EAST WEST PETROLEUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021

This discussion and analysis of financial position and results of operation is prepared as at July 29, 2021 and should be read in conjunction with the audited consolidated annual financial statements for the years ended March 31, 2021 and 2020 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 currently 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's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

The Company had previously agreed to sell its interest in PEP 54877 and PMP 60291 which comprise the majority of its New Zealand assets. The agreement was terminated by the Company on August 1, 2020. The Company is currently assessing its go-forward plans, which includes the possible sale of its New Zealand concessions to other buyers and ongoing discussions on the Teremia North Field in Romania, and whether its focus should remain on the oil and gas sector. At this time no decisions have been made but the Company continues to assess alternatives.

Directors and Officers

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

Nick DeMare	- Interim CEO, Chief Financial Officer ("CFO"), Corporate Secretary and director
Mark Brown	- Director
Kevin Haney	- 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 operations in the Taranaki Basin of New Zealand. All licenses were previously operated by the Company's partner, TAG Oil Ltd. ("TAG"), and all wells are targeted 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 the Cheal field. The Company holds a 30% working interest in the Petroleum Exploration Permit ("PEP") 54877 and the Petroleum Mining Permit PMP 60291 ("Cheal East") and TAG held the remaining 70%. On September 25, 2019 TAG completed the sale of substantially all of its Taranaki Basin assets and operations which included their interest in PEP 54877 and PMP 60291 to Tamarind Resources Pte. Ltd. ("Tamarind" or the "Operator") resulting in Tamarind becoming the operator. In light of TAG's decision to sell the majority of its interest in the Taranaki Basin assets the Company assessed its options with respect to its 30% interest in Cheal East and, on June 24, 2019, the Company signed a heads of agreement with the Buyer pursuant to which the Company had agreed to sell its 30% interest in PEP 54877 and PMP 60291 to the Buyer. On August 1, 2020 the Company terminated the Definitive Agreement. See also "Proposed Disposition of New Zealand Oil & Gas Assets".

PMP 60291 is the location of the Cheal E-Site and the Cheal E-site production facility as well as the Cheal-E wells. A waterflood program is ongoing however the efficacy of the program and its impact on production is an ongoing item of debate. The Company's technical advisors have stated that there is no unequivocal evidence that water injection through the Cheal-E7 well has had a significant impact on production from PNP 60291 but that there is evidence to the contrary. The Company's advisors attribute the production performance to other factors than injection through the Cheal-E7 well. The determination whether the waterflood utilizing Cheal-E7 as the injector well is creating the positive response in production impacts the Company's obligation to fund its 30% share of the costs of acquiring the Cheal-E7 well, being 30% of NZ $3,200,000. No funding will be advances until the issue is resolved.

The Company produces its oil and gas production from five wells on the Cheal-E site. On October 24, 2020 the Cheal-E1 pump stopped functioning due to downhole blockage and, as a result, production ceased from the Cheal-E1 well. As the major producing well, the stoppage of the Cheal-E1 well had a major impact on the Company's share of production for the three months ended December 31, 2020 ("Q3") and three months ended March 31, 2021 ("Q4").

In mid-January the Operator managed to pull the rods out of the Cheal-E1 well with a crane, cleaned the well and replaced the pump. However, only limited production resumed in mid-January 2021 without annular flow. A workover of the Cheal-E1 well commenced in mid-May 2021 to restore the well to full production.

In March 2021 the Company retained a technical advisory team in New Zealand to assist in oversight over operations at the Cheal site. The Company retained 3TCF Limited ("3TCF"), a private New Zealand corporation, to provide oversight and guidance on operating matters. Since the start of the Covid-19 pandemic travel has been difficult for both the Company and the permit operator. As a result, the Company now has a New Zealand based technical team which can provide oversight over ongoing operations.

Reserves Data

An independent reserves evaluation relating to the resource base of the Company in the Cheal Area of New Zealand, effective March 31, 2021, 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, 2021

	Light and Medium Crude Oil (Combined)			Conventional Natural Gas (Solution 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, 2020	73.0	29.0	102.0	102	41	143	90	35.8	125.8
Technical Revisions	25.7	(10.9)	14.8	(27)	(30)	(57)	21.2	(15.9)	5.3
Production	(38.6)	0	(38.6)	(38)	0	(38)	(44.9)	0	(44.9)
March 31, 2021	60.1	18.1	78.2	37	11	48	66.3	19.9	86.1

(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.
(2) Technical Revisions also include changes in reserves associated with changes in operating costs, capital costs and commodity price offsets.
(3) Totals in the above table may not add due to rounding.

Gross proved plus probable ("2P") reserves estimates within the Taranaki Basin at March 31, 2021 were 86.1 MBOE compared to the March 31, 2020 2P reserves of 125.8 MBOE. Taking into account the 44.9 MBOE the Company produced over the fiscal year and the 5.3 MBOE increase for technical revisions and economic factors, the Company's reserves overall decreased by 31.5%.

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 $63,000,000 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 Phase I work program and an optional one-year Phase II work program which carries additional commitments. If a commercial discovery is made, the Company will be responsible for its 15% interest in development of the commercial discovery.

As operator, 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. It should be noted that all activities are dependent on securing the necessary government and local approvals. Due to the Covid-19 pandemic state of emergency a nationwide lockdown was imposed by the Romanian government on March 25, 2020. Consequently, NIS has temporarily ceased new exploration field activity until such time that the lockdown is lifted and social distancing requirements can be safely relaxed. NIS is committed to fulfilling the commitment work programs in all blocks, considering certain legislative changes and being granted appropriate extensions due to the current Covid-19 situation. There have been several meetings of both the technical and operating committees to discuss work program results and determine whether the

Teremia North field is a commercial discovery. At the operating committee meeting held February 8, 2021 NIS voted that there was a commercial discovery at Teremia North whereas the Company voted that there was not a commercial discovery. The field economics were, in the Company's assessment, marginal and did not merit the significant capital contributions required. NIS, being a vertically integrated oil and gas producer, could support the development costs given the internal economies available. NIS has since advised that it will be proceeding with the development plans for Teremia North on an exclusive basis. There is some uncertainty as to whether the proposed development can be conducted as an exclusive operation and the Company is assessing what options are available and is in discussions with NIS in regard to such matters.

Given the project economics, the return on investment and the net present value the Company cannot justify contributing its 15% share of the estimated US $50,000,000 development costs. In the event NIS proceeds on an exclusive basis the Company will have no interest in the development lands that make up the Teremia North field. The Company will retain its carried interest in the balance of the exploration blocks.

Investments

On April 17, 2020 Orocobre Limited ("Orocobre") completed the acquisition of 100% of the issued and outstanding common shares of Advantage Lithium Corp. ("Advantage Lithium") in exchange for 0.142 ordinary shares of Orocobre per Advantage Lithium share. Accordingly, the Company received 244,098 shares of Orocobre for the 1,719,000 Advantage Lithium shares held by the Company. The Company subsequently sold all its common shares of Orocobre for proceeds of $885,356 resulting in a subsequent loss on sale of $182,231.

In May 2020 Seaway Energy Services Inc. ("Seaway") completed a consolidation of its share capital on a basis of, one new for every 2.5 old common shares and, on May 22, 2020, completed a reverse takeover transaction to form Sweet Earth Holdings Inc ("Sweet Earth") resulting in the Company holding 204,960 Sweet Earth shares. The Company subsequently sold 104,960 common shares of Sweet Earth for proceeds of $37,431 resulting in a loss on the sale of $197,795.

As at March 31, 2021 the Company held 100,000 common shares of Sweet Earth with a total quoted value of $28,500.

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,		
	2021 $	2020 $	2019 $
Operations:			
Total revenues	2,443,384	3,676,561	2,760,971
Operating costs	(2,320,192)	(1,881,842)	(1,462,175)
Expenses	(672,508)	(966,870)	(1,367,820)
Other items	(35,256)	62,941	(1,272,429)
Net income (loss)	(584,572)	890,790	(1,341,453)
Other comprehensive income (loss)	54,591	(353,831)	(63,165)
Comprehensive income (loss)	(529,981)	536,959	(1,404,618)
Basic and diluted income (loss) per share	(0.01)	0.01	(0.01)
Balance Sheet:			
Working capital	5,150,053	4,977,101	3,462,301
Total assets	7,543,821	8,287,295	7,843,667
Total long-term liabilities	(1,219,000)	(1,269,824)	(1,357,434)

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

	Fiscal 2021				Fiscal 2020			
	Mar. 31 2021 $	**Dec. 31 2020 $**	**Sep. 30 2020 $**	**Jun. 30 2020 $**	**Mar. 31 2020 $**	**Dec. 31 2019 $**	**Sep. 30 2019 $**	**Jun. 30 2019 $**
Operations:								
Total revenues	838,863	469,380	594,108	541,033	1,537,983	647,536	358,589	1,132,453
Operating costs	(607,654)	(595,781)	(476,631)	(640,126)	(541,161)	(451,611)	(444,438)	(444,632)
Expenses	10,522	(124,104)	(297,238)	(261,688)	369,371	(453,820)	(361,219)	(521,202)
Other items	(487,074)	245,896	140,004	65,918	200,313	283,639	(313,117)	(107,894)
Net income (loss)	(245,343)	(4,609)	(39,757)	(294,863)	1,566,506	25,744	(760,185)	58,725
Other comprehensive (loss) income	(46,134)	94,177	(148,613)	155,161	(393,407)	146,435	49,530	(156,389)
Comprehensive income (loss)	(291,477)	89,568	(188,370)	(139,702)	1,173,099	172,179	(710,655)	(97,664)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	0.02	(0.00)	(0.01)	0.00
Balance Sheet:								
Working capital	5,150,053	5,515,625	4,828,924	4,905,885	4,977,101	4,143,819	3,766,965	3,998,169
Assets held-for-sale	Nil	Nil	Nil	Nil	Nil	1,786,828	2,067,867	Nil
Total assets	7,543,821	8,068,039	7,735,963	8,130,220	8,287,295	6,919,026	6,595,945	7,351,316
Decommissioning liabilities	(1,219,000)	(1,368,938)	(1,325,303)	(1,329,460)	(1,269,824)	(319,101)	(309,904)	(1,316,825)
Liabilities on assets held-for-sale	Nil	Nil	Nil	Nil	Nil	(995,431)	(943,472)	Nil
Deposit	Nil	Nil	Nil	(70,935)	(70,935)	(65,505)	(65,505)	Nil

Results of Operations

Three Months Ended March 31, 2021 ("Q4/2021"), Three Months Ended December 31, 2020 ("Q3/2021"), and Three Months Ended March 31, 2020 ("Q4/2020").

Revenues and operating costs for Q4/2021, Q3/2021 and Q4/2020 are as follows:

	Q4/2021	**Q3/2021**	**Q4/2020**
Total sales	\$ 359,218(1)	\$ 469,380	\$ 1,537,983
Total sales volume	4,992 BOE	8,859 BOE	21,001 BOE
Average realized price per BOE	\$ 71.96	\$ 52.98	\$ 73.23
Petroleum sales	\$ 325,089	\$ 407,598	\$ 1,420,456
Petroleum sales volume	4,378 BOE	7,499 BOE	17,781 BOE
Average petroleum realized price per BOE	\$ 74.25	\$ 54.35	\$ 79.89
Natural gas sales	\$ 34,128	\$ 54,420	\$ 117,527
Natural gas sales volume	614 BOE	1,360 BOE	3,220 BOE
Average natural gas realized price per BOE	\$ 55.58	\$ 40.01	\$ 36.50
Production costs	\$ 356,833	\$ 450,156	\$ 327,131
Average per BOE	\$ 71.48	\$ 50.81	\$ 15.58
Transportation and storage costs	\$ 70,655	\$ 125,292	\$ 69,180
Average per BOE	\$ 14.15	\$ 14.14	\$ 3.29
Royalties	\$ 180,166	\$ 20,333	\$ 144,850
Average per BOE	\$ 36.09	\$ 2.30	\$ 6.90
Netback	\$ (248,436)	\$ (133,763)	\$ 996,822
Average per BOE	\$ (49.76)	\$ (15.10)	\$ 47.47

(1) Does not include an adjustment of \$479,645 to revenues previously reported by the operator in prior quarters in fiscal 2021.

Q4/2021 compared to Q3/2021

Total sales revenues decreased by 22% from \$462,018 in Q3/2021 to \$359,218 in Q4/2021. The decrease is due to a 43% decrease in sales volume from 8,859 BOE in Q3/2021 compared to 4,992 BOE in Q4/2021. The Cheal-E1 well had a major downhole blockage at the end of October 2020 with minimal production reinstated in mid-January 2021. A full workover of the Cheal-E1 well commenced in mid-May 2021 with full production expected by the end of June 2021.

During Q4/2021 operating costs decreased by 21%, from $450,156 in Q3/2021 to $356,833 in Q4/2021. During Q3/2021 the Company had unexpected repair costs due to the blockage on the Cheal-E1. See “Projects Update - New Zealand”.

During Q4/2021 the Company reported a net loss of $245,343 compared to a net loss of $4,609 for Q3/2021. The $240,734 increase in loss is primarily attributed to the following:

(i) net operating income increased by $357,610 from a loss of $126,401 in Q3/2021 to income of $231,209 in Q4/2021 due to higher average prices received per BOE in Q4/2021 and unexpected repair costs for the Cheal-E1 well in Q3/2021;
(ii) recognition of a foreign exchange loss of $69,836 in Q3/2021 compared to a foreign exchange loss of $518,875 in Q4/2021;
(iii) recognition of an unrealized gain on investments of $194,099 in Q4/2021 compared to an unrealized loss on investments of $107,100 in Q3/2021; and
(iv) partially offset by a realized loss on sale of investments of $167,604 during Q4/2021 compared to $419,346 in Q3/2021.

Q4/2021 compared to Q4/2020

Total sales revenues decreased from $1,537,983 in Q4/2020 to $359,218 in Q4/2021. The decrease is attributable to a 76% decrease in total sales volumes due to significantly higher production during Q4/2020 compared to Q4/2021. During Q4/2021 the Cheal-E1 well, which is the Company’s biggest producing well and was off-line due to a blockage, only had very minimal production reinstated in mid-January 2021.

During Q4/2021 the Company reported a net loss of $245,343 compared to a net income of $1,292,836 for Q4/2020. The increase in loss of $1,538,179 is primarily attributed to:

(i) net operating income decreased from $996,822 in Q4/2020 to $231,209 in Q4/2021 due to an decrease in sales volumes;
(ii) recognition of a recovery of depletion of $490,460 in Q4/2020 compared to $94,348 in Q4/2021 due to the change in the Company’s petroleum reserve base at the end of fiscal 2021 and 2020; and
(iii) recognition of a foreign exchange loss of $518,875 in Q4/2021 compared to a foreign exchange gain of $366,840 in Q4/2020.

Fiscal 2021 Compared to Fiscal 2020

	Fiscal 2021	**Fiscal 2020**
Total sales	$ 2,443,384	$ 3,676,561
Total volume	47,972 BOE	55,083 BOE
Average realized price per BOE	$ 50.93	$ 66.75
Petroleum sales	$ 2,104,624	$ 3,361,849
Petroleum volume	39,608 BOE	44,842 BOE
Average petroleum realized price per BOE	$ 53.14	$ 74.97
Natural gas sales	$ 338,759	$ 314,712
Natural gas volume	8,364 BOE	10,241 BOE
Average natural gas realized price per BOE	$ 40.50	$ 30.73
Production costs	$ 1,402,875	$ 1,358,757
Average per BOE	$ 29.24	$ 24.67
Transportation and storage costs	$ 681,687	$ 282,590
Average per BOE	$ 14.21	$ 5.13

	Fiscal 2021	Fiscal 2020
Royalties	$ 235,630	$ 240,495
Average per BOE	$ 4.91	$ 4.37
Netback	$ 123,192	$ 1,794,719
Average per BOE	$ 2.57	$ 32.58

Total sales revenues decreased from $3,676,561 in fiscal 2020 to $2,443,384 in fiscal 2021. The $1,233,177 decrease is attributable to a 24% decrease in average price received per BOE and 13% decrease in sales volumes due to the Cheal-E1 well blockage in mid-October 2021 and only being minimally reinstated in mid-January 2021.

Production costs increased by 19% from $24.67 per BOE in fiscal 2020 to $29.24 per BOE in fiscal the 2021 due to the unexpected repair costs of the Cheal-E1 wells conducted in fiscal 2021.

Transportation costs increased by 177%, from $5.13 per BOE during fiscal 2020 to $14.21 per BOE during fiscal 2021, reflecting increase in wharfage fees, transport fees and inspection and certification charges.

In fiscal 2021 the Company reported a net loss of $584,572 compared to a net income of $890,790 in fiscal 2020. The $1,475,362 increase in loss is primarily attributed to:

(i) net operating income decreased by $1,671,527 from $1,794,719 during fiscal 2020 to $123,192 during fiscal 2021 due to lower average prices received per BOE and higher transportation costs;
(ii) recognition of depletion of $419,509 during fiscal 2020 compared to $314,282 during fiscal 2021 due to the change in the Company's petroleum reserve base at the end of fiscal 2021 and 2020;
(iii) recognition of a loss on sale of investments of $19,012 during fiscal 2020 compared to a loss on investments of $380,026 in fiscal 2021 and offset against the recognition of an unrealized gain of investments during the fiscal 2021 of $819,578 compared to an unrealized loss of investments in fiscal 2020 of $428,173. See also "Investments"; and
(iv) recognition of a foreign exchange loss of $489,319 during fiscal 2021 compared to a foreign exchange gain of $443,103 during fiscal 2020.

General and administrative expenses incurred during fiscal 2021 and fiscal 2020 are as follows:

	Fiscal 2021 $	Fiscal 2020 $
Accounting and administrative	38,100	37,525
Audit and related	62,925	58,455
Bank charges	1,735	991
Corporate development	5,878	3,825
Insurance	21,895	16,874
Legal	53,202	153,615
Non-deductible interest	1,196	-
Office	1,960	5,916
Professional fees	99,660	94,890
Regulatory fees	6,944	9,132
Rent	-	3,631
Shareholder costs	1,620	13,547
Transfer agent fees	3,801	10,463
Travel	-	945
	298,916	409,809

Specific expenses of note during fiscal 2021 and fiscal 2020 are as follows:

(i) professional fees totalling $99,660 were incurred during fiscal 2021 compared to $94,890 during fiscal 2020 of which $53,000 (2020 - $54,500) was paid to directors and officers of the Company and $46,660 (2020 - $40,390) was paid to consultants for administrative and financial services;
(ii) corporate development expenses of $5,878 were incurred during fiscal 2021 compared to $3,825 during fiscal 2020;

(iii) legal fees of $53,202 were incurred during fiscal 2021 compared to $153,615 during fiscal 2020. During fiscal 2020 the Company incurred significant legal services on the proposed disposition of the New Zealand oil and gas assets; and

(iv) during fiscal 2020 the Company incurred rent expense for a short-term temporary office.

During fiscal 2021 the Company incurred general exploration expenses of $56,275 (2020 - $48,926) of which $31,448 (2020 - $34,063) was related to PEP 54879 and $24,827 (2020 - $14,863) 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 2021 the Company reported interest income of $14,511 compared to $67,023 during fiscal 2020, a decrease of $52,512 due to lower yields received during fiscal 2021.

Property, Plant and Equipment

During fiscal 2021 the Company incurred total additions of $38,022 (2020 - $79,985) for the Cheal-East wells, and recorded an increase of $567,431 (2020 - decrease of $1,021,098) in foreign exchange movement for property, plant and equipment additions on the New Zealand properties.

	Petroleum and Natural Gas Properties (PMP 60291) $
Cost:	
Balance at March 31, 2019	14,121,516
Capital expenditures	79,985
Foreign exchange movement	(1,021,098)
Balance at March 31, 2020	13,180,403
Capital expenditures	38,022
Revision of estimate for decommissioning costs	(88,613)
Foreign exchange movement	567,431
Balance at March 31, 2021	13,697,243
Accumulated Depletion and Depreciation and Impairment:	
Balance at March 31, 2019	(13,053,084)
Depletion and depreciation	(419,509)
Foreign exchange movement	948,538
Balance at March 31, 2020	(12,524,055)
Depletion and depreciation	(314,282)
Foreign exchange movement	(535,264)
Balance at March 31, 2021	(13,373,601)
Carrying Value:	
Balance at March 31, 2020	656,348
Balance at March 31, 2021	323,642

Exploration and Evaluation Assets

	PEP 54877 $
Balance at March 31, 2019	1,696,906
Capital expenditures	5,010
Foreign exchange movement	(122,637)
Balance at March 31, 2020	1,579,279
Revision of estimate for decommissioning costs	(5,803)
Foreign exchange movement	67,986
Balance at March 31, 2021	1,641,462

Minimal capital expenditures were conducted on PEP 54877 during fiscal 2021 and fiscal 2020.

Financial Condition / Capital Resources

As at March 31, 2021 the Company had working capital of $5,150,053. 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. The Company is assessing its go forward plans with respect to its New Zealand holdings including possible sale of its concessions. The Company is also continuing its discussion on the continued development of the Teremia North Field. There, however, can be no assurances that an agreement will be reached. In addition, 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.

Commitments

The Company's share of expected exploration and development permit obligations and/or commitments as at March 31, 2021 are approximately $94,000 to be incurred during fiscal 2022 and $1,450,00 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 no proposed transactions.

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. A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the March 31, 2021 audited annual consolidated financial statements.

Changes in Accounting Policies

A detailed summary of the Company's other significant accounting policies is included in Note 3 to the March 31, 2021 audited annual consolidated 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 its executive officers.

(a) During fiscal 2021 and 2020 the following amounts were incurred:

	2021 $	2020 $
Professional fees - David Sidoo, former CEO and former Director (1)	-	9,000
Professional fees - Nick DeMare, Interim CEO, CFO and Director (2)	25,000	18,000
Professional fees - Ross McElroy, Director (3)(6)	4,000	12,000
Professional fees - Mark Brown, Director (4)	12,000	12,000
Professional fees - Kevin Haney, Director (5)	12,000	3,500
Share-based compensation - Nick DeMare	-	15,000
Share-based compensation - Kevin Haney	-	12,000
Share-based compensation - Ross McElroy	-	18,000
Share-based compensation - Mark Brown	-	18,000
	53,000	117,500

(1) Paid to Siden Investments Ltd., a private company owned by David Sidoo. David Sidoo stepped-down as CEO on March 14, 2019 and ceased to be a director as of December 12, 2019

(2) Paid to Chase Management Ltd. ("Chase") a private company owned by Nick DeMare. Mr. DeMare was appointed interim CEO on March 14, 2019

(3) Paid to Edge Geological Consulting Inc., a private company owned by Ross McElroy

(4) Paid to Pacific Opportunities Capital Ltd., a private company controlled by Mark Brown

(5) Mr. Haney was elected as a Director on December 12, 2019

(6) Mr. Ross McElroy resigned as a director effective August 11, 2020.

As at March 31, 2021 $3,000 (2020 - $4,000) remained unpaid

(b) During fiscal 2021 the Company incurred a total of $38,100 (2020 - $37,525) to Chase Management Ltd. ("Chase"), a private corporation owned by Nick DeMare, for accounting and administration services provided by Chase personnel, excluding Nick DeMare. As at March 31, 2021 $1,500 (2020 - $1,500) remained unpaid.

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, 2021 and 2020 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. As at March 31, 2021, assuming all other variables remain constant, a change of 10% in oil and gas prices would have an effect on net income of $244,000.

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 2021 and 2020 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 categories: FVTPL; amortized cost; fair value through other comprehensive income ("FVOCI"); and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2021 $	March 31, 2020 $
Cash	Amortized cost	5,434,218	4,908,264
Amounts receivable	Amortized cost	83,857	605,187
Investments- common shares	FVTPL	28,500	511,734
Accounts payable and accrued liabilities	Amortized cost	(400,164)	(491,898)

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 investments approximate their fair value. The fair value of investment in common shares under the fair value hierarchy is measured using Level 1 inputs.

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 29, 2021 there were 89,585,665 outstanding common shares and 5,455,000 share options outstanding with exercise prices ranging from $0.06 to $0.135 per share.