EAST WEST PETROLEUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023

This discussion and analysis of financial position and results of operation is prepared as at July 28, 2023 and should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2023 and 2022 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 still 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

On February 2, 2023 the Company accepted the resignation of Mr. Nick DeMare as Chief Financial Officer ("CFO") of the Company and appointed Mr. Harvey Lim as Interim CFO in his stead.

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

Nick DeMare	- Interim CEO, Interim Chief Executive Officer ("CEO"), Corporate Secretary and Director
Harvey Lim	- Interim CFO
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 original 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%. In September 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"). 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 pursuant to which the Company had agreed to sell its 30% interest in PEP 54877 and PMP 60291. On August 1, 2020 the Company terminated the Definitive Agreement. The Company continues to assess its go-forward plans, which includes the possible sale of its New Zealand concessions to other buyers.

When TAG's interests in the Taranaki Basin were sold to Tamarind in September 2019 and as part of the transaction Tamarind acquired Cheal Petroleum Ltd. ("Cheal"), the owner of 70% of PEP 54877 and PMP 60291, and operator. There have been ongoing discussions regarding the operator, including whether there has been a subsequent change of control, triggering rights of first refusal, and the ability for Cheal to continue as operator (the "Operator"). The Company is seeking clarification on this issue and legal action may be required.

During fiscal 2022 Cheal conducted a detailed prospectivity review of PEP 54877 and advised the Company that the forecasted economic prospects of PEP 54877 does not meet Cheal's internal risk criteria. Although no final decision has been made to relinquish the permit in December 2022, the Company determined to record an impairment of $1,627,056 for costs incurred to March 31, 2022.

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 has been advanced and no funding will be advanced until the issue is resolved.

Oil and gas production comes from five wells on the Cheal-E site, the Cheal-E1, E2, E5, E6 and E8 wells.

During Q4 the Company's share of production was 6.1 Mbbl oil and 7.0 Mmcf gas compared to 3.8 Mbbl oil and 4.9Mmcf gas during Q3. The increases in production is primarily a result of the Cheal-E1 running at full capacity for the majority of Q4. During Q3 the Cheal-E1, Cheal-E5 and Cheal-E6 requiring various repairs and being offline for part of Q3. In June 2022 the initial work-over on the Cheal-E1 was completed for the conversion of the well to a concentric jet pump system. Due to delays in surface equipment, the well was restarted on the conventional pump system and was producing until December 15,2022. On December 19, 2022 the concentric jet pump system was completed and production was stabilized by January 9, 2023. Minor adjustments were initiated and by mid-January 2023 production from the Cheal-E1 was fully restored and producing at full capacity for the remainer of Q4. At the beginning of Q1 the Cheal-E5 went down due to a downhole related issue caused by parted rods. A full workover of the Cheal-E5 well was completed during Q1 and the Cheal-E5 came back online on June 30, 2022, however the Cheal-E5 started to experience reduced production near the end of October 2022 and was off-line for the rest of Q3 and Q4. Once again it is a down-hole related issue. The Operator suspects a shallow hole in the tubing and/or a pump issue preventing the well from producing. In January 2023 the Operator attempted to recover the rods and pump via crane. However, issues were encountered when pulling the rods, meaning a rig-based workover is required to bring the well back online. The Operator plans on re-starting the workover rig in October 2023 which, if not solved beforehand, will address the Cheal-E5 well issues. The Cheal-E6 went off-line during December 2022 due to issues with the variable speed drives that control the electrical pumping systems and a leaking seal. In early January 2023 the repairs were undertaken on the Cheal-E6 and production from the well was fully back on-line by the end of January 2023.

Since March 2021 the Company has retained 3TCF Limited ("3TCF"), a private New Zealand corporation, to provide oversight and guidance on operating matters at the Cheal Site.

Reserves Data

An independent reserves evaluation relating to the resource base of the Company in the Cheal Area of New Zealand, effective March 31, 2023, has been prepared by Amanda M.M. Bustin, Ph.D., P.Eng. 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, 2023

	Light and Medium Crude Oil			**Solution Gas**			**Barrels of Oil 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, 2022	25	6	31	15	3	18	28	6	34
Technical Revisions (2)	32	11	44	37	11	49	38	13	52
Economic Factors	0	0	0	0	0	0	0	0	0
Production	(20)	0	(20)	(24)	0	(24)	(24)	0	(24)
March 31, 2023	37	17	55	28	14	43	42	19	62

(1) The Gross Reserves presented here are the Company's working interest reserves before deductions of royalties.
(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, 2023 were 62 MBOE compared to the March 31, 2022 2P reserves of 34 MBOE. Taking into account the 24 MBOE the Company produced over the fiscal year offset by the 52 MBOE increase for technical revisions, the Company's reserves overall increased by 82.35%. The changes to the reserves estimates are based on a number of factors that includes natural declines from production, revised projected future well performance, production during fiscal 2023 and revised oil price forecast in addition to the Technical Revisions described in (2) above.

Romania

In fiscal 2010 the Company was informed by the government of Romania that it had been awarded four exploration blocks, the EX-2 Tria, EX-3 Baile Felix, EX-7 Periam and EX-8 Biled, 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 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. If a commercial discovery is made, the Company will be responsible for its 15% interest in development of the commercial discovery.

Since 2011 NIS has conducted extensive and substantial work programs across the various blocks. In fiscal 2023 block EX-2 Tria expired and NIS satisfied all remaining work commitments via cash payment to NAMR.

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.

Without a joint declaration of a commercial discovery it is the Company's position that commercial development of the field cannot proceed, NIS did not share this opinion. Rather than litigating this issue the discussions continued with NIS in an attempt to find a way forward. Given the consequences of a commercial discovery decision and significant funding obligations the Company and NIS continued negotiations on all available options including a monetization event. Negotiations were progressing well and a non-binding letter of intent was finalized. The parties were moving towards final documentation with essential terms of a monetization event agreed, being a cash payment of US $500,000 and a royalty interest of 2.1%, as defined. The outbreak of war between Ukraine and Russia brought all attempts to implement the agreed terms to a halt, with the issue being that NIS is owned, in part, by a Russian entity which is subject to Canadian government sanctions. The Company and its legal counsel continue to work on the final documentation including possible amendments which would allow closing to occur. In addition the Company has recently been advised by NIS that it is considering a sale of the remaining exploration blocks and the Company has agreed that its 15% interest can be included in such efforts. While the sale process is advancing there is no guarantee that terms will be settled. The Company expects an update in the fourth quarter of calendar 2023.

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,		
	2023 $	2022 $	2021 $
Operations:			
Total revenues	2,773,633	1,753,974	2,443,384
Operating costs	(1,931,208)	(1,676,875)	(2,320,192)
Expenses	(472,343)	(2,083,448)	(672,508)
Other items	504,051	(34,241)	(35,256)
Net income (loss)	874,133	(2,040,590)	(584,572)
Other comprehensive income (loss)	(490,244)	304,802	54,591
Comprehensive income (loss)	383,889	(1,735,738)	(529,981)
Basic and diluted income (loss) per share	0.01	(0.02)	(0.01)
Balance Sheet:			
Working capital	5,146,245	5,138,429	5,150,053
Total assets	5,968,568	5,729,891	7,543,821
Decommissioning liabilities	(952,301)	(1,185,985)	(1,219,000)

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

	Fiscal 2023				Fiscal 2022			
	Mar. 31 2023 $	**Dec. 31 2022 $**	**Sep. 30 2022 $**	**Jun. 30 2022 $**	**Mar. 31 2022 $**	**Dec. 31 2021 $**	**Sep. 30 2021 $**	**Jun. 30 2021 $**
Operations:								
Total revenues	528,174	574,569	654,103	1,016,787	396,309	644,832	422,791	290,042
Operating costs	(341,983)	(457,113)	(405,223)	(726,889)	(194,014)	(461,799)	(394,712)	(626,350)
Expenses	(19,613)	(102,452)	(217,644)	(132,634)	(1,691,981)	(134,620)	(149,058)	(107,789)
Other items	358,880	(179,829)	164,640	160,360	(66,924)	(16,150)	42,198	6,635
Net income (loss)	525,458	(164,825)	195,876	317,624	(1,556,610)	32,263	(78,781)	(437,462)
Other comprehensive income (loss)	(322,804)	28,240	(128,067)	(67,613)	441,024	(55,827)	60,310	(140,705)
Comprehensive income (loss)	202,654	(136,585)	67,809	250,011	(1,115,586)	(23,564)	(18,471)	(578,167)
Basic and diluted income (loss) per share	0.01	(0.00)	0.00	0.00	(0.02)	(0.00)	(0.00)	(0.00)
Balance Sheet:								
Working capital	5,146,245	5,086,610	5,273,818	5,272,006	5,138,429	4,661,494	4,611,332	4,589,951
Total assets	5,968,568	5,691,408	5,793,111	6,081,417	5,729,891	6,880,928	6,887,457	7,070,388
Decommissioning liabilities	(952,301)	(1,037,779)	(997,138)	(1,102,282)	(1,185,985)	(1,200,848)	(1,216,612)	(1,201,670)

Results of Operations

Three Months Ended March 31, 2023 ("Q4/2023"), Three Months Ended December 31, 2022 ("Q3/2023"), and Three Months Ended March 31, 2022 ("Q4/2022").

Revenues and operating costs for Q3 compared to Q2 are as follows:

	Q4/2023	**Q3/2023**	**Q4/2022**
Total sales	$ 528,174	$ 574,569	$ 396,309
Total sales volume	5,418 BOE	5,332 BOE	3,067 BOE
Average realized price per BOE	$ 97.48	$ 107.76	$ 129.22
Petroleum sales	$ 493,410	$ 544,886	$ 392,716
Petroleum sales volume	4,467 BOE	4,504 BOE	2,570 BOE
Average petroleum realized price per BOE	$ 110.45	$ 120.97	$ 152.81
Natural gas sales	$ 34,764	$ 29,703	$ 3,593
Natural gas sales volume	951 BOE	828 BOE	497 BOE
Average natural gas realized price per BOE	$ 36.56	$ 35.87	$ 7.23
Production costs	$ 149,854	$ 355,897	$ 97,356
Average per BOE	$ 27.66	$ 66.75	$ 31.74
Transportation and storage costs	$ 114,971	$ 76,867	$ 36,408
Average per BOE	$ 21.22	$ 14.42	$ 11.87
Royalties	$ 77,158	$ 24,349	$ (1,385)
Average per BOE	$ 14.24	$ 4.57	$ (0.45)
Netback	$ 186,191	$ 117,456	$ 263,930
Average per BOE	$34.36	$22.03	$86.05

Q4/2023 Compared to Q3/2023

Total sales revenues decreased 8% from $574,569 in Q3/2023 to $528,174 in Q4/2023. During Q4/2023 the Company sold 5,418 BOE compared to 5,332 BOE in Q3/2023. During Q4/2023 production costs decreased $206,043, from $355,897 in Q3/2023 to $149,854 in Q4/2023, due to additional repair costs incurred in Q3/2023.

During Q4/2023 the Company reported net income of $525,458 compared to a net loss of $164,825 for Q3/2023. The fluctuation of $690,283 is primarily attributed to the following:

(i) a $531,229 fluctuation in foreign exchange, from a foreign exchange loss of $228,018 in Q3/2023 compared to a foreign exchange gain of $303,211 in Q4/2023;
(ii) a $68,735 increase in income from operations, from $117,456 in Q3/2023 to $186,191 in Q4/2023; and
(iii) recognition of a recovery of depletion of $38,596 in Q4/2023 compared to depletion of $55,317 in Q3/2023 due to the accretion in the Company's petroleum reserve resulting from a technical revision calculated at March 31, 2023.

Q4/2023 Compared to Q4/2022

Total sales revenues increased by $131,865, from $396,309 in Q4/2022 to $528,174 in Q4/2023. The increase is primarily attributed to the increase in sales volume from 3,067 BOE in Q4/2022 to 5,418 BOE in Q4/2023 which was partially offset by a decrease in average price per BOE, from $129.22 in Q4/2022 to $97.48 in Q4/2023.

During Q4/2023 the Company reported net income of $525,458 compared to a net loss of $1,556,610 for Q4/2022. The fluctuation of $2,082,068 is primarily attributed to:

(i) improved operations as described above;
(ii) recognition of an impairment of exploration and evaluation assets for $1,627,056 in Q4/2022;
(iii) recognition of a foreign exchange gain of $303,211 in Q4/2023 compared to foreign exchange loss of $69,636 in Q4/2022; and
(iv) recognition of a recovery of depletion of $38,596 in Q4/2023 compared to a recovery of depletion of $4,435 in Q4/2022 due to the change in the Company's petroleum reserve base at the end of fiscal 2023.

Fiscal 2023 Compared to Fiscal 2022

	Fiscal 2023	**Fiscal 2022**
Total sales	$ 2,773,633	$ 1,753,974
Total volume	24,163 BOE	19,669 BOE
Average realized price per BOE	$ 114.79	$ 89.17
Petroleum sales	$ 2,646,176	$ 1,682,424
Petroleum volume	20,549 BOE	16,911 BOE
Average petroleum realized price per BOE	$ 128.78	$ 99.49
Natural gas sales	$ 127,457	$ 71,550
Natural gas volume	3,614 BOE	2,758 BOE
Average natural gas realized price per BOE	$ 35.27	$ 25.94
Production costs	$ 1,372,844	$ 1,345,059
Average per BOE	$ 56.82	$ 68.39
Transportation and storage costs	$ 383,428	$ 264,492
Average per BOE	$ 15.87	$ 13.45
Royalties	$ 174,936	$ 67,324
Average per BOE	$ 7.24	$ 3.42
Netback	$ 842,425	$ 77,099
Average per BOE	$ 34.86	$ 3.92

Total sales revenues increased by 58%, from $1,753,974 in fiscal 2022 to $2,773,633 in fiscal 2023. The increase is attributable to a 23% increase in total sales volumes, due to higher production during fiscal 2023 compared to fiscal 2022, coupled with a 29% increase in average realized price per BOE. During fiscal 2022 the Cheal-E1, which is the Company's biggest producing well, was still not fully producing and the Cheal-E2 well experienced a blockage and stopped producing at the beginning of March 2021.

During fiscal 2023 the Company reported net income of $874,133 compared to a net loss of $2,040,590 for fiscal 2022. The $2,914,723 fluctuation is primarily attributed to:

(i) during fiscal 2022 the Company had net operating income of $77,099 compared to net operating income of $842,425 in fiscal 2023 due to increases in sales volumes coupled with an increase in average realized price per BOE;
(ii) recognition of an impairment of exploration and evaluation assets for $1,627,056 in fiscal 2022 compared to $nil in fiscal 2023;
(iii) interest income of $141,858 in fiscal 2023 compared to interest income of $11,565 in fiscal 2022 primarily due to higher rates of interest received on cash held on deposit; and
(iv) a $377,110 fluctuation in foreign exchange, from a foreign exchange loss of $24,754 in fiscal 2022 compared to a foreign exchange gain of $352,356 in fiscal 2022.

The above were partially offset by a $64,670 increase in general and administrative expenses, from $253,144 in fiscal 2022 to $317,814 in fiscal 2023 period.

General and administrative expenses incurred during fiscal 2023 and 2022 are as follows:

	Fiscal 2023 $	**Fiscal 2022 $**
Accounting and administrative	34,200	36,800
Audit and related	69,852	57,611
Bank charges	2,289	2,553
Corporate development	4,480	2,538
Insurance	21,375	18,921
Legal	72,985	36,624
Office	1,465	1,220
Professional fees	95,828	81,494
Regulatory fees	9,889	7,529
Shareholder costs	1,181	1,562
Transfer agent fees	4,270	6,292
	317,814	253,144

Specific expenses of note during fiscal 2023 and 2022 are as follows:

(i) professional fees totalling $95,828 were incurred during fiscal 2023 compared to $81,494 during fiscal 2022 of which $43,200 (2022 - $42,000) was paid to directors and officers of the Company and $52,628 (2022 - $39,494) was paid to consultants for administrative and financial services;
(ii) audit and related costs of $69,852 were incurred in fiscal 2023 compared to $57,611 during fiscal 20222 due to the complexity of the Company's year-end audit; and
(iii) a $36,361 increase in legal fees from $36,624 during fiscal 2022 to $72,985 during fiscal 2023. The increase is primarily due to legal costs on negotiating and documenting amendments to its joint venture agreements in Romania with NIS.

During fiscal 2022 the Company incurred general exploration expenses of $28,494 of which $18,945 was related to PEP 54879 and $9,549 was for ongoing review of current exploration and evaluation assets. During fiscal 2023 the Company did not incur general exploration expenses.

Property, Plant and Equipment

During fiscal 2023 the Company incurred total additions of $372,324 (2022 - $86,493), primarily for completion of the concentric jet pump system to stabilize production on the Cheal-E1 well, credit revision of estimation on decommissioning liabilities of $79,962 (2022 - $nil) and recorded a decrease of $329,681 (2022 - $197,550) 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, 2021	13,697,243
Capital expenditures	86,493
Foreign exchange movement	(197,550)
Balance at March 31, 2022	13,586,186
Capital expenditures	372,324
Revision of estimate for decommissioning costs	(79,962)
Foreign exchange movement	(329,681)
Balance at March 31, 2023	13,548,867
Accumulated Depletion and Depreciation and Impairment:	
Balance at March 31, 2021	(13,373,601)
Depletion and depreciation	(169,524)
Foreign exchange movement	193,364
Balance at March 31, 2022	(13,349,761)
Depletion and depreciation	(149,622)
Foreign exchange movement	329,330
Balance at March 31, 2023	(13,170,053)
Carrying Value:	
Balance at March 31, 2022	236,425
Balance at March 31, 2023	378,814

Financial Condition / Capital Resources

As at March 31, 2023 the Company had working capital of $5,146,245. 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 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, 2023 are approximately $286,000 to be incurred during fiscal 2024 and $502,000 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 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, 2023 audited annual consolidated financial statements.

Changes in Accounting Policies

A detailed summary of the Company's significant accounting policies is included in Note 3 to the March 31, 2023 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 2023 and 2022 the following amounts were incurred:

	2023 **$**	**2022** **$**
Professional fees - Nick DeMare, Interim CEO and Director (1)	18,000	18,000
Professional fees – Harvey Lim, Interim CFO (1)	1,200	-
Professional fees - Mark Brown, Director	9,000	12,000
Professional fees - Kevin Haney, Director	9,000	12,000
	43,200	42,000

(1) Effective February 2, 2023 Mr. DeMare resigned as CFO and Mr. Harvey Lim was appointed as Interim CFO.

As at March 31, 2023 $6,000 (2022 - $5,000) remained unpaid.

(b) During fiscal 2023 the Company incurred a total of $34,200 (2022 - $36,800) 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, 2023 $1,000 (2022 - $2,100)

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, 2023 and 2022 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, 2023, assuming all other variables remain constant, a change of 10% in oil and gas prices would have an effect on net income of $277,000.

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 2023 or fiscal 2022 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, 2023 $**	**March 31, 2022 $**
Cash	Amortized cost	5,004,988	5,145,788
Amounts receivable	Amortized cost	299,369	38,870
Accounts payable and accrued liabilities	Amortized cost	(443,509)	(355,037)

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.

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 28, 2023 there were 89,585,665 outstanding common shares and 2,290,000 share options outstanding with exercise prices ranging from $0.06 to $0.10 per share.