Perisson Petroleum Corporation
Management Discussion & Analysis
For the three months ended March 31, 2016

May 30, 2016

The following Management's Discussion & Analysis ("**MD&A**") of Perisson Petroleum Corporation ("**Perisson**" or the "**Company**") is provided by its management and reports on the financial condition and the results of operations for the three months ended March 31, 2016 and should be read in conjunction with the condensend interim consolidated financial statements and notes thereto as at and for the three months ended March 31, 2016 and 2015 and the audited consolidated financial statements for the year ended December 31, 2015 ("**Statements**"). The Company's Statements have been prepared in accordance with International Financial Reporting Standard ("**IFRS**") and all currency amounts are expressed in Canadian dollars except otherwise specifically indicated. This MD&A is prepared and is being filed on May 30, 2016. Additional information about Perisson can be found at www.sedar.com and www.perisson.com. The Company's shares are listed and traded on the Canadian Securities Exchange ("CSE" formerly known as "CNSX") under the symbol POG.

Forward looking statements

Certain statements contained in this MD&A constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "goal", "predict", "potential", "should", "believe" and similar expressions are intended to identify forward-looking information and statements. The information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information and statements. Such statements reflect the Company's, as the case may be, current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance, or achievements to vary from those described in this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated, or expected.

Overview of the Business

Perisson is engaged in the exploration for oil and gas assets in Colombia through its subsidiaries Perisson Petroleum Panama Corporation (incorporated in Panama), Morichal Sinoco, SA (incorporated in Venezuela) and the latter's Colombian branch. The Company's oil and gas activities are focused on commercially exploiting resources from its 100% interest in the VMM-17 block. The VMM-17 block covers 39,927 hectares of the Magdalena Basin, the oldest oil-producing basin in Colombia.

The Company considers its VMM-17 activities to be only at the exploration stage since it has not yet determined any proven reserves nor generated any production revenues. Since obtaining its VMM-17 exploration license the Corporation, including its subsidiary MSSA, has spent approximately $4,071,000 on in order to measure the commercial potential of the various drilling targets on its land. The majority of the effort to-date has consisted of analyzing and reviewing seismic and geological data from previously-drilled well locations on the VMM-17 block. Other activities have included filing environmental impact studies, preparing a social management plan and performing all the geology, scientific and engineering work required to chose and prepare a potential drilling location.

Discussion of Operations

Subsequent to the Agencia Nacional de Hidrocarburos ("**ANH**") issuing the VMM-17 Contract to the Company, the Parques Nacionales de Colombia ("**CNNP**") issued three directives to the Company outlining environmental concerns surrounding the proposed oil operations on the majority of the VMM-17 land block.

In April 2015, the ANH issued a suspension order on the VMM-17 land block as the Company has not been able to obtain an environmental license due to environmental concerns of the CNNP and local residents. Notwithstanding the CNNP directives, on December 17, 2015 the ANH advised the Company that it had until September 17, 2016 to complete its work obligations under the VMM-17 Contract. The Company disagrees with the position taken by the ANH given the CNNP directives and the resulting inability to obtain an environmental license and is negotiating with the ANH to resolve the situation.

The Company considers this to be a force majeure under the VMM-17 Contract and is working with the ANH to resolve the situation. Notwithstanding the ongoing negotiations taking place with the ANH and the CNNP, there is no guarantee that the Company will be able to obtain the requisite permits and licenses required to undertake drilling operations on the contract lands. The Company believes that in the event it is not be able to renegotiate the VMM-17 Contract with ANH, the letter of credit will be released to the Company and the deposit will become unrestricted.

As management believes that it is unlikely that the Company could conduct economic operations on the VVM-17 land block given current world oil prices and there is uncertainty regarding the Company successfully obtaining the environmental license and realizing on its current investment in the contract lands, the Company considers its exploration and evaluation assets impaired and, as such, wrote down the carrying value to $1 at December 31, 2015. The Company also impaired a sales tax receivable related to the VVM-17 lands.

Presentation and Functional Currency

Change in Presentation and Functional Currency

As at December 31, 2015, the Company changed the currency in which it presents its consolidated financial statements from US dollar (the functional currency of the Company) to Canadian dollars. The change in

presentation currency was made to better reflect the Company's business activities and to improve comparability. This change was applied retrospectively from January 1, 2014.
All comparative financial information has been restated to reflect the Company's results as if they had been historically presented in Canadian dollars and the effect on the consolidated financial statements resulted in the recognition of $609,740 of other comprehensive income for the three months ended March 31, 2015 and recognition of $1,739,462 of accumulated other comprehensive income as at March 31, 2015.

The functional currency of each of the Company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollar and the functional currency of the Company is the Canadian dollar.

The Company and its subsidiaries changed their functional currency from the US dollar to the Canadian dollar effective as of January 1, 2016. Per IAS 21, the effects of changes in foreign exchange rates, an entity's functional currency should reflect the underlying transactions, events, and conditions relevant to the entity. Based on management's evaluation of the jurisdiction recently expected future transactions, management determined that the functional currency of the Company and its subsidiaries is the Canadian dollar. The change in functional currency has been accounted for prospectively.

Translation of the Financial Results of Foreign Operations for the Comparative Period

Prior to January 1, 2016, the Company had a functional currency of US dollars as it was the currency of the primary economic environment in which the entity operated. For the December 31, 2015 comparative balances, assets and liabilities have been translated from the functional currency (US dollars) to the presentation currency (Canadian dollars) using the exchange rates on the reporting date. For the March 31, 2015 comparative balances, the income statement was translated at the average rates for the period then ended. Exchange differences arising on translation were recognized in Other Comprehensive Income for the year ended December 31, 2015 and the period ended March 31, 2015, respectively.

Consolidated Statements of Net Loss

	Three months ended March 31, 2016 $	**Three months ended March 31, 2015 $**
Revenue - Other income	195	4,612
Selected expenses		
Salaries	31,706	102,082
Professional and consulting fees	183,678	154,182
Accommodation and travel expenses	29,163	267
Office and general expenses	60,637	62,808
Share-based payments	87,475	-
Net loss	**513,267**	**445,232**
Per share	**0.01**	**0.04**

Other Income

During the three months ended March 31, 2016, the Company generated interest revenue of $195 (2015: $4,612) from cash on hand during the period. The Company has no other revenue generating assets.

Expenses

For the three months ended March 31, 2016, the net loss is primarily due to:

(i) professional and consulting fees;
(ii) office and general expenses;
(iii) compensation for directors and management; and
(iv) share-based payments.

Salaries

For the three months ended March 31, 2016, salaries totalled $31,706 compared with $102,082 in the previous year resulting from reduced staffing levels at the Company's Canadian and Columbian offices.

The Company's exploration and evaluation asset ("E&E") expenditures are now expensed to the Company's office and general expenses and professional and consultant fees. The Company did capitalize salaries in Q1 2015 but did not do so in Q1 2016.

Professional and Consulting Fees

During the three months ended March 31, 2016, the Corporation incurred $183,678 in professional and consultants' service charges compared to $154,182 in 2015. The increase was primarily due to costs related to accounting services, the 2015 annual audit and legal fees. E&E expendutures of $31,836 were charged to this category during the quarter (2015 – nil).

Accommodation and Travel Expenses

For the three months ended March 31, 2016, accommodation and travel expenses totaled $29,163 as compared to $267 in the previous year. The increase was primarily due to costs associated with the corporate restructuring.

Office and General Expenses

For the three months ended March 31, 2016, office and general expenses decreased to $60,637 compared to $62,808 in 2015. E&E expendutures of $37,689 were charged to this category during the quarter (2015 – nil).

Consolidated Statements of Financial Position

	March 31, 2016 $	December 31, 2015 $
Current Assets	1,554,827	1,605,730
Total Assets	1,554,828	1,605,731
Current Liabilities	1,130,973	756,084
Total Liabilities	1,130,973	756,084

Current Assets

The decrease in current assets to $1,554,827 as of March 31, 2016 (December 31, 2015 - $1,605,730) is primarily attributable to a decrease in the carrying value of the restricted asset partially offset by an increase in prepaid expenses. The restricted asset is denominated in US dollars and is revalued to CND dollars at each period end. The Canadian dollar strengthed between comparative periods resulting in a reduced value in Canadian dollars.

Cash is available to the Company only as it is able to raise new equity or debt financing.

Current and Total Liabilities

Accounts payable and accrued liabilities increased to $1,130,973 as of March 31, 2016, (December 31, 2015 – $756,084) as a result of the limited cash on hand and the lack of cash flow generated by the Company. The Company has no cash generating assets and relies on equity and or debt financing to fund its operations. Of the March 31, 2016 balance, approximately $430,000 in accounts payable were over 90 days outstanding.

As of March 31, 2016, the Company had no long-term debt or other liabilities; however, the Company has subsequently raised addition capital though the issue of convertible debentures. See Note 13, subsequent events, in the notes to the condensed interim consolidated financial statements for the three months ended March 31, 2016.

Summary of Quarterly Results

The following table contains selected financial information for the last eight quarters. On August 19, 2015, the Company completed a 10:1 consolidation of its common shares. All references to common shares and per share amounts in this table reflect this consolidation.

	March 31, 2016	**December 31, 2015**	**September 30, 2015**	**June 30, 2015**
Net loss and comprehensive loss	513,267	5,562,146	1,890,949	485,264
Basic and diluted loss per share	0.01	0.07	0.09	0.04
	March 31, 2015	**December 31, 2014**	**September 30, 2014**	**June 30, 2014**
Net loss and comprehensive loss	458,684	609,714	505,498	404,419
Basic and diluted loss per share	0.04	0.05	0.04	0.04

As stated earlier, the Company has no cash generating assets and therefore, other than minor interest income, no ongoing cash flow. The quarterly losses indicated above result from: salaries, professional and consulting fees and general office expenses incurred obtaining the VMM-17 contract, completing the required seismic work, and working to obtain the required environmental permit; share-based payments; and impairment of exploration and evaluation assets and property, plant and equipment.

In Q4 2015, the Company recorded impairment totalling $5,502,365 on its property, plant and equipment and exploration and evaluation assets and continues to expense related costs related to exploration and evaluation assets as part of the Company's office and general expenses and professional and aconsultant fees.

Liquidity and Capital Resources

Perisson's current liabilities exceed its current assets (excluding restricted assets) by $992,606 at March 31, 2016. In addition to funding the current working capital deficit, the Company must secure sufficient external funding to meet its obligations and commitments on the Colombian exploration and evaluation program and pay ongoing general and administrative costs. This external funding may be met in a number of ways including, but not limited to, the issuance of new debt or equity instruments, the introduction of joint venture partners; and other business combinations. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or other initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new external funding, the Company may be unable to continue its operations.

These aforementioned circumstances indicate the existence of a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company has been able to reduce general and administrative expenses a result of 2015 restructuring activities, including moving the office from Montreal to Calgary.

Advanced exploration of the VMM-17 Property would require substantial financial resources. Specifically, management estimates the amount required to drill the first exporatory well to be approximately $6.0 million ($US). Under the terms of the VMM-17 Contract, the Company is required to drill a total of three wells within 276 days of receiving environmental approval, requiring an estimated $20 million ($US) to complete.

Historically, the Company has been able to rely on its ability to raise financing in public or privately negotiated equity offerings. Should negotiations result in an environmental license being issued, there is no assurance that equity financing will be available when required, or under terms that are favourable to Perisson. The Company may also elect to advance the exploration of its property through joint-venture drilling contracts, which would reduce Parisson's share of the potential future revenues from the project. Currently, however, the project would not be economic under either scenario given world oil prices.

As discussed earlier, the Company is not in a position to obtain the environmental approval and is in negotiations to amend or terminate the contract. In the event the contract is terminated on mutually agreeable terms, the Company expects that the security provided to ANH would be returned, and the restricted assets (GIC term deposits) would be available for the Company to use at its discretion.

Although the Statements have been prepared assuming Perisson is a going concern, the above-noted facts and circumstances indicate the existence of a material uncertainty that casts significant doubt on its ability to continue as a going concern. The Statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses or financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

See notes 2 and 13, going concern and subsequent events, in the notes to the condensed interim consolidated financial statements for the three months ended March 31, 2016.

Off Balance Sheet instruments

In accordance with the Perisson's agreement with ANH, the Company obtained a letter of credit issued by its banker of USD $1,091,739 to the ANH (2015: USD $1,091,739). This letter of credit is supported by GIC deposits with a Canadian bank.

On May 25, 2016, ANH extended its deadline for work commitments to be satisfied to March 17, 2017 and reduced the letter of credit required as security on the licence from approximately USD $1.1 million to USD $420,000.

Related party transactions

During the three months ended March 31, 2016, the Company had the following transactions with related parties that were carried out in the normal course of operations:

(1) Professional and consulting fees include legal fees of $65,000 (March 31, 2015 – nil) invoiced by a law firm in which an officer of the Company is a partner in the law firm;

(2) Office and general expenses include rent payments of $16,000 (March 31, 2015 – nil) paid to an arms-length oil and gas company, of which a director of the Company is a director and officer; and

(3) Professional and consulting fees include legal fees of nil (March 31, 2015 – $26,000) invoiced by a law firm in which a former director of the Company is a partner of law firm.

At March 31, 2016, the balance due to related parties, including the amounts outlined above, totalled $306,000 (March 31, 2015 – $189,000. This amount is subject to the same conditions as those of non-related parties.

Proposed Transactions

On March 7, 2016, the Company announced that it has entered into a definitive agreement with Forent Energy Ltd. ("**Forent**") whereby the companies will amalgamate under the *Business Corporations Act* (Alberta) (the "**Amalgamation**").

Pursuant to the Amalgamation, each common share of Forent and the Company will be exchanged for one common share of the amalgamated corporation. Prior to completion of the financing, Forent's shareholders are expected to own approximately 15% of the issued and outstanding common shares on an undiluted basis, and the Company's shareholders are expected to own approximately 85% of the issued and outstanding common shares on an undiluted basis. Upon closing, the corporate name will be Perisson Petroleum Corporation.

In conjunction with the Amalgamation, a new strategic investor group is proposing to undertake a concurrent non-brokered private placement into Perisson for gross proceeds of a minimum of USD$24 million at a weighted average subscription price of CDN$0.40 per share for the purposes of the Amalgamation as well as other oil and gas related strategic acquisitions anticipated to occur in the first half of 2016.

Completion of the Amalgamation is subject to the approval of regulatory authorities, the TSX Venture Exchange, the Canadian Securities Exchange, the shareholders of both Forent and the Company by way of special resolution, other customary closing conditions and non-solicitation provisions. Completion of the Amalgamation is also conditional upon closing of the minimum private placement and the Company's common shares being listed on the TSX Venture Exchange. All of the executive officers and directors of both Forent and the Company will have entered into support agreements pursuant to which they have agreed to vote in favour of the Amalgamation.

While management believes the Financing and Amalgamation will be successful, there is no guarantee that they will be completed.

Changes in accounting policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date subsequent to December 31, 2015. Many of these updates are not relevant to the Company and are therefore not discussed herein.

IFRS 9 Financial Instruments

In July 2014, the IASB completed the final phase of its project to replace IAS 39, the current standard on the recognition and measurement of financial instruments. IFRS 9 is now the new standard which sets out the recognition and measurement requirements for financial instruments and some contracts to buy or sell non-financial items. IFRS 9 provides a single model of classifying and measuring financial assets and liabilities and provides for only two classification categories: amortized cost and fair value. Hedge accounting requirements have also been updated in the new standard and are now more aligned with the risk management activities of an entity. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has not yet analyzed the impact, if any, IFRS 9 would have on its financial reporting.

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and shall be applied to annual periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 establishes a single, on-balance sheet accounting model for lessees which will result in the recognition of a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The Company is currently assessing the impact of IFRS 16 on its consolidated financial statements.

Critical accounting estimates, judgments and assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. These judgments and estimates are continually evaluated and are based on management's experience and knowledge of the relevant facts and circumstances, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the Statements are disclosed in the audited consolidated financial statements for the year ended December 31, 2015.

Financial instruments

Perisson is exposed to various financial risks resulting from both its operations and its investments activities. Perisson has not entered into any financial instrument agreements, including derivative financial instruments. Perisson's main financial risk exposures and its financial risk management policies are disclosed in Note 12 to the Statements.

The Company operates internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the Colombian peso. Currency risk arises on recognized assets and liabilities, principally cash and cash equivalents, restricted assets and accounts payable.

The carrying amounts of the Company's significant foreign-currency-denominated financial assets and financial liabilities as at March 31 are as follows:

	2016	**2015**
	Colombian pesos	**Colombian pesos**
Cash	3,210,131	18,034,460
Restricted assets	-	-
Accounts payable and accrued liabilities	(308,132,262)	(228,953,270)
Net exposure	(304,922,131)	(210,918,810)
CND dollar equivalent	(131,421)	(103,139)

Assuming that all other variables are constant, a variation of 10% in the Colombian peso exchange rate would generate an impact of $14,603 on net loss for the three months ended March 31, 2016 (2015 – $11,460).

Additional information

Further information related to the Corporation is available on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be accessed at www.sedar.com. For additional information, the Corporation's website can be found at www.perisson.com