEPTEMBER 30, 2016

Net cash provided by operating activities during the period ended September 30, 2017 was $1,117,380. The net loss for the period of $725,717 was primarily offset by non-cash expenses including depreciation, depletion, and amortization, and share-based payments. A decrease to accounts receivable in the discontinued operational cash flows increased cash by $1,125,587. The accounts receivable was primarily from the proceeds of the Langsa TAC joint operation for the period ended March 31, 2017.

Net cash provided by operating activities during the period ended September 30, 2016 was $106,895. The positive operating cash flows can be attributed to a cash adjustment for depletion recorded in discontinued operations of $1,277,478, which was offset against higher accounts receivable and corresponding decrease in cash flows from continued operations of $439,623.

Cash from operations for the period ended September 30, 2017 was used for investing activities to fund the purchase of the Bukit Assets, whereby a $1,072,049 payment was made in May to close the purchase.

Comparatively, during the period ended September 30, 2016, cash used in investing activities was used to make further advances to its joint venture $160,389 in funds were used to further develop the interests in SBA through cash calls flowed through the joint venture with REE.

Net cash provided by financing activities during the period ended September 30, 2017 was $41,740. Notes were issued for a total of $147,000 and a note was repaid $135,960. For the period ending September 30, 2016, the Company received a $58,000 promissory note from an officer to fund short term cash obligations and subsequently paid at the end of the period.

Interim MD&A – Quarterly Highlights
The following table summarizes the Company's key consolidated financial information for the last eight quarters.

Quarter ended	Revenue ($)	EBITDA ($)	Net earnings (loss) ($)	EPS –Basic and Diluted ($/share)
September 30, 2017	-	(540,671)	(725,717)	(0.00)
June 30, 2017	903,501	(172,985)	(309,288)	(0.00)
March 31, 2017	3,082,589	1,347,567	420,211	(0.00)
December 31, 2016	2,287,061	982,601	378,287	(0.00)
September 30, 2016	-	(1,135,802)	(1,764,496)	(0.02)
June 30, 2016	1,811,097	505,011	(204,645)	(0.00)
March 31, 2016	1,750,478	(146,078)	(4,790,962)	(0.05)
December 31, 2015	4,034,881	2,682,415	51,712	(0.00)

- EBITDA is defined as Earnings before interest, income taxes, and depreciation and amortization.
- EBITDA is discussed and presented here as a non-IFRS measure because it is management's major performance indicator.
- EBITDA is reconciled to Net earnings above.
- The Revenue and EBITDA exclude the results of the discontinued operations.

The Company's revenue and operating expenses are driven largely by the timing of the oil production, which can vary materially from period to period. These variations accounts for the apparent seasonality of revenue and earnings. September 30, 2017 was the first three-month period without the operations of the Langsa TAC oil production assets.

During the fourth quarter of fiscal year 2016, the Company incurred an impairment charge of $657,266 in conjunction with the issuance of the reserve report.

LIQUIDITY

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS which contemplates the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company incurred a net loss of $725,717 for the six months ended September 30, 2017 and as of that date the Company's accumulated deficit was $18,594,510. The Company's Langsa TAC asset expired on May 14, 2017, which has been the Company's primary source of cash and only source of revenue. At such time, the Company will not have any oil and gas assets in production. During this exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors give rise to a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities when due. The Company used its working capital to acquire the Bukit Assets, so the Company may not have sufficient cash equivalent to settle its current liabilities of $2,950,071 as at September 30, 2017. The Company's working capital at March 31, 2017 was $1,207,613. All the Company's financial liabilities are subject to normal trade terms and are scheduled for payment within one year.

The following table presents the notes payable coming due over the course of the next period.

		September 30, 2017		March 31, 2017	
Nominal interest rate	Date of maturity	**Face value**	**Carrying amount**	Face value	Carrying amount
12%	31/12/2017	**$ 48,498**	**$ 51,416**	$ 48,498	$ 49,230
12%	31/12/2017	**100,000**	**103,584**	-	-
12%	31/12/2017	**47,000**	**48,437**	-	-
8.5%	15/12/2017	**623,108**	**645,749**		
9%		**996,501**	**1,005,861**	1,197,900	1,192,065
		$ 1,815,107	**$ 1,855,047**	$ 1,246,398	$ 1,241,295

(i) On July 12, 2017, the Agreement date of maturity was extended. USD $200,000 is due and payable on September 15, 2017 and USD $600,000 is due and payable on December 31, 2017. The Company repaid $135,960 (USD $100,000) in May 2017.

CAPITAL RESOURCES

During the six months ended September 30, 2017, Bow did not issue any common shares.

The following table sets forth the Company's future contractual and long-term obligations as at March 31, 2017:

Debt	**Total**	**< 1 year**	**1 - 3 yrs.**	**3 – 5 yrs.**	**>5 yrs.**
Notes payable	$2,950,071	$2,950,071	-	-	-

The Company has several notes coming due within the next three months. A note of $996,501 (USD$800,000), bearing interest at 9% is due on December 31, 2017. As at the date of the filing, a further USD $100,000 was repaid. One promissory note including interest, total $49,950, was extended and matures on December 31, 2017, bears interest at 12% and has no security and the Company issued two new notes in the prior period ended June 30, 2017, which collectively carry a current balance of $ 147,574, were extended and are now due on December 31, 2017. As part of the cost of acquisition of the Bukit Assets, the Company issued a note payable of USD $500,000 which matured on August 31, 2017 and was extended to December 15, 2017.

OUTSTANDING SHARES

The Company is authorized to issue an unlimited number of Common Shares. As at September 30, 2017 there were 92,310,184 issued and outstanding Common Shares.

There were no changes in share capital from the period March 31, 2017 to September 30, 2017 and share capital is as follows:

	Shares	Amount
Balance, March 31, 2017	92,310,184	$ 17,649,200
Balance, September 30, 2017	92,310,184	$ 17,649,200

STOCK OPTIONS

The Company has adopted an incentive stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the total number of issued and outstanding common shares of the Company from time to time on a non-diluted basis.

The Company issued 2,200,000 stock options during the period and 671,180 shares were forfeited. Of which, 2,000,000 shares were issued to an officer of the Company on a 5 year term at an option price of $0.12 on September 1, 2017; 50% vested immediately and the remaining 50% vest on the anniversary of the grant. 200,000 shares were issued to an employee of the Company on a 5 year term at an option price of $0.12 on September 1, 2017; 15% vest within 6 months of issuance; 20% vest within 12 months; 33% within 24 months and 32% within 36 months of issuance.

The Company had a total of 8,517,658, of which 4,336,478 were exercisable, options outstanding at a weighted average exercise price of $0.12 at March 31, 2017 and carry an average term of 2.74 years.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties from time to time in the normal course of business, as well as key management personnel.

On May 30, 2016 an Officer of the Corporation granted an unsecured loan, which carries interest at 12% per annum in the amount of $58,000 for general working capital. The note matures on July 29, 2016. The above transaction was in the normal course of business and was at terms agreed to by the related parties. The amount was repaid on September 3, 2016. The difference between the face value and carrying amount is attributed to accrued interest. The officer extended the maturity date to September 15th, subsequent to the period end.

On June 29, 2017, the Company issued a note payable to an Officer in receipt for $47,000. The note matures on December 31, 2017 and carries interest at 12% per annum.

Share based payments were composed of expenses related to stock options. 2,000,000 shares were issued to an officer of the Company on a 5 year term at an option price of $0.12 on September 1, 2017; 50% vested immediately and the remaining 50% vest on the anniversary of the grant.

Compensation of Key Management Personnel
Key management personnel are comprised of all members of the Board of Directors and the Named Officers (as defined in Form 51-102F6 Statement of Executive compensation and disclosed in the Company's Management Proxy Circular in connection with its annual meeting of shareholders). The summary of compensation of key management personnel is as follows:

Six months ended	**September 30, 2017**	September 30, 2016
Salary and bonuses	**$ 120,438**	$ 61,178
Share based payments	**128,140**	43,720
Total compensation of key management personnel	**$ 248,578**	$ 104,898

PROPOSED TRANSACTIONS

On October 25, 2017, the Company received a non-binding proposal from Petrolia Energy Corporation ("Petrolia") (BBLS:OTCBB) for the acquisition of the outstanding shares of Bow. Petrolia has offered to acquire 100% of the shares of Bow outstanding by issuing shares of Petrolia in exchange for the Bow. Bow shareholders will receive 1.15 shares of Petrolia for each Bow share held.

Bow and Petrolia have signed a non-binding Letter of Intent which is subject to various conditions including completion of due diligence and board of director approval. Upon completion of due diligence, the parties will move to sign a formal binding agreement subject to customary shareholder and stock exchange approvals as may be required.

OTHER SIGNIFICANT EVENTS AND COMMITMENTS

None.

RISKS

The risks in the oil and gas industry are varied and wide-ranging:

The Company could be subject to changes in its tax rates, the adoption of new Canadian or international tax legislation or exposure to additional tax liabilities.

The Company is subject to taxes in the Canadian and numerous foreign jurisdictions, including British Virgin Islands, where a number of the Company's subsidiaries are organized. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. The Company's effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation, including in the Canada and British Virgin Islands.

The Company is also subject to the examination of its tax returns and other tax matters by the Canadian Revenue Agency and other tax authorities and governmental bodies. The Company annually assesses the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of its provision for taxes. There can be no assurance as to the outcome of these examinations. If the Company's effective tax rates were to increase, particularly in the Canada or British Virgin Islands, or if the ultimate determination of the Company's taxes owed is for an amount in excess of amounts previously accrued, the Company's financial condition, operating results and cash flows could be adversely affected.

Exploration, Development, and Production Risks
Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves.

Without the continual addition of new reserves, any existing reserves the Company may have at any time, and the production there from, will decline over time as such existing reserves are exploited. A future increase in the Company's reserves 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 suitable producing properties and prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the Company may determine that current markets, terms of acquisitions and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Company.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also 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 in of connected wells for various reasons including access issues resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical issues. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

A material change in prices of commodities may affect the Company's borrowings and ultimately affecting the raising of equity capital by the Company.

Global Financial Crisis
Recent market events and conditions, including disruptions in the international credit markets and to the financial systems, and the deterioration of global economic conditions, have caused significant volatility to commodity prices. These conditions are continuing in 2015, causing a loss of confidence in the broader Canadian and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate. These factors have negatively impacted corporate valuations and will impact the performance of the global economy going forward. Although improved, petroleum prices are expected to remain volatile for the near future because of the market uncertainties over the supply and demand of these commodities due to the current state of the world economies, OPEC actions, regional conflicts and the ongoing global credit and liquidity concerns.

Commodity Price Risk
The nature of the Company's operations results in exposure to commodity fluctuations. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. A material change in prices of commodities affected the Company's borrowings and ultimately affecting the raising of equity financing. The Company does not hedge commodity price risk and has no physical forward price or financial derivative sales contracts as at or during the period ended September 30, 2017.

Operational Dependence
Other companies operate various producing wells in which the Company holds interests. The Company has limited ability to exercise influence over the non-operated assets or their associated costs, which could adversely affect the Company's financial performance. The Company's return on assets operated by others therefore depends upon a number of factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Regulatory
Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Company's costs, any of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In order to conduct oil and gas operations, the Company will require licences from various government authorities. There can be no assurance that the Company will be able to obtain all of the licences and permits that may be required to conduct operations that it may wish to undertake.

Environmental
All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material adverse effect on the Company's business, financial condition, results of operations and prospects. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

Substantial Capital Requirements
The Company anticipates making capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future to replace reserves. If the Company's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. In addition, uncertain levels of near term industry activity coupled with the recent global credit crisis exposes the Company to additional access to capital risk. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes including repayment of loan facilities when due 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 and capital requirements could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

It is estimated that to complete the planned exploration and evaluation of current assets, a budget of $15 million USD is required.

Dilution
The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive.

RECENT ACCOUNTING STANDARDS

The Company has reviewed amendments to accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 is effective for annual period beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers which specifies how and when an entity will recognize revenue as well as requiring entities to provide users of consolidated financial statements with more informative, relevant disclosures. IFRS 15 is effective for annual period beginning on or after January 1, 2018.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

IAS 7 Statement of Cash Flows

Amendments to IAS 7 Statement of Cash Flows require disclosures that enable financial statement users to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 Income Taxes

Amendments to IAS 12 Income Taxes clarify the recognition of deferred tax assets for unrealized losses related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017.

IFRIC 22 foreign currency transactions and advance consideration

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. The interpretation is effective for annual reporting periods beginning on or after 1 January 2018.

The Company is currently assessing the impact these standards and amendments may have on its consolidated financial statements.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely disclosure information.