HUNTINGTON
Exploration Inc.

1800A, 407 – 2 Street SW, Calgary, Alberta

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of financial condition and results of operations ("MD&A") of Huntington Exploration Inc. ("Huntington" or the "Company") is dated November 30, 2017 and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2016 and the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2017. These financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all financial measures are expressed in Canadian dollars. This MD&A contains forward looking information based on the Company's current expectations and projections.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward Looking Statements - Certain statements contained within the Management's Discussion and Analysis, and in certain documents incorporated by reference into this document, constitute forward looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These 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 statements.

In particular, this MD&A contains the following forward-looking statements pertaining to, without limitation, the following: Huntington's production volumes and the timing of when additional production volumes will come on stream; Huntington's realized price of commodities in relation to reference prices; future commodity prices; the Company's future royalty rates and the realization of royalty incentives; Huntington's expectation of reducing operating costs on a per unit basis; the relationship of Huntington's interest expense and the Bank of Canada interest rates; increases in general and administrative expenses and recoveries; future development and exploration activities and the timing thereof; the future tax liability of the Company; the depletion, depreciation and accretion rate; the estimated future contractual obligations of the Company and the amount expected to be incurred under its farm-in commitments; the future liquidity and financial capacity of the Company; and its ability to fund its working capital and forecasted capital expenditures. In addition, statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

With respect to the forward-looking statements contained in the MD&A, Huntington has made assumptions regarding: future commodity prices; the impact of royalty regimes and certain royalty incentives, the timing and the amount of capital expenditures; production of new and existing wells and the timing of new wells coming on-stream; future proved finding and development costs; future operating expenses including processing and gathering fees; the performance characteristics of oil and natural gas properties; the size of oil and natural gas reserves; the ability to raise capital and to continually add to reserves through exploration and development; the continued availability of capital, undeveloped land and skilled personnel; the ability to obtain equipment in a timely manner to carry out exploration and development activities; the ability to obtain financing on acceptable terms; the ability to add production and reserves through exploration and development activities; and the continuation of the current tax and regulation.

We believe the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this Management's Discussion and Analysis, as the case may be. The actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in this Management's Discussion and Analysis: volatility in market prices for oil and natural gas; counterparty credit risk; access to capital; changes or fluctuations in production levels; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, technical, drilling and processing problems; limitations on insurance; changes in environmental or legislation applicable to the Company's operations, and ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and the other factors discussed under "Risk Factors" in the following MD&A.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and Huntington does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

The financial data presented herein has been prepared in accordance with IFRS. The Company has also used certain measures of financial reporting that are commonly used as benchmarks within the oil and natural gas production industry in the following MD&A discussion. The measures discussed are widely accepted measures of performance and value within the industry, and are used by investors and analysts to compare and evaluate oil and natural gas exploration and producing entities. Most notably, these measures include operating netback and funds flow from operations. Operating netback is a benchmark used in the crude oil and natural gas industry to measure the contribution of oil and natural gas sales subsequent to the deduction of royalties and operating costs. Funds flow from operations is before changes in non-cash working capital and site restoration expenditures, and is used to analyze operations, performance and liquidity. These measures are not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measures. These measures and their underlying calculations are not necessarily comparable to a similarly titled measure of another entity. When these measures are used, they are defined as "non IFRS" and should be given careful consideration by the reader.

Per barrel of oil equivalent ("boe") amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOE's may be misleading, particularly if used in isolation. The boe conversion ratio used is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Lands and Rights Held As At September 30, 2017

A summary description of Huntington's major producing and exploration properties is set out below. References to gross volumes refer to total production. References to net volumes refer to Huntington's working interest share before the deduction of royalties payable to others. These properties are all located in the Alberta, Canada.

Provost Alberta

Huntington Exploration sold its 0.87% working interest in the Provost Veteran Viking Unit in Alberta effective September 1, 2017.

Warwick Alberta

Huntington Exploration owns a 50% working interest in two wells located on one section of land. The Company share of production from these wells in the third quarter of 2017 was 16,387 mcf or 178 mcf/day.

Bindloss Alberta
Huntington Exploration has 100% working interest in 1,152 hectares in the Bindloss area of Alberta. There are several Glauconite Channel structures that have been outlined in the area. These structures have already had wells drilled into them which produced heavy oil at a relatively shallow depth.

Panny Alberta
In the first quarter of 2015, Huntington Exploration acquired a 50% interest in a P & NG license containing 30 sections of land. The play associated with this land is a Keg River reef complex prospective for light oil. Offsetting the license are wells that have produced Keg River oil at 1200 metres.

Production and Operating Costs

September 30	**Nine Months 2017**	**Three Months 2017**	**Nine Months 2016**	**Three Months 2016**
Total boe production	**9,199**	2,771	**10,978**	3,622
BOE/day	**33.70**	30.12	**40.21**	39.37
Working interest revenue ($)	**122,425**	24,550	**113,648**	49,178
Revenue / boe ($)	13.31	8.86	10.35	13.58
Royalties ($)	**19,289**	3,696	**17,543**	7,491
Royalties/boe ($)	**2.10**	1.33	**1.60**	2.07
Production costs ($)	**116,532**	47,399	**132,278**	50,810
Production costs/boe ($)	**12.69**	17.11	**12.05**	14.03
Operating net back ($)	**(13,396)**	(26,545)	**(36,173)**	(9,123)
Operating net back/boe ($)	**(1.46)**	(9.58)	**(3.30)**	(2.52)

With respect to the revenues, royalties and production costs in the current period are in the line with expectations.

Depletion and Depreciation Expense

The depletion expense in 2017 and 2016 comparative periods is in line with expectations. The Company is using its proved plus probable reserves to compute the depletion expense.

General and Administrative Expense

A detailed breakdown of general and administrative expenses is as follows:

September 30,	**Nine Months 2017 $**	**Three Months 2017** $	**Nine Months 2016 $**	**Three Months 2016** $
Professional fees	**49,118**	17,834	**56,995**	21,576
Wages and salaries	**35,554**	12,911	**34,342**	11,882
Management and consulting fees	**45,172**	20,490	**30,699**	12,156
Shareholder communication	**20,925**	20,925	**3,463**	3,463
Insurance	**12,317**	4,125	**13,952**	4,512
Fees and Licenses	**13,945**	1,768	**53,532**	21,586
Rent	**23,311**	7,073	**22,546**	8,669
Evaluation fees	**3,970**	2,250	**6,520**	3,000
Software lease	**7,965**	2,655	**22,026**	1,770
Other	**3,807**	830	**4,476**	2,758
Total	**219,084**	90,861	**245,520**	91,371

The change in general and administrative expense is in line with expectations.

Finance Expense

The finance expense is the interest on the note payable and the increase in the present value of the decommissioning obligation for the current period and the amount of this expense will fluctuate commensurate with the asset retirement obligation as new wells are drilled, acquired through acquisitions or property depositions.

Income Taxes

Presently the Company does not expect to pay current taxes into the foreseeable future based on existing tax pools, planned capital activities and current forecasts of taxable income. However, the current tax horizon will ultimately depend on several factors including commodity prices, future production, corporate expenses, and both the type and amount of capital expenditures incurred during the remainder of the year and in future reporting periods.

Working Capital, Liquidity & Capital Resources

As at September 30, 2017, Huntington has a current working capital of $153,982. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations, generate sufficient funds there from, receive support from its creditors and continue to obtain capital from investors sufficient to meet its current and future obligations. Although management's efforts to raise capital and monetize assets have been successful in the past there is no certainty that they will be able to do so in the future. The Company will use additional equity issues to fund its obligations and future obligations, if available.

Outstanding Share Data

The Company has authorized an unlimited number of Common shares, Non-voting shares and First and second preferred shares, assumable in series. The Company currently has 39,597,723 common shares outstanding.

Pursuant to a special resolution passed by shareholders on September 17, 2015 the Company has consolidated its capital on a one-new-for-old basis. Effective at the opening, June 14, 2016, the shares commenced trading on the TSX Venture Exchange on the consolidated basis.

The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price	Number	Total Number
Common shares				39,597,723
Warrants	December 31, 2017	$0.10	9,750,000	
	June 9, 2019	$0.05	16,666,667	26,416,667

Financial Instruments

Crude oil and natural gas operations involve certain risks and uncertainties. These risks include, but are not limited to, commodity prices, foreign exchange rates, interest rates, credit, operational and safety.

Operational risks are managed through the Company's external insurance program designed to protect the Company from significant losses arising from risk exposures. Risks associated with commodity prices, interest and exchange rates are generally beyond the control of the Company; however, various hedging products may be considered to reduce the volatility in these areas.

Safety and environmental risks are addressed by compliance with government regulations as well as adoption and compliance of the Company's safety and environmental standards policy.

The Company is exposed to concentration of credit risk as substantially all of the Company's accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Company mitigates this risk by entering into transactions with long-standing counterparts and partners. If significant amounts of capital are to be spent on behalf of a joint venture partner, the partner is "cash called" in advance of the capital spending taking place.

Management assesses quarterly if there should be any impairment of the financial assets of the Company. No impairment provisions were required during the current quarter.

Summary of Quarterly Results

($ thousands, except per share amounts)	Three months ended September 30, 2017	Three months ended June 30, 2017	Three months ended March 31, 2017	Three months ended December 31, 2016
Revenue	25	64	34	53
Net income (loss)	71	(53)	(101)	3
Per share – basic and diluted	0.002	(0.001)	(0.001)	0.0001
Total assets	960	929	1,008	1,102

($ thousands, except per share amounts)	Three months ended September 30, 2016	Three months ended June 30, 2016	Three months ended March 31, 2016	Three months ended December 31, 2015
Revenue	49	23	41	61
Net income (loss)	(106)	(97)	(96)	(1,203)
Per share – basic and diluted	(0.027)	(0.0042)	(0.0042)	(0.0378)
Total assets	1,124	735	842	944

Factors that have caused variations over the quarters:

- The decrease in revenue is predominately due to the sale of P&E asset.

Critical Accounting Estimates

A summary of the Company's significant accounting policies is contained in note 3 to the financial statements. These accounting policies are subject to estimates and key judgments about future events, many of which are beyond Huntington's control. The following is a discussion of the accounting estimates that are critical to the financial statements.

Crude oil and natural gas assets - reserves estimates – Huntington retained Reliance Engineering Group Petroleum Consultants to evaluate its crude oil and natural gas reserves, prepare an evaluation report, and report to the Reserves Committee of the Board of Directors. The process of estimating crude oil and natural gas reserves is subjective and involves a significant number of decisions and assumptions in evaluating available geological, geophysical, engineering and economic data. These estimates will change over time as additional data from ongoing development and production activities becomes available and as economic conditions affecting crude oil and natural gas prices and costs change. Reserves can be classified as proved, probable or possible with decreasing levels of likelihood that the reserves will be ultimately produced.

Reserve estimates are a key input to the Company's depletion calculations and impairment tests. Property, plant and equipment within each area are depleted using the unit-of-production method based on proved and probable reserves using estimated future prices and costs. In addition, the costs subject to depletion include an estimate of future costs to be incurred in developing proved reserves. A revision in reserve estimates or future development costs could result in the recognition of higher depletion charged to net income.

Under the IFRS, the carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the estimated recoverable amount is calculated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. Exploration and evaluation ("E&E") assets will be allocated to the related CGU's to assess for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets (oil and natural gas interests in property, plant and equipment). An impairment loss is recognized in income if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Reserve, revenue, royalty and operating cost estimates and the timing of future cash flows are all critical components of the impairment test. Revisions of these estimates could result in a write-down of the carrying amount of crude oil and natural gas properties.

Decommissioning liabilities – The Company recognizes the estimated fair value of the decommission liability in the period in which it is incurred, and records a corresponding increase in the carrying value of the related asset. The future asset retirement obligation is an estimate based on the Company's ownership interest in wells and facilities and reflects estimated costs to complete the abandonment and reclamation as well as the estimated timing of the costs to be incurred in future periods. Estimates of the costs associated with abandonment and reclamation activities require judgments concerning the method, timing and extent of future retirement activities. The capitalized amount is depleted on a unit-of-production method over the life of the proved and probable reserves. The liability amount is increased each reporting period due to the passage of time and this accretion amount is charged to earnings in the period, which is included as a financing expense. Actual costs incurred on settlement of the decommissioning liability are charged against the liability. Judgments affecting current and annual expense are subject to future revisions based on changes in technology, abandonment timing, costs, discount rates and the regulatory environment.

Share based payments – Stock options issued to employees and directors under the Company's stock option plan are accounted for using the fair value method of accounting for stock-based compensation. The fair value of the option is recognized as a share based payment and contributed surplus over the vesting period of the option. Share based payment is determined on the date of an option grant using the Black-Scholes option pricing model. The Black-Scholes pricing model requires the estimation of several variables including estimated volatility of Huntington's stock price over the life of the option, estimated option forfeitures, estimated life of the option, estimated risk-free rate and estimated dividend rate. A change to these estimates would alter the valuation of the option and would result in a different related share based payment.

Income taxes – Huntington follows the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Current tax is the expect tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting period, and any adjustment to tax payable in respect to previous periods. Tax interpretations and legislation in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty and interpretations can impact net income through current tax arising from the changes in the deferred income tax asset and liabilities.

New Accounting Standards

The standards and interpretations that are issued but not yet effective up to the date of issuances of the Company's financial statements are listed below.

I IAS 7 "Statement of cash flows" amendments require that information be provided about changes in liabilities arising from financing activities: both those that involve or do not involve cash, effective years beginning on or after January 1, 2017.

IAS12 "Income taxes" amendments pertain to the amount of deferred tax assets that can be recognized in respect of unrealized losses and outline that when estimating the probable future taxable profit, recovery of assets for more than their carrying amount can be included when there is sufficient evidence to conclude that it is probable that the company will recover the asset for more than its carrying amount, effective years beginning on or after January 1, 2017.

IFRS 16 “Leases” requires that at inception of a contract an assessment is to be made whether the contract is, or contains, a lease. The standard provides the requirements for separating each lease component within a lease from non-lease components and for determining the lease term. There is an exemption for leases to explore for or use mineral, oil and natural gas and licenses of intellectual property granted by a lessor within the scope of IFRS15 “Revenue from Contracts with Customers”, effective years beginning on or after January 1, 2019

IFRS 15 “Revenue from Contracts with Customers” replaces IAS 11 “Construction Contracts” and IAS 18 “Revenue” and establishes a single revenue recognition framework that applies to contracts with customers, effective years beginning on or after January 1, 2018

IFRS 9 “Financial Instruments” replaces IAS 39 “Financial Instruments-Recognition and Measurement” and addresses the classification and measurement of financial instruments, effective years beginning on or after January 1, 2018.

Risk Factors

There are a number of risk factors facing Companies that participate in the Canadian oil and gas industry. A summary of certain risk factors relating to our business are disclosed below.

Exploration, Development and Production Risks

Oil and natural gas exploration involves a high degree of risk, for which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by Huntington will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

The long-term commercial success of Huntington will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Huntington will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Huntington may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.
Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. 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.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition. Huntington attempts to minimize exploration, development and production risks by utilizing a technical team with extensive experience to assure the highest probability of success in its drilling efforts. Our collaboration of a team of seasoned veterans in the oil and gas business, each with a unique expertise in the various upstream to downstream technical disciplines of prospect generation to operations, provides the best assurance of competency, risk management and drilling success. A full cycle economic model is utilized to evaluate all hydrocarbon prospects. Detailed geological and geophysical techniques are regularly employed including 3D seismic, petrography, sedimentology, petrophysical log analysis and regional geological evaluation.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Huntington. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Huntington's oil and gas reserves. Huntington might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Huntington's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Huntington are expected to be determined in part by the borrowing base of Huntington. A sustained material decline in prices from historical average prices could limit Huntington's borrowing base, therefore reducing the bank credit available to Huntington, and could require that a portion of any existing bank debt of Huntington be repaid.

In addition to establishing markets for its oil and natural gas, Huntington must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by Huntington will be affected by numerous factors beyond its control. Huntington will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by Huntington. The ability of Huntington to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Huntington will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Huntington’s portfolio consists of heavy crude oil. Huntington continually monitors the movement of commodity prices, interest rates and adjusts its capital expenditure program accordingly.

Substantial Capital Requirements; Liquidity

Huntington's cash flow from its production and sales of petroleum and natural gas may not, at all times be sufficient to fund its ongoing activities. From time to time, Huntington may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Huntington to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Huntington's revenues from its production of petroleum and natural gas decrease as a result of lower oil and natural gas prices or otherwise, it may affect Huntington's ability to expend the necessary capital to replace its reserves or to maintain its production. If Huntington's funds from operations are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Huntington.

Huntington's lenders may be provided with security over substantially all of the assets of Huntington. If Huntington becomes unable to pay its debt service charges or otherwise commits an event of default, such as bankruptcy, these lenders may foreclose on or sell Huntington's properties. The proceeds of any such sale would be applied to satisfy amounts owed to Huntington's lenders and other creditors and only the remainder, if any, would be available to Huntington.

Huntington monitors and updates its cash projection models on a regular basis which assists in the timing decision of capital expenditures. Farm-outs of projects may be arranged if capital constraints are an issue or if the risk profile dictates that the Company wishes to hold a lesser working interest position. By entering into a farmout agreement the Company limits the capital exposure associated with a oil and gas project. Equity, if available and if on reasonable terms, may be utilized to help fund Huntington's capital program.

Access to Capital
Access to capital has become limited during these times of economic uncertainty. To the extent the external sources of capital become limited or unavailable. Huntington's ability to make the necessary capital investments to maintain or expand oil and gas reserves may be impaired.

Credit Exposure
Recent economic conditions have increased the risk that certain counterparties for the Company's oil and gas sales and our joint venture partners may fail to pay. We mitigate these increased risks through diversification and a review process of the credit worthiness of our counterparties.

Huntington's policy to mitigate credit risk associated with product sales is to maintain marketing relationships with large, established and reputable purchasers that are considered creditworthy. Huntington has not experienced any collection issues with its petroleum and natural gas marketers. Joint venture receivables are typically collected within two to three months of the joint venture bill being issued to the partner. Huntington attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital and operating expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint venture partners.

Joint venture receivables are from partners in the petroleum and natural gas industry who are subject to the risks and conditions of the industry. Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Huntington does not typically obtain collateral from petroleum and natural gas marketers or joint venture partners; however the Company does have the ability to withhold production from joint venture partners in the event of non-payment or may be able to register security on the assets of joint venture partners.

Health, Safety and Environment
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 Corporation to incur costs to remedy such discharge.

There are potential risks to the environment inherent in the business activities of the Company. Huntington has developed and implemented policies and procedures to mitigate health, safety and environment (HS&E) risks. Huntington mitigates HS&E risks by maintaining its wells and complying with all regulations. Regular field inspections are also carried out to ensure that all field personnel and third party contractors comply with all company and regulatory guidelines. An action plan has been developed to ensure inactive wells are suspended properly and abandoned in a timely fashion. The above noted policies and procedures are designed to protect and maintain the environment and to ensure that the employees, contractors, subcontractors and the public at large are kept safe at all times.

Insurance
Huntington's involvement in the exploration for and development of oil and gas properties may result in Huntington becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Huntington has insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such

liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Huntington may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Huntington. The occurrence of a significant event that Huntington is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Huntington's financial position, results of operations or prospects.

Competition
Huntington actively competes for reserve acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial and personnel resources than Huntington. Huntington's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

Certain of Huntington's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect Huntington's ability to sell or supply oil or gas to these customers in the future. Huntington's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Social License to Operate
Heightened public monitoring and regulation of hydrocarbon resource producers, refiners, distributors and commercial/retail sellers, especially where their activities carry the potential for having negative impacts on communities and the environment, involves varying degrees of risk to the Company’s reputation, relations with landowners and regulators, and in extreme cases even the ability to operate. Huntington maintains an active website that complies with Exchange requirements for timely disclosure and is the primary means of communicating to the general public when required. While media attention and public perception remaining largely beyond the control of Huntington’s executive, employees, contractors and directors, the Company makes every effort in its corporate and field operations to engage all stakeholders in a respectful and transparent manner.