EAST WEST PETROLEUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR MONTHS ENDED MARCH 31, 2018

This discussion and analysis of financial position and results of operation is prepared as at July 30, 2018 and should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2018 and 2017 of East West Petroleum Corp. ("East West" or the "Company"). The following disclosure and associated consolidated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com .

Forward-Looking Statements

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: the ability to raise sufficient capital to fund exploration and development; the quantity of and future net revenues from the Company's reserves; oil and natural gas production levels; commodity prices, foreign currency exchange rates and interest rates; capital expenditure programs and other expenditures; supply and demand for oil and natural gas; schedules and timing of certain projects and the Company's strategy for growth; competitive conditions; the Company's future operating and financial results; and treatment under governmental and other regulatory regimes and tax, environmental and other laws.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity. Best estimate resources are considered to be the best estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term is a measure of central tendency of the uncertainty distribution (most likely/mode, P50/median, or arithmetic average/mean). As estimates, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources that the estimated reserves or resources will be recovered or produced.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the reserve reports filed with respect to the Company's petroleum and natural gas properties.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "EW" as a Tier 1 issuer. The Company carries on business in one operating segment, being the acquisition of, exploration for and production from petroleum and natural gas properties. The Company's current portfolio consists of interests in exploration concessions in New Zealand and Romania and producing properties in the Taranaki Basin, New Zealand. The Company is not the operator of any of its petroleum and gas interests and is currently focussed participating in further activities related to the exploration, evaluation and development of its petroleum interests in the Taranaki Basin, New Zealand and the exploration and appraisal of its four licences in Romania. The Company also holds investments in common shares of Advantage Lithium Corp.

("Advantage Lithium") and Seaway Energy Services Inc. (Seaway"), public companies whose common shares trade on the TSXV. The Company's principal office is located at #117 - 595 Burrard Street, Vancouver, BC, V7X 1L4.

Proposed Acquisition and Corporate Re-structuring

On July 17, 2018 the Company announced that it has agreed to implement a restructuring and as part of this the signing of a letter of intent (the "Juva LOI") dated July 16, 2018 to acquire all of the issued and outstanding common shares in the capital of Juva Life Inc. ("Juva"), a California-based cannabis company. The transaction is at arm's length.

The first step in the restructuring process is the spin-out of the Company's oil & gas assets, with the corresponding cash flow and all other assets transferred to a new wholly-owned subsidiary of the Company. The Company will then spin out the shares of this new subsidiary ("Newco") to its shareholders pursuant to a plan of arrangement ("Plan of Arrangement"). Following the Plan of Arrangement, Newco will be owned by the current shareholders of the Company and will carry on the oil and gas business of the Company. As part of the Plan of Arrangement the Company will move forward to complete the acquisition of Juva. The Company's capital structure will be amended to allow the Plan of Arrangement to be completed such that the Company's outstanding shares will be consolidated on a 10:1 ratio and the Company will have not less than $4,000,000 cash on hand to provide initial financing to Juva. It is currently intended that Juva shall complete private placements totalling $7,700,000.

Under the terms of the proposed transaction, the Company will acquire from the shareholders of Juva all of the common shares of Juva which are issued and outstanding as of the closing and the Company will apply to voluntarily delist from the TSXV and apply for a listing on the Canadian Securities Exchange ("CSE"). Trading in the shares of the Company will remain halted until the close, and its filing statement accepted. As part of the overall change in business, the Company further proposes to undertake a name change, subject to approval by the relevant regulators, to Juva Life Corp. which will better reflect the nature of its new business direction. In addition, Mr. Doug Chloupek founder and CEO of Juva will join the Board of the resulting issuer.

The Company will consolidate its issued and outstanding shares to 8,958,567 shares and will seek shareholder approval for the proposed transaction and on closing shall issue 82,000,000 post-consolidation common shares to the then existing shareholders of Juva for a total resulting issuance of 90,958,567 shares post-transaction. A plan for subsequent issuance of its common shares in the form of certain performance and facility warrants to certain directors and shareholders may be issued under a proposed pooling agreement and under prospectus exemptions pursuant to National Instrument 45-106 subject to an applicable statutory hold period along with any escrow restrictions imposed by regulatory authorities or under applicable securities laws.

In addition to other customary conditions the transaction will be subject to the completion of a definitive agreement and all legal, business and technical due diligence to the satisfaction of both parties. The transaction will take place by way of a share exchange, merger, plan of arrangement, amalgamation or other transaction which will result in Juva becoming a 100% wholly-owned subsidiary of East West or otherwise combining its corporate existence with that of East West, with the final structure for the transaction to be determined on the basis of securities, tax and corporate law considerations. There is no finder's fee payable in relation to the acquisition of Juva by the Company.

Juva consist of three operating arms; Juva Labs, Juva Cultivation and Juva Retail. Juva Labs develops cannabis-oriented medicinal and recreational solutions to meet the needs of patients and cannabis consumers across the state of California with an emphasis on formulation, clinical research, R&D, manufacturing, distribution and custom white label processing Juva Cultivation operates under the well-established Frosted Flowers brand selling premium award winning cannabis products. Juva currently has two conditional use permitted facilities in the city of Stockton, California with 62,600 square feet of warehouse space projected to produce over 9,445 pounds of annual cannabis production. Juva Retail will provide a vertically operated business leveraging each aspect of the supply chain via direct in store and home delivery sales and marketing operations.

Juva was founded by Mr. Doug Chloupek in collaboration with a board of physician experts led by Dr. Rakesh Patel. Mr. Chloupek has founded and operated numerous cannabis companies in California, including Day2Day Cannabis Ingredients and Valley Grown Enterprises, as well as Lux Wellness and Medmar Healing Center, both retail dispensaries. The long-time entrepreneur also co-founded and was Chief Operating Officer of BAS Research, California's first licensed medical cannabis manufacturing and research group, dedicated to developing breakthrough pharmaceutical grade marijuana products. Mr. Chloupek has also helped establish California's cannabis industry structurally. He is a founding member of both the California Cannabis Industry Association and the Citizens

Coalition for Patient Care, where he helped gather 49,000 signatures for a referendum that led to the repeal of an unworkable ordinance.

Dr. Patel and his colleagues lead the scientific and medical components of Juva and have a proven track record of working strategically with healthcare companies in identifying meaningful clinical gaps and driving adoption. They have vast experience in clinical research having served as lead investigators for national and industry sector trials. This collective effort has resulted in over 500 combined publications and 1,000 meeting presentations on oncology, palliative care, genetics and patient-reported outcome studies around the globe. The group is dedicated to education and leads a national physician network that will focus on patient-centric, condition-based initiatives throughout all aspects of Juva.

Directors and Officers

Effective June 15, 2018 Mr. Curtis White was appointed as a director of the Company. Mr. White has more than 15 years of experience working in media, tech, mining and oil & gas. Recently, Mr. White was Head of Digital for Thunderbird Entertainment, one of Canada's largest independent film and television production studios. Prior to joining Thunderbird, Mr. White worked in corporate finance and investor relations for a number of TSXV listed junior resource companies. Mr. White has a Bachelor of Commerce (Honours) from the Sauder School of Business at the University of British Columbia.

Mr. David Taylor has tendered his resignation as a director but will continue to work with the Company in an advisory capacity and will serve on the Company's Advisory Board providing advice and oversight for the Company's oil and gas operations.

As of the date of this MD&A the Company's Board of Directors and Officers are as follows:

David Sidoo	- President, Chief Executive Officer ("CEO") and director
Nick DeMare	- Chief Financial Officer ("CFO") and director
Ross McElroy	- Director
Dylan Sidoo	- Director
Curits White	- Director

Projects Update

In this MD&A, production and reserves information may be presented on a barrel of oil equivalent ("BOE") basis with six thousand cubic feet ("MCF") of natural gas being equivalent to one barrel ("bbl") of crude oil or natural gas liquids. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

New Zealand

The Company has active drilling, testing and production operations in the Taranaki Basin of New Zealand. All licenses are operated by the Company's partner, TAG Oil Ltd. ("TAG" or the "operator"), and all wells are targeting shallow Miocene targets in the Urenui and Mt. Messenger formations which have been shown to be productive for oil and gas throughout the Basin, including TAG's adjacent Cheal field.

Within the Taranaki Basin, East West holds the following working interests:

PEP 54877 and PMP 60291 (Cheal East) - East West 30%

PEP 54877 is the location of the Cheal E-Site and the Cheal E-site production facility as well as the Cheal-E wells. In early December 2017 the Cheal-E1 and the Cheal-E5 wells came offline due to parted rods. The Cheal E-1 came back on-line in early January 2018 and the Cheal-E5 remained offline for the entire quarter ended March 31, 2018 but is expected to be back online by the end of the Q1/2019. The Cheal-E6 came online in mid-December 2017 following a rod pump conversion.

In May 2017 the Cheal-E8 exploration well was successfully drilled and flow tested. The well was drilled and completed on time and on budget to a total measured depth of over 2,000 m. The primary objective of

Cheal-E8 was to test the potential of the Urenui formation, with the deeper Mt. Messenger formation as the secondary objective. Net pay of approximately 17 m of Urenui sands and 4 m of Mt. Messenger sands was recorded. Following the completion of the Urenui zone, Cheal-E8 naturally free flowed oil and gas on choke at an average rate of 318 boe/d during a four and a half day test. No water production was observed during the test. The Cheal-E8 well was tied-in to the operator's existing infrastructure as a permanent producer in late May 2017.

Construction of the Cheal-D well pad was completed in July 2017. The pad has been used to explore the northern portion of the Cheal East permit. Drilling of an exploration well, the Cheal-D1, commenced in July 2017. In September 2017 drilling and testing operations of the Cheal-D1 well was completed to a total measured depth of 2,400 metres. The well perforated an 18 metre section of gas bearing sands in the Urenui formation. Following extensive testing it was determined that gas was present, however not in sufficient quantities to produce as an economic discovery. The Cheal-D1 well has been suspended with a plan to potentially re-enter in the future. All costs to the Cheal-D1 have been categorized as exploration and evaluation assets.

On September 15, 2017, New Zealand Petroleum & Minerals ("NZP&M") approved the petroleum permit application for the Cheal East permit (PMP 60291). The mining permit has been carved out of the existing exploration permit (PEP 54877) and part of the remaining acreage has been included in an application to extend the duration of PEP 54877. On November 27, 2017, NZP&M approved the application to extend the duration of exploration of PMP 54877 and the exploration permit was extended for an additional five year term, commencing December 11, 2017.

The Company's 30% share of petroleum production from Cheal East averaged approximately 90 net BOE's per day in Q4 compared to an average of approximately 82 BOE's per day in Q3. The increase in Q4 is primarily due to the Cheal-E6 being on-line for the entire quarter after coming back online following a rod pump conversion in mid-December 2017 and the Cheal-E1 returning to production in January 2018 following repairs for a parted rod. This was partially offset by the Cheal-E5 well remaining offline for the entire quarter following issues with a parted rod in early December 2017.

PEP 54879 (Cheal South) - East West 50%

The initial permit work for PEP 54879 included drilling three exploration wells with two wells subsequently being plugged and abandoned. The testing of one well indicated the potential for a full time producer and initial studies were completed to assess if the well could be placed on production on a full time basis, however, in light of the decrease in the price of oil, these studies were not advanced. In fiscal 2016, the Operator conducted a detailed seismic program to assist in identifying additional drill targets on PEP 54879. During Q1/2017, 3D seismic on PEP 54879 was acquired and the resulting data was processed and analyzed. In March 2017 the Company and TAG notified the NZP&M of their intention to relinquish the permit. Accordingly, during fiscal 2017 the Company recorded an impairment of $6,657,646 for costs incurred to March 31, 2017. In August 2017 NZP&M approved the surrender of the PEP 54879.

Reserves Data

An independent reserves evaluation, relating to the resource base of the Company in the Cheal Area of New Zealand, effective March 31, 2018, has been prepared by Sproule International Limited. The report follows all industry standard procedures and is in conformity with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 ("NI 51-101"). Readers are encouraged to review the Form 51-101 F1 - *Statement of Reserve Data and Other Oil and Gas Information*, which is a summary of the report, filed on the SEDAR website at www.sedar.com.

Reconciliation of Company Gross [(1)] Reserves
by Principal Product Type As of March 31, 2018

	Light and Medium Crude Oil			Conventional Natural Gas			Total Equivalent		
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MBOE)	Gross Probable (MBOE)	Gross Proved Plus Probable (MBOE)
March 31, 2017	15.0	84.0	99.0	67.0	289.0	356.0	26.0	132.2	158.3
Infill Drilling	7.4	1.5	8.9	23.0	4.0	27.0	11.3	2.1	13.4
Technical Revisions	45.0	(32.5)	12.5	52.0	(194.0)	(142.0)	53.6	(64.8)	(11.2)

	Light and Medium Crude Oil			Conventional Natural Gas			Total Equivalent		
	Gross Proved (Mbbl)	**Gross Probable (Mbbl)**	**Gross Proved Plus Probable (Mbbl)**	**Gross Proved (MMcf)**	**Gross Probable (MMcf)**	**Gross Proved Plus Probable (MMcf)**	**Gross Proved (MBOE)**	**Gross Probable (MBOE)**	**Gross Proved Plus Probable (MBOE)**
Economic Factors	(1.0)	0.0	(1.0)	(1.0)	0.0	(1.0)	(1.2)	0.0	(1.2)
Production	(23.4)	0.0	(23.4)	(66.0)	0.0	(66.0)	(34.4)	0.0	(34.4)
March 31, 2018	43.0	53.0	96.0	75.0	99.0	174.0	55.5	69.5	125.0

(1) The Gross Reserves presented here are the Company's working interest reserves before calculations of royalties, and before consideration of the Company's royalty interest.

Values may not add due to rounding

Gross proved plus probable ("2P") reserves estimates within the Taranaki Basin at March 31, 2018 were 125.0 MBOE compared to the March 31, 2017 2P reserves of 158.3 MBOE. Taking into account the 34.4 MBOE the Company produced over the fiscal year, the 12.4 MBOE decrease for technical revisions and economic factors, and the 13.4 MBOE increase from infill drilling, the Company's reserves overall decreased by 21.04%.

Romania

During fiscal 2010 the Company was informed by the government of Romania that it had been awarded four exploration blocks located in the Pannonian Basin, in western Romania. In May 2011 the Company signed petroleum concession agreements with the National Agency for Minerals and Hydrocarbons ("NAMR") the government agency in Romania which regulates the oil and gas industry.

The four concessions have specific mandatory work programs (the "Romania Work Programs"), which were estimated at US $62,335,000 for all four programs. Production from the concessions is also subject to royalties of between 3.5% to 13.5% based on quarterly gross production payable to the government.

On May 20, 2011 the Company and Naftna Industrija Srbije j.s.c. Novi Sad ("NIS"), an arm's length corporation, signed a memorandum of understanding to jointly explore the four exploration blocks in Romania. On October 27, 2011 the Company and NIS signed a farm-out agreement (the "Farm-out"). Under the terms of the Farm-out, NIS has paid the Company a total of $525,000 for the assignment of an 85% participation interest and operatorship of the Romania Work Programs to NIS. NIS is the operator of the four concessions and has the obligation to fund the Romania Work Programs, including environmental work, 2D and 3D seismic acquisition and processing, and the drilling of 12 wells. The Company retains a 15% carried interest in each block through the obligatory two-year Phase I work program and an optional one year Phase II work program which carries additional commitments. The current expiries of the Phase I terms are as follows: Block EX-2 December 4, 2019, Block EX-3 November 22, 2019 and November 22, 2018 for Blocks EX-7 and EX-8. Extensions to either the Phase I or Phase II terms to allow completion of the Romania Work Programs may be possible subject to approval by NAMR. If a commercial discovery is made, the Company is responsible for its 15% interest in development of the commercial discovery.

NIS has proposed and is actively progressing comprehensive exploration programs in the EX-2, EX-3, EX-7 and EX-8 exploration blocks in Romania. Whilst all activities comprise part of the commitment work programs they are nevertheless dependent on securing all the necessary government and local approvals.

Block EX-7

Drilling of the first well, Teremia 1000, in the EX-7 Periam block commenced in January 2017. The well targeted conventional oil and gas-bearing zones and was drilled to a total depth of approximately 2,500 meters, consisting of two primary and three secondary geological targets. In September 2017 NIS reported that testing of multiple intervals on the first well in EX-7 Periam block had been completed. In December 2017 NIS informed the Company that light oil was tested from two intervals within metamorphic basement with gross rates up to 363 bbls/day of fluid with water cuts up to 49% (maximum gross oil rate 177 bbls/day). In addition, a total of five intervals were individually tested in Miocene sandstones, four of which flowed gas at gross rates in the range 0.74 to 4.27 MMscfg/d. The fifth interval flowed minor quantities of gas and condensate. The Teremia 1000 well has been completed as a potential future oil producer. Drilling of an appraisal well on the Teremia-1000 structure is anticipated to commence late in the third quarter of 2018 (calendar). A decision regarding the commerciality of the oil accumulation is expected to be taken when the results of future appraisal wells are known. In addition, as flaring of gas in Romania is forbidden, any oil production will require a technical solution for the use of associated gas together with acquiring the necessary permits and approvals for the infrastructure and facilities. In May 2018 acquisition of a total program of 95 km of 2D seismic was completed. Construction of a drilling pad and access road for the drilling of an exploration well is currently underway with spudding anticipated early in the third quarter of 2018 (calendar).

Block EX-2 and EX-3

In both EX-2 and EX-3, permitting continues for a total of approximately 400km^2 of 3D seismic surveying with acquisition expected to commence in Q3 during the third quarter of 2018 (calendar).

Block EX-8

Permitting continues in EX-8 for an exploration well which is hoped to be spudded in late 2018 (calendar). As the Teremia structure extends into block EX-8 future plans involve spudding an additional appraisal well in early 2019 (calendar).

NIS will update the Company about the commencement of each operation once all the necessary permits and government authorizations are granted.

NIS will be funding 100% and fully carrying the Company through the commitment work programs in each of the blocks in return for earning an 85% interest.

Investments

As at March 31, 2018 the Company held 1,533,000 common shares of Advantage Lithium and 462,400 common shares of Seaway. The March 31, 2018 fair value of these investments was $2,010,230. The Company also holds warrants to acquire 333,350 common shares of Advantage Lithium at an exercise price of $1.00 per share. The Advantage Lithium warrants have been valued at a fair value of $110,006 at March 31, 2018 using the Black-Scholes option pricing model.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements prepared in accordance with IFRS.

	Year Ended March 31,		
	2018 $	2017 $	2016 $
Operations:			
Revenues, net of costs	657,333	852,055	1,448,143
Expenses	(2,085,197)	(8,327,258)	(5,709,659)
Other income	560,321	1,170,233	389,860
Loss before deferred income tax	(867,543)	(6,304,970)	(3,871,656)
Deferred income tax	81,000	Nil	Nil
Net loss	(786,543)	(6,304,970)	(3,871,656)
Other comprehensive income (loss), net	755,897	205,421	(808,284)
Comprehensive loss	(30,646)	(6,099,549)	(4,679,940)
Basic and diluted loss per share	(0.01)	(0.07)	(0.04)
Balance Sheet:			
Working capital	4,118,454	6,095,940	7,845,372
Total assets	8,912,682	8,895,822	14,816,036
Total long-term liabilities	(1,364,764)	(1,268,216)	(1,183,793)

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

	Fiscal 2018				Fiscal 2017			
	Mar. 31 2018 $	Dec. 31 2017 $	Sep. 30 2017 $	Jun. 30 2017 $	Mar. 31 2017 $	Dec. 31 2016 $	Sep. 30 2016 $	Jun. 30 2016 $
Operations:								
Total revenues	435,951	524,959	515,766	447,266	572,256	605,710	443,844	533,975

	Fiscal 2018				Fiscal 2017			
	Mar. 31 2018 $	**Dec. 31 2017 $**	**Sep. 30 2017 $**	**Jun. 30 2017 $**	**Mar. 31 2017 $**	**Dec. 31 2016 $**	**Sep. 30 2016 $**	**Jun. 30 2016 $**
Operating costs	(393,119)	(284,069)	(289,285)	(300,136)	(318,070)	(385,258)	(292,465)	(307,937)
Expenses	(490,202)	(456,875)	(769,362)	(368,758)	(7,191,965)	(401,367)	(410,995)	(322,931)
Other income (expense)	(320,414)	719,842	71,975	88,918	1,262,837	(189,672)	68,648	28,420
Income (loss) before deferred income tax	(767,784)	503,857	(470,906)	(132,710)	(5,674,942)	(370,587)	(190,968)	(68,473)
Deferred income tax	(49,000)	130,000	Nil	Nil	(288,500)	(26,500)	162,736	152,264
Net (loss) income	(816,784)	633,857	(470,906)	(132,710)	(5,963,442)	(397,087)	(28,232)	83,791
Other comprehensive income (loss), net of deferred income tax	132,529	853,936	533,772	(764,340)	(1,957,884)	(325,499)	1,242,412	1,246,392
Comprehensive income (loss)	(684,255)	1,487,793	62,866	(897,050)	(7,921,326)	(722,586)	1,214,180	1,330,183
Basic and diluted (loss) income per share	(0.01)	0.02	(0.01)	(0.00)	(0.07)	(0.00)	(0.00)	0.00
Balance Sheet:								
Working capital	4,118,454	4,067,039	3,260,564	4,373,986	6,095,940	6,703,781	6,956,336	7,430,843
Total assets	8,912,682	9,834,490	8,374,344	8,196,050	8,895,822	16,692,432	17,455,768	16,803,124
Decommissioning liabilities	(1,364,764)	(1,583,705)	(1,576,685)	(1,288,119)	(1,268,216)	(1,245,725)	(1,262,830)	(1,225,922)

Results of Operations

Three Months Ended March 31, 2018 ("Q4/2018"), Three Months Ended December 31, 2017 ("Q3/2018"), and Three Months Ended March 31, 2017 ("Q4/2017").

Revenues and operating costs for Q4/2018, Q3/2018 compared to Q4/2017 are as follows:

	Q4/2018	**Q3/2018**	**Q4/2017**
Total sales	$ 435,951	$ 524,959	$ 572,256
Total volume	5,893 BOE	7,562 BOE	10,868 BOE
Average realized price per BOE	$ 73.98	$ 69.42	$ 52.66
Petroleum sales	$ 376,335	$ 470,855	$ 457,408
Petroleum volume	4,159 BOE	5,743 BOE	7,052 BOE
Average petroleum realized price per BOE	$ 90.49	$ 81.99	$ 64.86
Natural gas sales	$ 59,616	$ 54,104	$ 114,848
Natural gas volume	1,734 BOE	1,819 BOE	3,816 BOE
Average natural gas realized price per BOE	$ 34.36	$ 29.74	$ 30.10
Production costs	$ 312,347	$ 205,978	$ 233,695
Average per BOE	$ 53.00	$ 27.24	$ 21.50
Transportation and storage costs	$ 56,265	$ 53,006	$ 58,980
Average per BOE	$ 9.55	$ 7.01	$ 5.43
Royalties	$ 24,507	$ 25,085	$ 25,395
Average per BOE	$ 4.16	$ 3.32	$ 2.34
Netback	$ 42,832	$ 240,890	$ 254,186
Average per BOE	$ 7.27	$ 31.86	$ 23.39

Q4/2018 compared to Q3/2018

Total sales revenues decreased from $525,959 in Q3/2018 to $435,951 in Q4/2018, a decrease of 17% due to the Cheal-E5 remaining offline for all of Q4 following issues with a parted rod in December 2017 partially offset by the Cheal-E1 and Cheal-E6 returning to production in Q4/2018

During Q4/2018 production costs increased by 52%, from $205,978 in Q3/2018 to $312,347 in Q4/2018. The increase in Q4/2018 was due to the impact of the Cheal-E1 parted rod repair costs in Q4/2018, combined with lower production volumes and fixed overheads.

During Q4/2018 the Company reported a comprehensive loss of $684,255 compared to a comprehensive income of $1,487,793 for Q3/2018. The fluctuation is primarily attributed to the change in fair value of investments from a comprehensive gain of $974,441 in Q3/2018 to a comprehensive loss of $451,305 in Q4/2018. Also the Company recorded an impairment on property, plant and equipment of $472,790 in Q4/2018 compared to $nil in Q3/2018.

Q4/2018 compared to Q4/2017

Total sales revenues decreased from $572,256 in Q4/2017 to $435,951 in Q4/2018, a decrease of 24%, primarily due to a 45% decrease in production sales volumes partially offset by a 40% increase in petroleum prices and a 14% increase in natural gas prices.

Production was down due to the Cheal-E1 being offline for all of Q4/2018 and natural declines in production.

Production costs increased from $233,695 in Q4/2017 to $312,347 in Q4/2018, an increase of 34% due to the Cheal-E1 parted rod repair costs in Q4/2018.

Transportation and storage costs in Q4/2018 compared to Q4/2017 decreased slightly (5%) from $58,980 in Q4/2017 to $56,265 in Q4/2018.

Royalties expense decreased slightly (3%), from $25,395 in Q4/2017 to $24,507 in Q4/2018.

During Q4/2018 the Company reported a comprehensive loss of $684,255 compared to a comprehensive loss of $7,921,076 for Q4/2017. The decrease in loss of $7,236,821 is primarily attributed to the recognition of impairment on exploration and evaluation assets of $6,657,646 in Q4/2017 compared to $nil in Q4/2018. In March 2017 the Company and TAG notified the New Zealand Petroleum and Minerals of their intention to relinquish the permit on PEP54879.

Fiscal 2018 Compared to Fiscal 2017

Revenues and operating costs for fiscal 2017 compared to fiscal 2016 are as follows:

	Fiscal 2018	**Fiscal 2017**
Total sales	$ 1,923,942	$ 2,155,785
Total volume	32,238 BOE	44,330 BOE
Average realized price per BOE	$ 59.68	$ 48.63
Petroleum sales	$ 1,581,538	$ 1,695,137
Petroleum volume	21,240 BOE	29,417 BOE
Average petroleum realized price per BOE	$ 74.46	$ 57.62
Natural gas sales	$ 342,404	$ 460,648
Natural gas volume	10,998 BOE	14,913 BOE
Average natural gas realized price per BOE	$ 31.13	$ 30.89
Production costs	$ 971,699	$ 996,280
Average per BOE	$ 30.14	$ 22.47
Transportation and storage costs	$ 201,426	$ 209,584
Average per BOE	$ 6.25	$ 4.73
Royalties	$ 93,484	$ 97,866
Average per BOE	$ 2.90	$ 2.21
Netback	$ 657,333	$ 852,055
Average per BOE	$ 20.39	$ 19.22

Sales revenues decreased from $2,155,785 in fiscal 2017 to $1,923,942 in fiscal 2018 a decrease of 11%. The fluctuations were primarily due to lower production volumes as a result of the planned full shut-down in April 2017 and gas production being offline due to parted rods commencing in December 2017. This was offset partially by the increase in petroleum prices.

Production costs decreased slightly (2%) during fiscal 2018 from $996,280 in fiscal 2017 to $971,699.

During fiscal 2018 the Company reported comprehensive loss of $30,646 compared to comprehensive loss of $6,099,549 reported in fiscal 2017. The fluctuation is attributed to:

(i) the recognition of the impairment of exploration and evaluation assets of $6,657,646 in fiscal 2017 compared to $nil in 2018.
(ii) the impact of the re-designation on June 24, 2016 of the Company's investment in Advantage Lithium, resulting in the Company changing its accounting for the investment, from the equity method to fair value accounting using quoted prices. As a result, during fiscal 2017 the Company recorded a gain on loss of significant influence of $1,171,147;
(iii) the recognition of a gain on sale of investments of $657,272 in fiscal 2018 period compared to $159,279 in fiscal 2017; and
(iv) during fiscal 2018 the Company recorded a $211,115 comprehensive loss due to the currency translation of its subsidiary compared to a $158,228 comprehensive income reported during fiscal 2017.

General and administrative expenses incurred during fiscal 2018 and fiscal 2017 are as follows:

	2018 **$**	**2017** **$**
Accounting and administrative	41,400	38,230
Audit and related	56,892	73,177
Bank charges	1,606	3,194
Charitable donation	20,000	20,000
Corporate development	88,332	78,654
Insurance	10,750	10,670
Legal	7,972	8,687
Office	12,541	8,460
Professional fees	317,986	376,708
Regulatory fees	8,104	7,379
Rent	1,878	23,679
Shareholder costs	4,476	3,462
Telephone	2,466	5,123
Transfer agent fees	5,673	5,669
Travel	21,277	37,334
	601,353	700,426

Specific expenses of note for fiscal 2018 and fiscal 2017 are as follows:

(i) professional fees totalling $317,986 were incurred in fiscal 2018 compared to $376,708 in fiscal 2017 as follows:
   - $123,900 was paid to directors and officers of the Company in fiscal 2018, a decrease of $171,600 from $295,500 incurred in fiscal 2017. The decrease was due to an overall voluntary reduction in compensation and the resignation of certain directors. See also "Related Party Transactions";
   - $194,086 was paid to consultants for administrative and financial services in fiscal 2018 compared to $81,208 paid in fiscal 2017. The increase in fiscal 2018 reflects additional services engaged with independent consultants;
(ii) corporate development expenses of $88,332 were incurred in fiscal 2018 compared to $78,654 in fiscal 2017. The increase is due to an on-going marketing campaign in fiscal 2018;
(iv) $41,400 (2017 - $38,230) for accounting and administrative provided by Chase Management Ltd., a private company owned by Nick DeMare, a director of the Company; and
(v) rent expenses decreased from $23,679 in fiscal 2017 to $1,878 in fiscal 2018. The office lease expired in July 2016. Effective November 1, 2017 the Company entered into a month to month shared office arrangement.

During fiscal 2018 the Company incurred general exploration expenses of $2,791 (2017 - $35,588) of which a recovery of $31,291 (2017 - expenses of $15,132) was related to PEP 54879 and $34,082 (2017 - $20,456) was for ongoing review of current exploration and evaluation assets.

Interest income is generated from cash on deposit with a senior financial institution and short-term money market instrument issued by major financial institutions. During fiscal 2018 the Company reported interest income of $49,811, compared to $75,392 during fiscal 2017. The decrease is due to lower levels of cash held throughout fiscal 2018 compared to fiscal 2017.

During fiscal 2018 the Company conducted open market purchases and sales of common shares of Advantage Lithium under which the Company purchased 550,000 common shares at a cost of $306,869 and sold 2,231,400 common shares for proceeds totalling $1,267,580. In addition the Company made open market purchases of common shares of Seaway under which the Company purchased 462,400 common shares for $448,662.

Property, Plant and Equipment

During fiscal 2018 the Company incurred total additions of $1,621,218 (2017 - $709,247) for the Cheal-East wells, $29,881 increase (2017 - decrease of $2,110) for revision to the estimate for decommissioning costs and a decrease of $64,518 (2017 - increase of $480,505) in foreign exchange movement for property, plant and equipment additions on the New Zealand properties.

During fiscal 2018 the Company recorded an impairment charge of $472,790 on PMP 60291 to an estimated recoverable amount of $680,000, based on the fair cost to sell methodology using estimated discounted cash flows based on proved reserves of the oil and gas properties and a pre-tax discount of 10%.

Exploration and Evaluation Assets

	PEP 54877 $
Balance at March 31, 2017	-
Capital expenditures	1,532,179
Revision of estimate for decommissioning costs	122,977
Foreign exchange movement	26,535
Balance at March 31, 2018	1,681,691

During fiscal 2018 the Company incurred capital expenditures of $1,532,179 for the Cheal-D1 exploration well, a $122,977 increase for the revision to the estimate for decommissioning costs and an increase of $26,535 in foreign exchange movement for exploration and evaluation assets.

Financial Condition / Capital Resources

As at March 31, 2018 the Company had working capital of $4,118,454. The Company also holds investments in Advantage Lithium and Seaway with an estimated fair value of $2,120,236 as at March 31, 2018. The Company believes that it currently has sufficient financial resources to conduct anticipated exploration and development programs and meet anticipated corporate administration costs for the upcoming twelve month period. However, exploration activities may change due to ongoing results and recommendations, discoveries may require appraisal and development work or the Company may acquire additional properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing and/or sell its holdings in its investments as needed. While it has been successful in the past, there can be no assurance that the Company will be successful in raising future financing should the need arise. In addition, the Company has entered into the Juva LOI which, if consummated, will require significant financing in the future.

Commitments

The Company's share of expected exploration and development permit obligations and/or commitments as at March 31, 2018 are approximately $235,000 to be incurred in fiscal 2019 and $1,300,000 over the next five years. The Company may choose to alter the program, request extensions, reject development costs, relinquish certain permits or farm-out its interest in permits where practical.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has entered into a non-binding agreement to acquire Juva and conduct a corporate re-organization. See "Proposed Acquisition and Corporate Reorganization".

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets, classification of investments and assumptions used for share-based compensation. Actual results may differ from those estimates.

Changes in Accounting Policies

There are no changes in accounting policies. A detailed summary of all the Company's significant accounting policies is included in Note 3 to the March 31, 2018 and 2017 annual financial statements.

Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and all executive officers.

(a) During fiscal 2018 and 2017 the following amounts were incurred:

	2018 **$**	**2017** **$**
Professional fees - David Sidoo, CEO and Director (1)	72,000	111,500
Professional fees - Nick DeMare, CFO and Director (2)	36,000	40,000
Professional fees - David Taylor, Director(3)	15,900	-
Professional fees - Marc Bustin, Director (4)	-	120,000
Professional fees - Herb Dhaliwal, Director (5)	-	24,000
Share-based compensation - David Sidoo	-	24,000
Share-based compensation - Nick DeMare	-	8,400
Share-based compensation - David Taylor	40,000	-
Share-based compensation - Herb Dhaliwal	-	3,900
Share-based compensation - Ross McElroy, Director	-	12,000
Share-based compensation - Dylan Sidoo, Director	-	40,000
	163,900	383,800

(1) Paid to Siden Investments Ltd., a private company owned by Mr. Sidoo.
(2) Paid to Chase Management Ltd. ("Chase") a private company owned by Mr. DeMare.
(3) Paid to Circus Ventures Ltd., a private company owned by Mr. Taylor. Mr. Taylor was appointed as a director on October 3, 2017.
(4) Paid to RMB Earth Science Service Consulting Ltd.("RBM Earth Science"), a private company owned by Mr. Bustin. Mr. Bustin resigned as a director on November 14, 2016.
(5) Paid to ADH Holdings Ltd., a private company owned by Mr. Dhaliwal. Mr. Dhaliwal resigned as a director on October 3, 2017.

As at March 31, 2018, $24,200 (2017 - $24,000) remained unpaid.

(b) During fiscal 2018 the Company incurred a total of $41,400 (2017 - $38,230) to Chase for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at March 31, 2018, $5,850 (2017 - $5,350) remained unpaid.

(c) As at March 31, 2018 the Company owned 1,533,000 common shares of Advantage Lithium with a quoted market value of $1,640,310, 333,350 warrants of Advantage Lithium with a fair value of $110,006 and 462,400 common shares of Seaway with a quoted market value of $369,920. Advantage Lithium has two common directors, Messrs. David Sidoo and DeMare. Seaway has three common directors Mr. David Sidoo, Mr. DeMare and Mr. Dylan Sidoo. See "Investments".

Financial Instruments and Risk Management

The nature of the Company's operations expose the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net income and comprehensive income.

This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations. The most significant exposure to this risk is relative to the sale of oil production. All of the Company's production is sold directly to a major oil company. The Company is paid for its oil sales within 30 days of shipment. The Company has assessed the risk of non-collection from the buyer as low due to the buyer's financial condition.

Cash is held with a Canadian chartered bank and is monitored to ensure a stable return.

The carrying amount of cash and amounts receivable represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts on its amounts receivable as at March 31, 2018 and 2017 and did not provide for any doubtful accounts.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand. All of the Company's oil production is sold at spot rates exposing the Company to the risk of price movements. The Company has an agreement to sell its gas production at a base price of NZD $4.65 per gigajoule, subject to an adjustment formula based on the market price, with a minimum price of NZD $4.00 per gigajoule. The gas agreement is set to end December 31, 2019.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period.

Market Risk

Market risk is the risk that changes in foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. All of the Company's petroleum sales are denominated in United States dollars and gas sales, operational and capital activities related to the Company's properties are transacted primarily in New Zealand dollars and/or United States dollars with some costs also being incurred in Canadian dollars.

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the work commitments in New Zealand are expected to be carried out in New Zealand and to a lesser extent, in United States dollars.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash which bears a floating rate of interest. The risk is not considered significant.

The Company did not have any interest rate swaps or financial contracts in place during fiscal 2018 and 2017 and any variations in interest rates would not have materially affected net income.

Fair Value of Financial Instruments

Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	**Category**	**March 31, 2018 $**	**March 31, 2017 $**
Cash	FVTPL	4,030,573	5,912,735
Amounts receivable	Loans and receivables	337,319	502,296
Investments- common shares	Available-for-sale	2,010,230	1,896,497
Investments - warrants	FVTPL	110,006	53,336
Accounts payable and accrued liabilities	Other financial liabilities	(312,301)	(401,600)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and investments approximate their fair value. The fair value of cash and investment in common shares under the fair value hierarchy is measured using Level 1 and Level 2 inputs. The fair value of the investment in warrants is measured using Level 2 inputs.

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2018 and 2017:

	2018		
	Level 1 **$**	**Level 2** **$**	**Level 3** **$**
Cash	4,030,573	-	-
Investments - common shares	1,640,310	369,920	-
Investments - warrants	-	110,006	-
	5,670,883	479,926	-

	2017		
	Level 1 **$**	**Level 2** **$**	**Level 3** **$**
Cash	5,912,735	-	-
Investments - common shares	1,896,497	-	-
Investments - warrants	-	53,336	-
	7,809,232	53,336	-

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's share capital is not subject to any external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any currently contemplated. There have been no changes to the Company's approach to capital management during the period.

Risks and Uncertainties

The Company is engaged in the exploration for and development of oil and natural gas properties. These activities involve significant risks which careful evaluation, experience and knowledge may not eliminate in some cases. The commercial viability of any petroleum and natural gas properties depends on many factors not all of which are within the control of management. Operationally the Company faces risks that are associated with and affect the financial viability of a given petroleum and natural gas property. These include risks associated with finding, developing and producing these petroleum and natural gas reserves. In addition, Government regulations, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a petroleum and natural gas property.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying audited financial statements.

Any forward-looking information in the MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at July 30, 2018, there were 89,585,665 outstanding common shares and 5,815,000 share options outstanding with exercise prices ranging from $0.09 to $0.14 per share.