

Huntington Exploration Inc.

Management's Discussion and Analysis

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Huntington Exploration Inc. ("Huntington" or "the Company") is dated April 29, 2020 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2019. These consolidated 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. The measure used is operating netback. 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. The measure is not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measure. The underlying calculation is not necessarily comparable to a similarly titled measure of another entity. When the measure is used, it is 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.

Select Annual Information

(\$ thousands, except per share amounts)

	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
Petroleum and natural gas sales, net of royalties	38	53	125
Net income (loss) from continuing operations	(182)	(300)	(524)
Per share – basic and diluted	(0.013)	(0.032)	(0.053)
Net income (loss)	(182)	(300)	(425)
Per share – basic and diluted	(0.013)	(0.032)	(0.043)
Net capital expenditures	-	-	-
Working capital surplus (deficiency)	327	-	193
Total assets	474	160	555
Weighted average shares outstanding (000s) *	13,708	9,899	9,899
Current shares outstanding (000s) *	19,899	9,899	9,899

*Comparative year information has been restated to reflect the one new-for-four-old share consolidation that received regulatory approval June 14, 2019.

Lands and Rights Held As At December 31, 2019

A summary description of Huntington Exploration Inc.'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 Exploration's working interest share before the deduction of royalties payable to others. These properties are all located in the Alberta, Canada.

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 2019 was 36,143 mcf which the averaged over the year net to the company was 99 mcf/d.

Production and Operating Costs

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2019	2018	2019	2018
Total boe production	1,214	1,797	6,023	8,390
BOE/day	13	20	16	31
Working interest revenue (\$)	8,279	13,799	46,173	62,958
Revenue / boe (\$)	6.82	7.68	7.66	7.50

Royalties (\$)	(2,211)	(2,311)	(8,574)	(10,185)
Production costs (\$)	12,171	22,275	58,073	117,575
Production costs/boe (\$)	10.02	12.39	9.64	14.01
Operating net back (\$)	(6,103)	(10,787)	(20,474)	(64,802)
Operating net back/boe (\$)	(5.03)	(6.00)	(3.40)	(7.72)

Production costs are in line with expectations.

Depletion and Depreciation Expense

The depletion expense in 2019 and 2018 comparative periods is in line with expectations.

Impairment Provisions

For impairment tests performed, the recoverable amount of each CGU was estimated based on the higher of the value in use or the fair value less costs to sell. The Company performed impairment tests for the year ended December 31, 2018. The estimate of fair value less cost to sell was determined using proved plus probable forecasted before tax cash flows, discounted at 15%, with escalating prices and future development costs, as obtained from the Company's reserve reports at December 31, 2018. At December 31, 2019 the impairment losses recognized in prior years were assessed and it was determined that facts and circumstances did not indicate that the losses had decreased or no longer exist.

General and Administrative Expenses

General and administrative costs decreased by \$9,946 or 6% to \$176,809 for the year ended December 31, 2019 from \$186,754 for the year ended December 31, 2018. Staffing and consulting fees accounted for approximately 7% (2018 - 29%) of the total general and administrative expenses, professional fees were 39% (2018 - 35%), regulatory reporting and shareholder and public relations were 1% (2018 - 1%), insurance costs were 8% (2018 - 9%), software costs were 7% (2018 - 6%) and all other costs were 38% (2018 - 20%) of general and administrative expenses.

Finance Expense

The finance expense is comprised of the incremental fair value of the warrant extension and increase in the present value of the decommissioning obligation. The following is the summary of the finance expenses incurred:

	2019	2018
Accretion of decommissioning obligation	\$ 2,566	\$ 2,490

The accretion of the decommissioning obligation will fluctuate commensurate with the asset retirement obligation as new wells are drilled, acquired through acquisitions or property depositions and as changes to the estimates are made.

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 December 31, 2019, Huntington has a current working capital of \$326,593.

During 2019, the Company expended \$NIL (2018- \$NIL) in capital expenditures for its developed and producing oil and gas activities. During 2019, the Company expended \$NIL (2018 - \$NIL) in capital expenditures for its exploration and evaluation oil and gas activities.

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 19,899,431 common shares outstanding.

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

	Expiry Date	Exercise Price	Number	Total Number
Common shares				19,899,431
Warrants	July 26, 2020	\$0.20	4,166,667	
	August 15, 2021	\$0.05	10,000,000	14,166,667

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. During the year ended December 31, 2019, the Company sold approximately 100% of its oil and gas production to a single purchaser. At December 31, 2019, Nil% of the balance of accounts receivable is due from this purchaser. 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.

Summary of Quarterly Results

	Three months ended December 31, 2019	Three months ended September 30, 2019	Three months ended June 30, 2019	Three months ended March 31, 2019
(\$ thousands, except per share amounts)				
Revenue	12	7	8	19
Net income (loss)	(14)	(84)	(18)	(66)
Per share – basic and diluted *	(0.001)	(0.008)	(0.002)	(0.002)
Total assets	474	500	84	121
	Three months ended December 31, 2018	Three months ended September 30, 2018	Three months ended June 30, 2018	Three months ended March 31, 2018
(\$ thousands, except per share amounts)				
Revenue	14	11	11	27
Net income (loss)	(97)	(71)	(78)	(70)
Per share – basic and diluted	(0.011)	(0.007)	(0.007)	(0.007)
Total assets	160	306	350	451

Changes in accounting polices:

Effective January 1, 2019, the Company adopted IFRS 16 "Leases". There were no material changes as a result of the adoption of these standards.

New accounting standards and interpretations not yet adopted:

Huntington has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently evaluating the impact of the adoption of these standards and amendments. The adoption of these standards and amendments are not expected to significantly impact the Company.

IFRS 3 “Business Combinations” – amendments to the definition of a business. The objectives of the amendments to the definition of a business are to help distinguish a business combination from a purchase of a group of assets and to clarify the accounting for previously held interests in a business if control or joint control of the business is acquired. Emphasis is put on the outputs of a business being the provision of goods or services to customers or generating income whereas previously outputs had been viewed in terms of an ability to provide a return or benefits to investors or other owners. In an effort to simplify the assessment of whether an acquired set of activities and assets meets the revised definition, an optional concentration test is available. The amendments are effective for transactions after January 1, 2020

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.

If Huntington is able to negotiate debt financing it is likely lenders will 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 wish to hold a lesser working interest position. 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 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 a large, established and reputable purchaser that is considered creditworthy. Huntington has not experienced any collection issues with its petroleum and natural gas marketer. 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.