PETRO-VICTORY ENERGY CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2015

INTRODUCTION

This report is Management's Discussion and Analysis ("MD&A") of the operational and financial performance and the future prospects of Petro-Victory Energy Corp. (the "Company") and is dated April 28, 2016. The MD&A, which has been prepared as of December 31, 2015, should be read in conjunction with the Company's audited Consolidated Financial Statements and accompanying notes as of December 31, 2015. The audited consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's business is conducted principally in South America and the Company's revenue and expenses are principally denominated, earned and incurred in United States dollars. In this MD&A, unless otherwise indicated, all "dollar" amounts or references to "US$" or "$" refer to United States dollars. References to "CDN$" are to Canadian dollars. A glossary of other terms is included at the end of this report.

The reader should refer to the audited consolidated financial statements found on SEDAR. Additional information related to the Company is also available for view on SEDAR at www.sedar.com, and the Company website www.petrovictoryenergy.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information as defined by Canadian securities legislation. Such forward-looking statements and information relate to possible events, conditions or financial performance of the Company based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "estimated", "intends", "plans", "projection", "outlook" and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking information however, no assurance can be given that these expectations will prove to be correct and the forward-looking information included in this MD&A should not be unduly relied upon by investors. The forward-looking information and forward-looking statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. Readers should read this entire MD&A and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Company. Additional information regarding the risks of forward-looking statements is included at the end of this report.

RISK FACTORS

The Company's business consists of investments in exploration and evaluation ("E&E") assets which focus on the exploration for, and the acquisition and development of, crude oil and natural gas resources in Latin America. There are a number of inherent risks associated with the investment in E&E assets. Many of these risks are beyond the control of the Company. These risk factors are described in the Company's prospectus dated July 11, 2014 (the "IPO Prospectus"), which is available for review on SEDAR at www.sedar.com under the Company's profile, and also include:

Going Concern Issues

As of December 31, 2015, the Company had negative working capital of ($1,880,219) and cash of $91,289, amounts insufficient to meet the expected capital needs in the next twelve months. In addition, the Company has incurred losses since inception and has no revenues. Management and the board realize that additional funds must be raised in the next twelve months in order to fund future operating costs, any potential work program and to pay general and administrative costs. Unless the Company is successful in raising capital and/or attracting a farm-out partner, it may not be able to continue as a going concern.

Commodity Prices and World Financial Markets

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the American and European sovereign debt levels, have caused significant volatility in commodity prices. These events and conditions have caused a decrease in confidence in the broader global credit and financial markets and have created 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 have negatively impacted credit markets and caused stock markets to experience significant volatility. While there are signs of economic recovery, these factors have negatively impacted company valuations and are likely to continue to impact the performance of the global economy going forward. Crude oil and natural gas prices have decreased significantly in recent months and are expected to remain volatile for the near future. The volatility is a result of market uncertainties over the supply and demand of these commodities (primarily over-supply concerns), the current state of the world economies, actions taken by rogue nations and factions, decisions made by the Organization of Petroleum Exporting Countries (OPEC), and the ongoing global credit and liquidity concerns.

These factors may impact the Company's future ability to obtain equity, debt or bank financing on terms favorable to the Company, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

DESCRIPTION OF BUSINESS

Petro-Victory Energy Corp. was incorporated under the *BVI Business Companies Act*, 2004 (British Virgin Islands) on May 20, 2014. The British Virgin Islands were selected for the Company's domicile based on favorable business laws, tax laws, and relationships with Canada, the United States and most Latin American countries. The Company, through its subsidiaries, is engaged in the exploration for, and the acquisition and development of, crude oil and natural gas resources in Latin America, primarily in Paraguay.

At September 30, 2015, the Company had a 36 percent working interest in the Pirity Concession in Paraguay. On October 5, 2015, the Company announced a sale/exchange of its working interest and on October 7, 2015, confirmed the closing of the transaction. The primary terms of the transaction are as follows:

1) The Company sold/exchanged to President Energy its entire 36 percent working interest for a 3 percent net profits interest. The net profits interest is 3% of net income generated from future successful commercial production of hydrocarbons in the Pirity Concession. The exchange significantly reduced the Company's exposure to potential profits from the Pirity Concession in Paraguay, but also virtually eliminated the need for any future additional cash investment.

2) The Company received $200,000 upon closing, and received three additional cash payments of $100,000 each, one in late 2015 and two subsequent to year-end.

3) All claims, debts and obligations potentially owed by the Company to President have been released. The release of obligations includes the previously disclosed $2.85 million contingent liability and the requirement to pay future drilling costs related to the Company's "carry" of the 5% working interest in the Pirity Concession originally owned by LCH. The JOA has been terminated, and the Company has no future liability related to asset retirement obligations or remediation efforts.

4) In the event of a farm-out taking place in relation to the Pirity Concession and back costs being paid, a sum limited to the first $2.7 million of back costs received by President will be paid to the Company. In turn, the receipt of such amount(s) would trigger payment of a comparable amount to Canacol (see below).

5) In concert with closing the transaction with President Energy, the Company and Canacol agreed to amend the February 2015 Settlement and Forbearance Agreement. The revised terms provide for a limitation of the amount due Canacol to a fixed $2.7 million, an extension of the due date from March of 2016 to March of 2017, and for payment to be made either as a result of the farm-out discussed in point 4 above or from 33% of any net profits interest payments received by the Company as a result of any discovery and commercialization of hydrocarbons in the Pirity Concession.

The Company's net profits interest in the Pirity Concession relates to approximately two million acres located in western Paraguay's underexplored Pirity Sub-basin, near the Argentinian-Paraguayan border. The Pirity Sub-basin is a contiguous extension of Argentina's prolific Olmedo Sub-basin, which has demonstrated production, and is structurally positioned similar to the nearby Palmar Largo fields with reported reserves. The Pirity Concession is one of only eight exploration concessions granted under the laws of Paraguay, with another twenty exploratory concessions in various stages of the approval process.

It is significant to note that the IFC, a member of the World Bank group, has invested over $28 million in President Energy and holds over 15 percent of President Energy's stock. It is the largest global development institution focused exclusively on the private sector. The IFC assists developing countries to achieve sustainable growth by financing investments for companies operating in emerging markets, providing advisory services to business and governments, and mobilizing capital in the international financial markets.

The Company's strategy is to maintain a presence in Latin America, assist the operator of the Pirity Concession in its further development of the Concession, and to potentially pursue further exploration opportunities in areas with proven hydrocarbon systems that the Company considers to be cost-effective and of low to moderate risk.

OVERALL PERFORMANCE

Petro-Victory Energy Corp. was incorporated on May 20, 2014 and did not have any operations prior to its IPO. The Company became a reporting issuer in Canada on July 11, 2014 and completed its IPO on July 22, 2014. The IPO occurred simultaneously with the Reorganization whereby the Company "acquired" Petro-Victory, LLC (the "LLC"), in many practical ways the predecessor to the Company. The significant activities of the LLC are discussed in the IPO Prospectus. Petro-Victory, LLC never prepared any quarterly financial statements other than those included in the IPO Prospectus. Accordingly, as provided for in National Instrument 51-102, comparative interim financial information is only available as shown on page 6.:

In terms of a summary, the sequence of significant events was as follows:

- Years 2006 through July, 2012 – Petro-Victory, LLC obtains and adds value to the Pirity Concession
- September 11, 2012 – Signed Pirity Farm Out with President Energy
- May 20, 2014 – Incorporation of the Company and Contribution Agreement executed in anticipation of IPO and Reorganization
- July 22, 2014 – IPO and Reorganization occur, the Company becomes a "reporting issuer"
- August 13, 2014 – Company announced that their first Paraguay well had been successfully drilled
- October 20, 2014 – Company announced that hydrocarbons were encountered on the second well
- November 17, 2014 – Company announced that the second well is in an extended drilling period
- December 29, 2014 – Company announced an end to the 2014 drilling campaign having encountered hydrocarbons in two separate reservoirs but with no commercial discovery
- October 7, 2015 – Company completes sale/exchange of its 36% working interest for 3% net profits interest plus other monetary consideration and debt deferral

DISCUSSION OF OPERATIONS

Fourth Quarter 2015 Operational Activities

On December 29, 2014, the Company announced that the 2014 drilling campaign had ended, having demonstrated the presence of previously unknown Paleozoic hydrocarbon bearing formations in the Pirity Concession. In 2015, no further drilling or seismic activity was undertaken on the Pirity Concession.

During the fourth quarter of 2015, the Company closed its sale/exchange transaction with President Energy whereby it conveyed its 36% working interest for a 3% net profits interest plus other monetary consideration as previously discussed in this document. Management and the board determined that it was advisable to reduce exposure to the Pirity Concession and simultaneously reduce the need for the related cash outlays that were otherwise expected over the next few years. With the minimal cash balance available in the fourth quarter the Company continued to make every effort to conserve cash. During the nine months ended December 31, 2015, no officers or directors were paid any of their cash salaries or retainers, office expenses were minimized, no money was spent on special projects or fixed assets, and payments to vendors were extended as far as reasonable. The Company started the quarter with a deficit of ($4,592,860) of working capital, but at December 31, 2015 the working capital deficit had decreased to ($1,880,219) by virtue of the Canacol debenture amendment previously discussed on page 3.

Paraguay in General

Paraguay is relatively unknown in the business world, and has no oil and gas industry. Questions frequently arise as to the special considerations and risks regarding doing business in Paraguay. Management has been active since 2006 in Paraguay, and believes that certain events and measures taken since that time ameliorate the operating environment and mitigate the risks. First, as explained further in the chronology below, the Company's rights to the Pirity Concession were challenged in the Paraguayan courts. In 2012, the Company and its predecessor won and/or settled all litigation and obtained favorable Executive Branch decrees securing the concession. Secondly, working together with President Energy, our farm-in partner, the Company was able to obtain an equity investment for President Energy from the IFC, a member of the World Bank group. Such direct involvement of the IFC elevates the project and has alerted the world that Paraguay is a developing country worthy of investment and functioning in a democratic manner. Just as importantly, IFC support sends a signal to the country's leaders that this oil and gas project is a focus of their attention and lessens the likelihood of interference. Lastly, management believes that the overall business climate in Paraguay is improving every year.

The Pirity Concession History

A complete discussion of the history of the Pirity Concession is available in the IPO Prospectus. In general, in 2003, the MOPC granted two Paraguayan citizens a prospecting permit in an area that later became the Pirity Concession. In 2004, PHSRL was formed to hold the permits, and in 2008 the Paraguayan Congress approved a bill granting PHSRL the Pirity Concession by law. In 2008, Petro Victory, LLC (the "LLC") purchased the shares of PHSRL but legal challenges ensued.

After several years of litigation, the LLC was able to perfect their ownership of the Pirity Concession in 2012. On October 4, 2012, the Executive Branch of Paraguay declared that the exploration period under concession Law 3,479/08 for PHSRL was to be computed as beginning on September 12, 2012. No further challenges, by the government or otherwise, have been made alleging that PHSRL does not own the Pirity Concession or that it has failed to satisfy the required work program.

The Concession Obligations

The Concession Agreement establishes certain minimum activities to be performed by the Company and President Energy within the time table established in the Concession Agreement and during the four year exploration phase that is scheduled to conclude in September of 2016. The parties completed all of the required minimum activities with the exception of the drilling requirement. The Concession requires the drilling of at least 15,000 meters of exploratory wells, including testing samples, evaluation and production well testing as applicable or required in accordance with international standards. The two wells drilled in 2014 satisfy over half of that requirement, but at least one and perhaps two additional wells would be required to meet the requirement.

The law states that in the event the Company and President Energy request a two-year extension of the exploration phase, an additional well must be drilled in each of such years, to a depth of not less than 5,000 meters. However, crude oil and natural gas exploration in Paraguay has been slow to materialize and in recent years the MOPC has been more lenient with new concessionaires and more willing to make reasonable adjustments to the requirements and timetables of existing concessions. Late in 2015 the MOPC granted a twelve month suspension for the time to complete the work program with an option to extend the suspension for a further six months thereafter subject to prevailing circumstances. The expected work commitment under the revised and suspended program is for one more exploration well to be undertaken by September of 2017.

The Pirity Farm-Out

In 2012, the terms of the Pirity Concession were amended so that the exploration period was extended to September 2016. On September 11, 2012, Petro-Victory, LLC and PHSRL entered into a farm-out agreement (the “Pirity Farm-Out”) with President Energy, pursuant to which President Energy would act as the operator and was granted the right to earn up to a 59 percent working interest in the Pirity Concession on an incremental basis, to a maximum expenditure of $50 million. In connection therewith, President Energy Paraguay S.A. and PHSRL entered into the JOA that was effective until the sale/exchange. President Energy earned the full 59 percent working interest in the Pirity Concession by making payments under the Pirity Farm-Out in excess of $50 million by May of 2014, and after the sale/exchange now controls the entire concession and the Company has its 3% net profits interest.

SUMMARY OF QUARTERLY RESULTS

As stated above, Petro-Victory Energy Corp. did not have any operations prior to its incorporation. Accordingly, quarterly information is only available for the periods shown below. The selected quarterly information has been prepared in accordance with IFRS and in U.S. dollars.

	For the 3 Months Ended				
	December 31, 2015 ($)	**September 30, 2015 ($)**	**June 30, 2015 ($)**	**March 31, 2015 ($)**	**Period from May 20, 2014 (Inception) to December 31, 2014**
Total Revenue	-	-	-	-	-
Loss	(2,274,774)	(56,095,789)	(1,211,644)	(1,008,182)	(2,199,874)
Loss Per Share, basic and fully diluted	(.01)	(.29)	(.01)	(.01)	(.01)
Total Assets	8,483,985	10,514,691	65,614,280	65,755,445	66,363,117
Total Current Liabilities	2,344,976	4,769,538	3,992,343	3,017,713	283,468
Long-term Liabilities	2,700,000	0	0	0	2,500,000
Dividend	Nil	Nil	Nil	Nil	Nil

The fourth quarter loss includes a $1,815,398 noncash impairment of its investment in E&E assets. Although it is the Company policy to generally evaluate the recoverability of the investment in E&E assets on an annual basis, because of the significance of the sale/exchange negotiated in the third quarter a $55 million write down was made in the third quarter. The final fourth quarter write down was made based on an evaluation of the resource reports and well logs, likelihood of future drilling, market value of the operator, the general international oil and gas market, the collateralization of the Canacol Energy debenture, and various other factors.

The other expenses totaling $459,376 in the fourth quarter primarily reflect general and administrative costs to maintain the status of the Company. The only significant expense relates to compensation, which is primarily for salary and bonus accruals on employment contracts with officers. No cash compensation has been paid to officers since the first quarter of 2015.

LIQUIDITY

The Company has not had any revenues since inception. It was required to borrow funds to finance cash calls prior to completion of the Reorganization and funding of the IPO. The IPO provided funds of approximately US $20 million after payment of commissions and expenses of the offering. After the payment in 2014 of $19,250,000 in cash calls to President, the 2014 repayment of a portion of its debt, and after payment of operating expenses, the Company's December 31, 2015 balance sheet reflects cash remaining of $91,289 to fund future operations.

Management and the board realize that the existing cash balance is not adequate to fund operations throughout the next twelve months. Debt financing is unlikely given the lack of tangible assets, so the likely sources include a capital market equity raise, sale of assets, a raise related to some new potential production asset, and/or a farm-out deal by President Energy that provides some liquidity. The Company structure and the business relations and knowledge of the management team make the Company well-suited to find, develop and participate in new ventures in Latin America. Management has initiated discussions with several parties that are interested in Latin America and the oil and gas sector.

As indicated in the Risk Factors, the availability of funds in the capital markets is limited by global credit and financial concerns, oil and gas prices, the state of the world economies, actions by OPEC, and unrest in the Middle East. There can be no assurance that any of the options discussed above will provide sufficient funds to continue operations for the next twelve months.

CAPITAL RESOURCES

The Company has limited capital resources and has to rely upon the sale of its equity and/or debt securities for cash required for acquisition, exploration and development purposes of crude oil and natural gas exploration properties. Since the Company does not expect to generate any revenues in the near future, it must continue to rely upon the sale of its equity and/or debt securities to raise capital. The Company and President Energy may also seek an additional farm-in partner interested in further development of the Pirity Concession. However, the ability of the Company to raise additional capital with reference to the Pirity Concession is unlikely since it is very difficult to determine the value of the net profits interest.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date hereof, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company including, without limitation, such considerations as liquidity and capital resources.

TRANSACTIONS WITH RELATED PARTIES

Canacol Energy

On June 26, 2014, the Company executed an unsecured convertible debenture in the amount of $5,000,000 with Canacol Energy, Ltd, a related party (the "2014 Debenture"). The interest rate was 8% and the debenture has certain anti-dilution provisions as defined in the debenture agreement. On June 26, 2014, the Company received proceeds of $5,000,000 under this convertible debenture and immediately used the proceeds to pay drilling costs on the first Paraguay well. On July 25, 2014, the Company repaid $2,500,000 of principal as well as $100,000 in interest and debt retirement fees. On February 27, 2015, the Company signed a "Settlement and Forbearance Agreement" (the "Extension") effective as of yearend with Canacol to extend repayment of the remaining $2,500,000 in principal as well as $100,000 in accrued interest as of December 26, 2014 until March 31, 2016. The sale and exchanged transaction previously discussed has amended the Agreement to cap the liability at $2,700,000 and to defer the due date of this liability until March of 2017.

Others

On June 26, 2014, the Company received proceeds of $200,000 from an unsecured promissory note with Harvison Capital Management, a related party. The Company loaned the $200,000 to the LLC at an interest rate of 15% and with a maturity date of December 31, 2014. Subsequent to the IPO, the Company repaid the $200,000 on behalf of the LLC.

Effective July 9, 2014, the LLC executed an agreement again with Harvison Capital Management to receive $765,000 in order to cover drilling costs. The LLC paid a $60,000 accommodation fee prior to receiving the funds. Subsequent to the IPO, the note was repaid along with a further $20,000 accommodation fee. In addition, the Company also assumed from the LLC loans with two members of the Company totaling approximately $320,000 and one note to a company owned by two of the LLC members totaling approximately $637,000. The Company repaid these loans in full subsequent to the IPO.

In 2014 the Company signed Shared Services Agreements with companies owned by related parties to provide for office space and for administrative, support, and communication services in three locations. The Company paid a total of $7,500 per month for such services in Fort Worth and Dallas, Texas and in Bogota, Columbia. Total expense for the period from May 20, 2014 (inception) to December 31, 2014 was approximately $49,000.

CRITICAL ACCOUNTING ESTIMATES

The consolidated financial statements have been prepared using the accrual basis of accounting, and in accordance with IFRS. The Company has only been and intends to stay involved in one business segment, that being the exploration for crude oil and natural gas reserves and the related production thereof. The Company may expand into more than one geographical segment. As such, the most critical accounting estimates necessary to properly record transactions with exploration and evaluation ("E&E") expenditures and with the accounting for property and equipment.

E&E and Property and Equipment

Pre-license expenditures, including geographical and geophysical exploration cost, are expensed in the period in which they are incurred. All costs directly associated with the exploration and evaluation of crude oil and natural gas resources are initially capitalized as an intangible asset on a Prospect-by-Prospect basis. E&E costs are those expenditures for a Prospect where technical feasibility and commercial viability has not yet been determined. All carried costs are subject to technical, commercial and Management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. Based on the significance of the sale/exchange previously described, Management recorded a $56.8 million impairment of its E&E assets in 2015.

In the future, when a Prospect is determined to be technically feasible and commercially viable, the accumulated costs will be assessed for impairment and then transferred to property and equipment. When a field is determined not to be technically feasible and commercially viable or when the Company decides not to continue with its activity, the unrecoverable costs will be charged to earnings as E&E expense. If sold, proceeds from conveyances of E&E assets representing unproven crude oil and natural gas properties will be applied against the Company's basis in the E&E assets and a gain will only be recognized when the proceeds received exceed the Company's basis in the E&E assets conveyed.

If the Company again pursues exploration activities, all costs directly associated with the development of crude oil and natural gas reserves will be capitalized on a field-by-field basis. The resulting asset will include expenditures for areas where technical feasibility and commercial viability have been determined. These costs could include proved property acquisitions, development drilling, well completion costs, gathering and infrastructure, asset retirement costs and transfers from E&E assets. The costs so accumulated will be depleted using the unit-of-production method based on proved plus probable reserves and using estimated future prices and costs. Costs of major development projects will be excluded from the costs subject to depletion until they are available for use. For divestitures of property, a gain or loss will be recognized in earnings.

As the Company's activities progress they may give rise to dismantling, decommissioning and site disturbance remediation activities. Provision will be made for the estimated cost of site restoration and capitalized in the relevant asset category. Such obligations will be measured annually at Management's best estimate of the expenditures required to settle the present obligation at the date of each consolidated statement of financial position. Each year the estimated obligation will be adjusted to reflect the passage of time and for changes in the estimated future cash flows underlying the obligation.

The foregoing procedures require Management to carefully review types and classifications of expenditures, and to make estimates of commercial viability, resources, and remediation costs. Third party reserve engineers will be relied upon to assist in the determination of resources. Should such estimates be incorrect, amounts carried on the books could be either over or understated, and the resulting recorded results of operations likewise over or understated. With the minimal activity to date, Management does not believe that any changes to historical financial results would be appropriate based on changes in estimates made.

No other accounting estimates are critical to the Company at this time, and there are no changes in accounting policies or new pronouncements that are expected to impact the Company's record-keeping or results of operations.

FINANCIAL AND OTHER SIMILAR INSTRUMENTS

The Company's financial instruments and liabilities consist of cash, accounts payable, accrued liabilities and a note payable to a related party. Unless otherwise noted, it is Management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short term nature of their maturity.

The Company incurs certain of its expenditures related to its exploration properties in U.S. dollars and local currency, as applicable, and as such, is exposed to currency risk due to fluctuations in exchange rates. The Company has not yet undertaken any hedging activities to reduce its exposure to this risk.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Petro-Victory Energy Corp. was incorporated on May 20, 2014 and did not have any operations prior to its IPO. The Company became a reporting issuer in Canada on July 11, 2014 and completed its IPO on July 22, 2014. The IPO occurred simultaneously with the Reorganization, whereby the Company "acquired" Petro-Victory, LLC and its interest in the Pirity Concession. The historical operations of the LLC are not similar to those of the Company and are of limited value in understanding current operations. Accordingly, there is no comparable financial information for the quarter ended December 31, 2015. Below is a breakdown of the capitalized oil and gas expenditures for the year indicated.

	Year Ended December 31, 2015
Exploration and Evaluation Assets or Expenditures	Nil
Expensed Research and Development Costs	Nil
Intangible Assets Arising from Development	Nil
General and Administrative Expenditures	\$3,678,665
Impairment of E&E Assets	\$56,815,398
Any other Material Costs, whether expensed or Recognized as Assets	Nil

DISCLOSURE OF OUTSTANDING SECURITIES DATA

The Company has the following number or principal amount of securities outstanding as of December 31, 2015:

	Number or Principal Amount (\$US)
Common Shares	140,786,450
Restricted Voting Shares	50,535,000
Warrants	31,207,100
2014 Debenture	\$2,700,000
Options	13,904,205

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements pertaining to the following:

- the performance characteristics of the Company's oil and natural gas properties;
- the estimated size of the Company's crude oil and natural gas resources;
- projections of market prices for crude oil and natural gas and exploration, development and production costs;
- supply and demand for crude oil and natural gas;
- drilling plans and the timing and location thereof;
- plans for, and results of, exploration and development activities;
- plans for seismic acquisition programs and surveys;
- the timing of commencement of certain of the Company's operations;
- sale, farming in, farming out or development of certain exploration properties using third party resources;
- relationship with local and regional stakeholders;
- the Company's ability to raise capital;
- the Company's expected capital and exploration expenditures;

- the Company's treatment under regulatory regimes and tax laws; and
- expected levels of royalty rates, operating costs, general administrative costs, costs of services and other costs and expenses.

With respect to forward-looking statements and forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things:

- future crude oil and natural gas prices;
- the recoverability of the Company's crude oil and natural gas resources;
- the applicability of technologies for recovery and production of the Company's crude oil and natural gas resources;
- the Company's ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- future capital and exploration expenditures to be made by the Company and the Company's operating partner in the Pirity Concession;
- the legislative and regulatory environment governing royalties, taxes and environmental matters in Paraguay;
- geological and engineering estimates in respect of the Company's crude oil and natural gas resources;
- the geography of the areas in which exploration and development activities have been conducted;
- the ability to obtain additional financing on satisfactory terms; and
- the Company's future debt levels.

The Company's actual results could differ materially from those anticipated in the forward-looking statements and forward-looking information as a result of the risk factors set forth below and elsewhere in this MD&A:

- general economic, political, market and business conditions;
- volatility in market prices for crude oil and natural gas and possible future hedging activities related thereto;
- risks related to the exploration, development and production of crude oil and natural gas;
- risks inherent in the Company's international operations, including political, security and legal risks in Paraguay;
- risks related to the timing of completion of the Company's projects;
- competition for, among other things, capital, the acquisition of resources and skilled personnel;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration, development and production of crude oil and natural gas which may create liabilities to the Company in excess of the Company's insurance coverage, if any;
- failure to accurately estimate and to establish adequate cash reserves for abandonment and decommissioning costs;
- failure of third parties' reviews, reports and projections to be accurate;
- changes in tax laws and incentive programs relating to the oil and natural gas industry;
- unpredictable weather conditions;
- changes in the royalties applicable to the Company;
- risks associated with foreign operations and the use of foreign subsidiaries;
- fluctuations in foreign currency and exchange rates;
- the availability of capital on acceptable terms;
- political risks;
- adverse claims made in respect of the Company's properties or assets;
- failure to engage or retain key personnel;
- potential losses which would stem from any disruptions in production, including work stoppages or other labor difficulties, or disruptions in the transportation network on which the Company is reliant;

- uncertainties inherent in estimating quantities of crude oil and natural gas reserves and resources;
- failure to acquire or develop crude oil and natural gas resources and reserves;
- geological, technical, drilling and processing problems, including the availability of equipment and access to properties;
- failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties, particularly as regards the Pirity Concession;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- discretion in the use of proceeds of the Company's initial public offering; and
- the other factors referred to under the heading "Risk Factors" in the IPO Prospectus dated.

In addition, information and statements in this MD&A relating to "resources" are deemed to be forward-looking information and statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated, and that the resources described can be profitably produced in the future. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive.

GLOSSARY

In this MD&A, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Certain other terms used in this MD&A but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101. Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

- "2014 Debenture" means the unsecured senior convertible debenture issued on June 26, 2014 by Petro-Victory Energy Corp. to Canacol Energy Ltd. issued in the principal amount of $5 million (with $2.6 million outstanding at September 30, 2015);

- "2D" means two dimensional geophysical data;

- "3D" means three dimensional geophysical data;

- "Asset Acquisitions" means the Brazil Acquisition and the Guyana Acquisition identified and described in the IPO Prospectus;

- "Company" means Petro-Victory Energy Corp., a company incorporated pursuant to the laws of the BVI, and where the context so requires, includes the Company's direct and indirect subsidiaries, PHSRL, Petro Victory Energy Service Company, Petro-Victory, LLC and any subsidiaries holding the assets acquired in the Asset Acquisitions;

- "Concession Agreement" means the concession agreement enacted on May 13, 2008 between PHSRL and the Government of Paraguay relating to the Pirity Concession, as amended per Presidential Decree No. 9,845/12, dated October 4, 2012;

- "Contribution Agreement" means the agreement dated May 20, 2014, by and among Petro-Victory Energy Corp., Petro-Victory, LLC and the Existing Unitholders, pursuant to which Petro-Victory, LLC became a wholly-owned subsidiary of the Company, and the Existing Unitholders received an aggregate of 128,800,000 common shares and Restricted Voting Shares in exchange for their units of Petro-Victory, LLC;

- "Existing Unitholders" means those Persons who were unitholders of Petro-Victory, LLC immediately prior to the completion of the Reorganization and who, pursuant to the terms of the Contribution

Agreement, transferred all of their units of Petro-Victory, LLC to the Company in exchange for common shares and Restricted Voting Shares;

- "IPO" means the Company's initial public offering;
- "IPO Prospectus" means the Company's final, long-form prospectus dated July 11, 2014, which is available for review on SEDAR at www.sedar.com under the Company's profile;
- "JOA" means the Joint Operating Agreement entitled "International Operating Agreement" entered into between President Energy Paraguay S.A. and PHSRL dated October 29, 2012, regarding the Pirity Concession, cancelled as of October 2015;
- "Management" means, collectively, the executive officers of the Company;
- "MOPC" means Ministerio de Obras Públicas y Comunicaciones, the Ministry of Public Works and Communications, the oil and natural gas regulator of Paraguay;
- "NI 51-101" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;
- "Option" means an option to acquire a Common Share granted pursuant to the Option Plan;
- "Option Plan" means the stock option plan of the Company;
- "Paraguay" means the Republic of Paraguay;
- "Performance Shares" means the common shares, which were issued to the Vendors and placed into escrow upon Closing of the IPO and were to be released to the Vendors if the conditions precedent set forth in the Purchase and Sale Agreements had been satisfied;
- "Petro-Victory, LLC" means the limited liability company that was organized under the laws of the state of Texas on December 27, 2006 and that holds the Company's interests in PHSRL and which became a wholly-owned subsidiary of Petro-Victory Energy Corp. pursuant to the Reorganization on July 22, 2014;
- "PHSRL" means the indirectly-held subsidiary of the Company that was organized under the laws of Paraguay on August 12, 2004 as "Pirity Hidrocarburos S.R.L." and that held the Company's interests in the Pirity Concession;
- "Pirity Concession" means the rights to the exploration and production of hydrocarbons in approximately two million acres located in the north-west of Paraguay's occidental region, the Pirity Sub-basin, near the Argentinian-Paraguayan border;
- "Pirity Farm-Out" means the farm-out agreement dated September 11, 2012 among Petro-Victory, LLC, PHSRL and President Energy, pursuant to which President Energy agreed to act as the operator of the Pirity Concession and has subsequently earned a 59 percent working interest in the Pirity Concession. In addition, President Energy holds a five percent working interest that is carried by the Company that it purchased through the acquisition of LCH and, as discussed in the Subsequent Event section, the remaining 36 percent working interest. The five percent working interest was carried by the Company for the cost corresponding to the first 100 km of 2D seismic, as well as the cost corresponding to the first 15,000 meters of exploratory wells;
- "Prospect" means a geographic or stratigraphic area, in which the Company owns or intends to own one or more crude oil and natural gas interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one reservoir or part of a reservoir of crude oil and natural gas;
- "Purchase and Sale Agreements" means the two Purchase and Sale Agreements entered into on May 23, 2014 by the Company setting out the terms and conditions of the Asset Acquisitions;
- "Reorganization" means the series of transactions pursuant to the terms of the Contribution Agreement whereby Petro-Victory Energy Corp. acquired all of the issued and outstanding units of

Petro-Victory, LLC on July 22, 2014 in exchange for the issuance to the Existing Unitholders of Common Shares and Restricted Voting Shares of the Company;

- "Restricted Voting Shares" means the Class B common shares of the Company, issued to certain of the Existing Unitholders in connection with the Reorganization. The Restricted Voting Shares cannot be voted at meetings of shareholders of the Company for matters concerning the nomination and/or election of directors. The Restricted Voting Shares are convertible at any time into Common Shares and, except for the restriction on voting as set forth above, are otherwise identical to the Common Shares in respect of preferences and privileges;
- "SEDAR" means the System for Electronic Document Analysis and Retrieval;
- "Shareholder" means a holder of Common Shares;
- "TSX" means the Toronto Stock Exchange.