



FOURTH QUARTER 2018
ANNUAL MANAGEMENT'S DISCUSSION AND
ANALYSIS – QUARTERLY HIGHLIGHTS

Dated April 29, 2019

FOR THE YEAR ENDED DECEMBER 31, 2018



Pulse Oil's Fourth Quarter 2018 Management's Discussion and Analysis

Overview

The following is management's discussion and analysis ("MD&A") of the consolidated financial position and consolidated results of operations of Pulse Oil Corp. (the "Company" or "Pulse") for the year ended December 31, 2018 and to the date of this report on April 29, 2019. This MD&A should be read in conjunction with Pulse's audited consolidated financial statements for the year ended December 31, 2018 and the notes thereto (the "2018 Financial Statements"). Pulse's audited consolidated financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Results for the fiscal year ended December 31, 2018 are not necessarily indicative of future results. All dollar amounts included in the following MD&A are expressed in Canadian dollars. Readers are cautioned that this MD&A contains "non-IFRS measures" and "forward-looking statements" which are discussed at the end of this MD&A.

Additional information regarding Pulse and its activities is available under its profile on SEDAR at www.sedar.com, or by requesting further information from Pulse's head office located in Vancouver, British Columbia, Canada by emailing info@pulseoilcorp.com.

Description of Business

Pulse is a growing owner and operator of high-quality proven producing oil and gas assets in Alberta with significant opportunity to increase production, reserves and cashflow through a well-planned, safe and technically diligent work program.

Pulse's business began after completing its Qualifying Transaction (the "QT") as discussed below. Pulse intends to continue to be an active oil and gas producer, explorer and acquirer in the oil and gas business with a focus in Canada. After completion of the QT in March 2017, Pulse completed strategic transactions to acquire 100% of the Company's Bigoray assets, which hold substantial Enhanced Oil Recovery upside. These assets, along with a 100% interest in Pulse's Queenstown oil and gas assets that contain a number of infill development drilling locations and additional exploration opportunities has positioned Pulse to grow production and reserves.

Pulse was incorporated under the *Business Corporations Act* of Alberta on September 17th, 2012 under the name Wolfpack Capital Corp. and on August 28th, 2013, the common shares of the Company were listed and began trading as a TSX Venture Exchange ("TSXV") Capital Pool Company ("CPC") under the trading symbol "WLP.P". On November 30, 2016, Wolfpack Capital Corp. changed its name to Pulse Oil Corp. and on February 24, 2017, Pulse received approval from the TSXV to close its QT, the acquisition of Pulse Oil Operating Corp. ("Pulse OpCo"). On March 7, 2017, the Company's shares resumed trading on the TSXV as a Tier 2 Oil and Gas Company under the symbol "PUL".

As part of the oil and gas business, commitments have been made by Pulse in regards to capital costs, management time and effort, as well as ongoing commitments to grow the business in a competitive industry. These commitments are continually assessed and reviewed in order to manage Pulse's assets effectively. These assets, and the commitments Pulse has made, are discussed later in this MD&A and in the 2018 Financial Statements.

WTI benchmarked oil prices, after having a significant reduction in 2015 to under US\$30 per barrel, began to increase again in 2016, and in 2018, predominantly were in excess of US\$60 per barrel of oil. Oil and gas prices, largely influenced by supply and demand worldwide, will affect Pulse's business significantly. Pulse's success will also be largely determined by its ability to meet its oil and gas commitments, acquire new oil and gas assets in a competitive acquisition market, conduct operations safely and efficiently to increase production, cash flow and reserves and to fund Pulse's business plan. These events and uncertainties will be of significant importance for Pulse to address in order to continue to grow the business.

Highlights of this MD&A

Pulse will discuss its key updates relating to its oil and gas assets in Alberta and will discuss the Company's business plan, financial resources and its updated share capital.

Overview of 2018

- In March 2018, in order to maximize recovery efficiency from the Company's planned EOR program, a three phase technical study was initiated on the Bigoray Nisku Pinnacle Reef Enhanced Oil Recovery Project ("EOR") focusing on:
 1. Geological and petrophysical analysis, including petrophysical analysis of every well associated with the two pools (15 wells), core examination and petrological description of every core in the two pools (10 total cores, 9 cored wells).
 2. Construction of a geological model of the Nisku reefs incorporating all available seismic data as well as the above geological and petrophysical data.
 3. Construction of a dynamic reservoir model for both Nisku reefs, incorporating a history match of reservoir pressures, individual well production performance, and finally, simulation of alternative development/solvent injection strategies.
- In May 2018, Pulse awarded Schlumberger, one of the world's leading providers of technology for reservoir characterizations, drilling, production and processing to the oil and gas industry, the contracts to complete all three phases of the Company's petro-technical modelling of the Bigoray Nisku D and E pools.
- In May 2018, Pulse acquired an important data set of Bigoray-specific 3-dimensional ("3D") seismic. This 3D seismic data set is critical for incorporation into Phase 2 of the Schlumberger geo-technical modelling work previously discussed, as it allows creation of a virtual 3-dimensional model of its two pinnacle reef reservoirs.
- In June 2018, Pulse completed a geotechnical evaluation of 3-D seismic data covering 24 sections (15,360 acres) of land centered on Pulse's light oil-prone Queenstown acreage in South Alberta. This 3D seismic data set is critical for asset optimization and Pulse's advanced Amplitude vs. Offset ("AVO") work has now tied accurately the seismic data to the "sweet spots" in its existing horizontal wells. The geotechnical study has led to the identification of eight high-grade development locations, all targeting the highest porosity and permeability sections of the light oil-prone Glauconite Lithic Channel trend previously discovered on Pulse's land.
- In July 2018, Schlumberger completed Phase 1 of the geotechnical modelling project at Bigoray. A complete petrophysical analysis of every well associated with both pools was completed, as well as a petrological analysis of all cores associated with the Nisku D and E Pools. The data matched well with all offsetting Nisku pools in the area, with good porosity/permeability cross plot matches and clear identification of an effective tri-porosity system (matrix, vugular and fracture).
- In July 2018, Pulse added approximately 100 barrels of initial oil production per day by reactivating another

previously shut-in well from Pulse's 100% owned Bigoray area oil assets. The well is currently producing an average of 75 boe/d.

- In August 2018, Phase 2 of the modelling study was initiated. The recently acquired 3-D data set has been reprocessed to maximize data quality before being incorporated into the construction of the geological model.
- In September 2018, Pulse completed the 3-D seismic reprocessing portion of the EOR project, covering all of Pulse's two Nisku Pinnacle Reefs. The Company awarded Weatherford Canada Ltd. a sub-contract to conduct the Bigoray Fluid Sampling, Pressure-Volume-Temperature ("PVT") analysis and miscibility testing program. In situ oil samples had been taken from the Bigoray reservoirs and a miscibility study was completed, providing important comparisons of potential solvent blends to optimize forecast EOR production.
- In September 2018, Pulse initiated negotiations for surface access where construction was initiated on a single multi-well pad, supporting the drilling of the Company's first two horizontal wells on its Queenstown property.
- On October 22, 2018, Pulse received approval from the Alberta Energy Regulator of the transfer of its next Bigoray well, located in the Bigoray Nisku E Pool from the Orphan Well Association. Pulse's management decided however to focus its capital investments on Pulse's more impactful operations, such as the Queenstown drilling program and advancing the Bigoray EOR project. Pulse holds 100% of the Nisku Formation mineral and surface rights in both the Nisku D and E Pools, and all infrastructures associated with production of the pools.
- On November 14, 2018, Pulse received approval from the Alberta Energy Regulator to complete the acquisition, from an arms-length third party, of one Bigoray well bore and up to two additional well bores in the future, subject to certain conditions being met.
- On November 28, 2018, Pulse completed Phase Two of its EOR Modelling Project. Phase 2 incorporated the geological and petrophysical analysis completed in Phase 1 into a pool architecture and structural model.
- On December 7, 2018, Pulse spudded its first light oil well in its Queenstown field. The well was the first of a two well drilling program to be completed by the end of the year.
- On December 18, 2018, Pulse announced the completion of the first light oil well in Queenstown and the initiation of the second well in the drilling program. Additionally, Pulse appointed Daniel Bolstad to the Company's board of directors.
- On December 27, 2018, Pulse completed its second Queenstown light oil well targeting high porosity and permeable lithic deposits within a Mannville channel trend.

Financial Highlights of 2018

- Pulse increased its revenue by 378% to \$2,670,743.
- The company made a profit for the year of \$46,172, an improvement over 2017 of over \$1.25 MM.
- Cash flow from operations increased to \$1,908,860 for the year ended December 31, 2018, compared to a negative cash flow from operations of \$877,504 last year.
- On November 20, 2018, Pulse closed a best-efforts financing and private placement concurrently for total gross proceeds of \$11,300,520.
- Pulse ended fiscal year 2018 with \$10,286,827 in cash and \$7,034,526 in working capital compared to \$859,656 in cash and \$715,786 in working capital last year.

2019 Overview to Date

- McDaniel & Associates Consultants Ltd., a qualified independent reserves evaluator in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook, completed their independent reserves assessment (the “Assessments”) on Pulse’s interests within the Bigoray and Queenstown core operating areas, respectively for the fiscal year ended December 31, 2018 (“FY2018”). The Assessments were effective December 31, 2018 and resulted in a pre-tax net present value of \$33.4 million proven plus probable (“2p”) reserves and \$21.5 million proven (“1p”) reserves, using a 10% discount rate to Pulse’s net working interest. This represents an increase in the value of 1p reserves of 40% and an increase in the value of 2p reserves of 37% when compared to December 31, 2017.
- The Schlumberger Enhanced Oil Recovery study was completed in January 2019. The updated modelling used Pulse’s 3D seismic data and resulted in an increase in the estimated Discovered Petroleum Initially in Place (DPIIP) of 43.9% or an addition of 10.2 Million Barrels of Oil for a total DPIIP of 33.5 million barrels of oil compared to the previously disclosed Sproule Contingent Resource Report that utilized historical 2D seismic. Discovered Petroleum Initially In-Place (“DPIIP”) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves, and Contingent Resources; the remainder is unrecoverable.
- Pulse completed its first two Queenstown wells in January 2019, proceeded to tie them into a newly installed Pulse pipeline as well as other necessary production infrastructure and turned them on to permanent production in April 2019.
- Pulse drilled two additional wells in its Bigoray field that were spudded on March 9 and April 17, 2019. These wells are currently being completed and are expected to be turned on to full time production in May 2019.

Fourth Quarter and Annual Discussion of Operations

Operations, for the year ended December 31, 2018 and subsequent, focussed on continuing to execute Pulse’s plan and budget to increase reserves, production and cash flow; reactivate shut-in production in its Bigoray field; complete an in-depth geological and geophysical modelling study of the Bigoray Nisku reefs to prepare for the next phase of Pulse’s EOR program; and study, interpret and plan operations on Pulse’s Queenstown and Bigoray Assets.

Bigoray Assets (100% owned and operated):

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 1,750,800 BOE (NPV10: \$27,167,800) as of December 31, 2018 and 10,088 net acres of land.

Pulse's plan for the near-term business was focussed on increasing production via re-activation of shut-in production. This plan was followed starting in late 2017 and continuing through to summer 2018 when the third well reactivation in the Bigoray area was completed. As the progression of the Enhanced Oil Recovery modelling study moved along, management adjusted its business planning slightly to take advantage of growing cash flow and the potential to grow the asset value of Bigoray. The Pulse team has implemented a detailed plan to advance the Bigoray EOR project in the short-term, and to ensure Pulse has the most relevant and accurate data in which to plan its EOR project. Diligent data collection at this point in the EOR program ensures the Company will capture the maximum amount of oil over the life of the project, at the lowest cost to do so, while also conducting operations safely and with the environment in mind. With the potential positive impact the Bigoray EOR project can have for all Pulse shareholders, Pulse's team feels that current production needs to be maintained and grown with an emphasis on advancing the EOR program. Following the completion of the EOR modelling study, and subsequent to the period, Pulse has initiated a two well drilling program to create some near-term growth in production and continue to advance the EOR program and prepare for solvent injection.

As mentioned above, Pulse awarded Schlumberger, one of the world's leading providers of technology for reservoir characterizations, drilling, production and processing to the oil and gas industry, the contracts to complete all three phases of the Company's petro-technical modelling of the Bigoray Nisku D and E pools, prior to physical implementation of the EOR schemes. The first two phases, a geological study and a geological and geophysical modelling, were completed in 2018. Subsequent to the period, the third Reservoir Simulation phase was completed with encouraging results.

Activity during the year ended December 31, 2018 consisted of Bigoray oil and gas production, mainly from the wells reactivated in Q4 of 2017 and a newly reactivated well in July 2018. Pulse also worked to complete ongoing operating and optimization activities, maintaining permit tenure of the Bigoray acreage, and working on the longer-term development plan for the Bigoray Assets. This development work includes the preparation and execution of a plan that is underway to reactivate additional wells and the implementation of its EOR project in order to increase reserves, production and cash flow. Pulse continues to operate in a fiscally prudent and safety focussed manner, by implementing key safety protocols and looking at the most cost-effective activities to increase production.

Operations for the fourth quarter ended December 31, 2018 focussed on completing the geological modelling of Pulse's 100% owned Nisku Oil Reefs. Pulse utilized the information provided during the modelling study to plan two new injection wells and plan on the reactivation of additional shut-in wells in the Bigoray field. As of the date of this report, Pulse has completed the drilling of both new injection wells and is in the process of completing them. The initiation of Pulse's planned reactivation program increased production from approximately 75 BOE/D to a high of more than 350 BOE/D from initial flush production on

the most recent well reactivation in July 2018. As expected, Pulse's production, after flush production, stabilized at approximately 220-280 BOE/D for the remainder of 2018.

Queenstown Assets (100% interest and operator):

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 947,500 BOE (NPV10: \$6,257,000) as of December 31, 2018 and 27,686 net acres of land.

During the year, Pulse continued to evaluate the low-cost, low-risk development drilling upside of the Queenstown Assets. Pulse also completed a new geophysical study that uses advanced processing techniques to tie technical geophysical data into the best wells in its pools. This study has given Pulse's team a new interpretation of what the best producing wells look like on the newly processed data, allowing Pulse's team to plan future drilling efforts targeting the highest productivity areas of the Mannville lithic channels.

The Mannville Formation is known as a prolific oil and liquids-rich gas producing formation with strong initial production rates and long-life predictable production in the Queenstown area. As at the date of this report, Pulse has drilled and completed its first two oil wells using the technical work related to the AVO data and the reprocessing of 3D seismic. Subsequent to the period, Pulse has tied these two wells in and started them on full-time production on April 16, 2019. Pulse expects to continue to pursue additional drilling operations on up to nine identified infill drilling locations during the 2019 fiscal year, subject to cashflow from operations increasing to fund further drilling, existing share purchase warrants being exercised or Pulse securing funding at terms acceptable to Pulse's management team.

Pulse also plans to add new Mannville horizontal drilling locations in the coming years, after acquiring new 3D data over our remaining acreage surrounding our current production. Pulse's technical team feels confident that this nearby acreage that Pulse controls with a 100% working interest should increase Pulse's low-risk drilling inventory to approximately 9 locations.

The Company is also developing a longer-term plan to delineate deeper opportunities in the Ellerslie, Pekisko/Shunda and Nisku formations.

In 2018, Pulse completed well optimization activities to improve production on its currently producing wells; including installing additional compression on a gas well and completing a repair workover on another well. Production from the area remained between 50 and 70 BOE/d for most of the year and at the date of this report, is currently awaiting stabilized production numbers from the two new wells.

Update to the Corporate Reserves

In accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook, Pulse engaged qualified independent reserves evaluator McDaniel & Associates Consultants Ltd. to prepare a report on the reserves of the Queenstown

and Bigoray core operating areas for the Fiscal Year 2018 (“FY2018”).

The assessments were effective December 31, 2018 and resulted in pre-tax net present value of \$33.4 million (FY2017: \$24.37 million) proven plus probable (“2p”) reserves and \$21.5 million (FY2017: \$15.4 million) proven (“1p”) reserves, using a 10% discount rate to Pulse’s net working interest. The Bigoray and Queenstown Reserves are detailed as follows and are described on a BOE basis:

Property Description	Proved (1P) (MBOE)	Proved & Probable (2P) (MBOE)	Proved: NPV10 ⁽³⁾	Proved & Probable: NPV10 ⁽³⁾
Bigoray Assets ^(1,2)	1,103.1	1,750.8	\$18,758,500	\$27,167,800
Queenstown Assets ⁽¹⁾	512.0	947.5	\$2,781,100	\$6,257,000
Total	1,615.1	2,698.3	\$21,539,600	\$33,424,800

1. NPV10’s use forecast pricing and costs based on the opinion of the independent reserve evaluator of the future crude oil, natural gas and natural gas product prices on the effective date of the reserve evaluation and escalate annually at a rate of 2% per year, in Canadian dollars. The forecast of commodity prices used can be found at <http://www.mcdan.com/priceforecast>
2. Pulse’s summary does not include any estimates on new potential reserves from planned Bigoray EOR project, nor Duvernay Shale, Cardium or Pekisko upside.

A complete breakdown of reserve and net present value information can be found in the Company’s Form 51-101F1 – *Statement of Reserve Data and Other Oil and Gas Information* as at December 31, 2018, that can be viewed in the Company’s fiscal 2018 Annual Information Form on the SEDAR website at www.sedar.com.

Selected Annual Information **December 31, 2018** **December 31, 2017** **December 31, 2016**
 (Restated)*

Revenue	\$ 2,670,743	\$ 706,827	\$ 11,301
Net gain (loss) from continuing operations	\$ 46,172	\$ (1,211,932)	\$ (123,061)
Net gain (loss) per share from continuing operations	\$ 0.00	\$ (0.02)	\$ (0.00)
Cash-flow from (used in) operating activities	\$ 1,908,860	\$ (877,504)	\$ (152,139)
Cash-flow from financing activities	\$ 10,208,257	\$ 3,986,516	\$ 1,577,572
Cash-flow used in investing activities	\$ (2,689,946)	\$ (2,900,580)	\$ (817,847)

Increase in cash during the period	\$ 9,427,171	\$ 208,432	\$ 607,586
Cash	\$ 10,286,827	\$ 859,656	\$ 651,224
Total assets	\$ 23,669,888	\$ 10,700,325	\$ 1,605,005
Total non-current financial liabilities	\$ 2,829,297	\$ 2,762,771	\$ 125,570
Total liabilities	\$ 6,490,351	\$ 3,280,711	\$ 215,177
Shareholders deficit	\$ (2,174,626)	\$ (2,220,798)	\$ (1,008,866)

Summary of Quarterly Results

	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	\$ 468,850	\$ 925,702	\$ 591,770	\$ 684,421
Net income (loss) from continuing operations	\$ (397,251)	\$ 222,606	\$ (3,506)	\$ 224,323
Net income (loss) per share from continuing operations	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00
Cash-flow from operating activities	\$ 1,418,107	\$ 188,605	\$ 71,835	\$ 230,313
Cash-flow from (used in) provided by financing activities	\$ 10,181,729	\$ (12,796)	\$ 48,717	\$ (9,393)
Cash-flow used in investing activities	\$ (1,565,181)	\$ (435,045)	\$ (635,193)	\$ (54,527)
Increase (decrease) in cash during the period	\$10,034,655	\$ (259,236)	\$ (514,641)	\$ 166,393
Cash	\$10,286,827	\$ 252,172	\$ 511,408	\$ 1,026,049
Total assets	\$23,669,888	\$ 11,301,180	\$10,954,818	\$ 10,854,905
Total non-current financial liabilities	\$ 2,829,297	\$ 2,556,222	\$ 2,672,568	\$ 2,700,620
Total liabilities	\$ 6,490,351	\$ 3,346,199	\$ 3,264,525	\$ 3,196,524
Shareholders deficit	\$ (2,174,626)	\$ (1,777,375)	\$ (1,999,981)	\$ (1,996,475)

Summary of Quarterly Results (Continued)

	Q4 2017 (Restated)*	Q3 2017	Q2 2017	Q1 2017
Revenue	\$ 366,362	\$ 168,351	\$ 161,784	\$ 10,330
Net loss from continuing operations	\$ (149,362)	\$ (109,525)	\$ (173,836)	\$ (779,209)
Net loss per share from continuing operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)
Cash-flow from (used in) operating activities	\$ (102,515)	\$ (358,518)	\$ (260,628)	\$ (155,843)
Cash-flow from financing activities	\$ (294,544)	\$ (64,395)	\$ 4,251,536	\$ 93,919
Cash-flow used in investing activities	\$ (406,893)	\$ 132,641	\$ (2,368,285)	\$ (258,043)
Increase in cash during the period	\$ (803,952)	\$ (290,272)	\$ 1,622,624	\$ (319,968)
Cash	\$ 859,656	\$ 1,663,608	\$ 1,953,880	\$ 331,256
Total assets	\$10,700,325	\$ 6,428,153	\$ 6,505,565	\$ 1,498,174
Total non-current financial liabilities	\$ 2,762,770	\$ 812,560	\$ 776,267	\$ 125,570
Total liabilities	\$ 3,280,711	\$ 1,022,661	\$ 926,151	\$ 225,865
Shareholders deficit	\$ (2,220,798)	\$ (2,071,437)	\$ (1,961,910)	\$ (1,788,075)

* See note 18 of the 2018 Financial Statements for the adjustments related to the restatement of 2017 figures.

As of December 31, 2018, Pulse had working capital of \$7,034,526 compared to working capital of \$715,786 as at December 31, 2017.

Variations of quarterly information for 2018, when compared to 2017, reflect the consolidation of Pulse OpCo and Pulse; the activity of Pulse in regards to the completion of the QT and costs associated with a transaction of this nature the reactivation of previously shut-in wells; variation in pricing of crude oil and natural gas; identification of, due diligence on, and negotiating activities relating to the acquisitions of current assets and potential future assets.

Pulse's management team feel any variations of quarterly information in 2018 when compared to 2017 are a result of the transformation of Pulse moving to an active operating oil and gas company for the entire 2018 fiscal year, versus in 2017 when Pulse began the fiscal year as essentially an inactive company with assets only consisting of a small amount of cash on hand and no active business. In 2017 after Pulse completed its

QT and began minor oil and gas operations consisting of reactivating some wells and acquiring the Queenstown assets the trend of Pulse becoming an actual operating company began. This trend increased in 2018 as the company owned 100% of all material assets and was well financed to begin its first drilling program in late 2018 and carry that trend of operations into 2019 where Pulse expects to continue to grow reserves, production and cash flow.

For each of the three most recently completed years, the financial data has been prepared in accordance with the accounting policies summarized in Note 3 of the 2018 Financial Statements.

Liquidity and Capital Resources

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Cash	\$ 10,286,827	\$ 859,656	\$ 651,224
Working capital	\$ 7,034,526	\$ 715,786	\$ 576,921
Contractual obligations	\$ -	\$ -	\$ -
Cash-flow from (used in) operating activities	\$ 1,908,860	\$ (877,504)	\$ (152,139)
Property acquisition liability	\$ 1,450,088	\$ 1,573,808	\$ -

Pulse is mindful of the volatility in oil and gas prices and will only conduct operations that Pulse can afford via cash flow from operations or using Pulse's net proceeds from its equity financing the closing of which was announced on November 20, 2018.

The Company has an operational plan in place using cash flow from operations and Pulse's equity financing (the "Equity Financing") completed in late 2018 has allowed Pulse to fund activity on all of its 100% controlled assets, including the drilling of two wells at Pulse's Queenstown assets in Q4, drilling two Bigoray wells in Q2 of 2019, reactivating additional Bigoray wells later in 2019 and initiating the Bigoray EOR miscible flood in 2019.

Pulse's short and long-term plans are heavily dependent on Pulse growing production rates and cashflow from operations by investing cash flow and any proceeds from the exercise of existing share purchase warrants into Pulse's current interests in the Bigoray and Queenstown asset areas as described above.

Share Capital

Private Placement

On June 13, 2017, Pulse raised gross proceeds of \$3,115,167 under a Private Placement through the issuance

of 25,959,724 units of the Company (the "**Basic Units**") at a price of \$0.12 per Basic Unit. Each Basic Unit was comprised of one common share of Pulse and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of Pulse at an exercise price of \$0.17 per common share for a period of 24 months (June 13, 2019).

In addition to the Basic Units, Pulse also raised gross proceeds of \$1,697,768 through the issuance of 13,059,760 units of the Company (the "**Flow-Through Units**") at a price of \$0.13 per Flow-Through Unit. Each Flow-Through Unit consisted of one common share of Pulse issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) and one share purchase warrant (also on the same terms and conditions as the share purchase warrants issued as part of the Basic Units).

During the year ended December 31, 2017, 325,000 share purchase warrants were exercised for \$0.17 per share for cash proceeds of \$55,250. As of December 31, 2017, Pulse had 88,404,385 common shares outstanding (fully diluted: 127,538,869). In addition Pulse had 38,694,484 warrants outstanding to acquire 38,694,484 common shares at an exercise price of \$0.17 per common share until June 13, 2019 and Pulse had 440,000 options outstanding to acquire 440,000 common shares at \$0.10 per common share until August 23, 2018.

On November 20, 2018, Pulse raised gross proceeds of \$11,300,520 under a public offering and concurrent strategic private placement. Under the public offering, Pulse issued 11,137,600 common shares issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) at a price of \$0.22 per share and 15,953,555 units ("FT Units") at a price of \$0.21 per FT Unit for aggregate proceeds \$5,800,519, inclusive of the proceeds from the over-allotment option. Each FT Unit was comprised one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of Pulse at an exercise price of C\$0.30 per share for a period of 24 months (November 20, 2020). In addition to the public offering, Pulse completed a concurrent private placement with strategic investors, issuing 26,714,285 units ("Private Placement Units") at a price of approximately \$0.2058 per Private Placement Unit for aggregate gross proceeds of \$5,500,001.11. Each Private Placement Unit was comprised of one common share of Pulse and one-half of one common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of Pulse at an exercise price of C\$0.30 per share for a period of 24 months (November 20, 2020). At closing, Pulse also paid an investment fee equal to 7% of the placement by issuing an additional 1,309,524 Private Placement Units of Pulse.

During the year ended December 31, 2018, 250,000 share purchase warrants were exercised for \$0.17 per share for cash proceeds of \$42,500. Also during the year, 440,000 options were exercised for \$0.10 per share for cash proceeds of \$44,000.

As of the date of this report, Pulse has 144,210,349 common shares outstanding (fully diluted: 204,642,515).

On November 27, 2017, Pulse's share purchase warrants from the June 13, 2017 equity financing began trading on the TSX Venture Exchange under the symbol PUL.WT. The Company's share purchase warrants from the November 20, 2018 equity financing did not meet the required criteria to be listed on the TSX Venture

Exchange.

Pulse's authorized share capital consists of one class of shares, being common shares.

For more information related to Pulse's share capital, please refer to Notes 10, 16 and 19 of the 2018 Financial Statements.

Commitments and Contingencies

As at December 31, 2018 the Company has committed to the following:

Commitment	Financial Implication	Frequency	Initial Payment	Completion
Canadian Exploration Expenses (2017)	\$1.54 million	Annual	Q2 2018	December 31, 2018
Canadian Exploration Expenses (2018)	\$2.45 million	Annual	Q4 2018	December 31, 2018
Long-Term Liability – Bigoray Purchase	\$62,250	Quarterly	July 1, 2018	April 1, 2019
Long-Term Liability – Bigoray Purchase	125,000	Quarterly	July 1, 2019	January 1, 2022

Flow-Through Shares

The Company was required to incur and renounce \$1.54 million of eligible Canadian Exploration Expenses by December 31, 2018 in connection with issuance of the CEE Flow-Through Shares on June 13, 2017. As at December 31, 2018, all expenses have been incurred and renounced.

The Company is also required to incur and renounce \$2.45 million of eligible Canadian Exploration Expenses by December 31, 2018 in connection with issuance of the CEE Flow-Through Shares on November 20, 2018. As of the date of this report, all expenses have been incurred and renounced.

Litigation and Claims

The Company initiated litigation against Crimson Energy Ltd. and Crimson Oil & Gas Ltd. ("Crimson") in order to enforce legally binding terms of the Purchase and Sale Agreement ("P&S") Pulse and Crimson entered into in October 2017. Pulse commenced its litigation in the Court of Queen's Bench of Alberta to, among other things, stop Crimson from selling Pulse shares in breach of the P&S.

As part of the P&S, Pulse issued to Crimson 14,118,037 common shares (the "Payment Shares") subject to required regulatory hold periods and subject to an additional contractual hold period. The P&S provided that one-third of the Payment Shares (4,705,542 Payment Shares) would be released from the contractual hold period upon the initial expiry of the required regulatory hold period, with the balance of the Payment Shares

(9,412,495) to be released one-third (1/3, or 3,137,185 Payment Shares) every six (6) months commencing after the expiry of the regulatory hold period. The P&S further provided that upon issuance, all of the Payment Shares were to be distributed forthwith to shareholders of Crimson of record as of the closing date, subject to the foregoing trading restrictions, as an in specie dividend or distribution out of earnings or surplus.

As found by the Court of Queen's Bench of Alberta, Crimson breached the P&S. Rather than distributing the Payment Shares to Crimson shareholders as Crimson had agreed to do, Crimson instead sold 4,706,012 of the Payment Shares between March 2, 2018 and May 17, 2018.

The Court granted an interim order against Crimson which provides, among other things, that Crimson may not trade or distribute the Payment Shares held by Crimson, other than to distribute such Payment Shares to Crimson's own shareholders (provided such would not be a violation of applicable law). At this time, the issue of the voting rights attached to the Payment Shares held by Crimson has not been resolved, and Crimson remains free to exercise voting rights unless and until otherwise ordered by the Court.

Related Party Transactions:

As required under IAS 24, related party transactions include compensation paid to the Company's President, CEO, COO and CFO, as well as to the remaining board of directors (the "Board") as part of the ordinary course of Pulse's business. Pulse is of the view that the amounts incurred for services provided by related parties approximates what Pulse would incur to arms-length parties for the same services.

Description	2018	Q4 2018	2017	Q4 2017
Management fees and salaries	\$ 450,000	\$225,000	\$ 80,000	\$65,000
Director fees	22,000	17,000	6,000	6,000
Operating expenses on oil and gas properties paid to companies controlled by a Director or Officer	133,225	38,875	49,000	15,000
	\$605,225	\$280,875	\$ 135,000	\$86,000

Pulse reports that no other related party transactions have occurred during the year ended December 31, 2018. Please also refer to note 11 of the 2018 Financial Statements.

2017 Equity Funding:

Garth Johnson, Chief Executive Officer and director of Pulse, purchased 1,666,666 Basic Units for an aggregate purchase price of \$200,000. As at the date of this MD&A, Mr. Johnson beneficially owned or controlled 6,084,209 common shares of Pulse and 1,666,666 share purchase warrants, representing approximately 4.22% of Pulse's issued and outstanding common shares on an undiluted basis.

Drew Cadenhead, President, Chief Operating Officer and director of Pulse, purchased 833,334 Basic Units for an aggregate amount of \$100,000. As at the date of this MD&A, Drew Cadenhead beneficially owned or

controlled 5,646,710 common shares of Pulse and 833,334 share purchase warrants, representing approximately 3.92% of Pulse's issued and outstanding common shares on an undiluted basis.

Douglas Ellenor, Director of Pulse, purchased 165,000 Basic Units for an aggregate purchase price of \$19,800. As at the date of this MD&A, Dr. Ellenor beneficially owned or controlled 321,750 common shares of Pulse and 165,000 share purchase warrants, representing approximately less than 1% of Pulse's issued and outstanding common shares on an undiluted basis.

Aaron Doyle, CFO of Pulse subscribed for 83,334 Basic Units having a price of \$10,000. As at the date of this MD&A, Mr. Doyle owned or controlled 102,334 common shares of Pulse and 42,334 share purchase warrants representing less than 1% of Pulse's issued and outstanding common shares on an undiluted basis.

As insiders of Pulse participated in the June 13, 2017 private placement, it is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions.

2018 Equity Funding:

Patrick Harrison, an insider of Pulse, purchased 24,285,714 Basic Units for an aggregate purchase price of approximately \$0.2058 per Basic Unit. As at the date of this MD&A, Mr. Harrison beneficially owned or controlled 24,285,714 common shares of Pulse and 12,142,857 share purchase warrants, representing approximately 16.84% of Pulse's issued and outstanding common shares on an undiluted basis. Mr. Harrison became an insider as a result of his purchase of the Basic Units.

Daniel Bolstad, a Director of Pulse, purchased 1,068,571 Basic Units for an aggregate purchase price of \$0.2058 per Basic Unit. As at the date of this MD&A, Mr. Bolstad beneficially owned or controlled 2,464,319 common shares of Pulse and 1,440,510 share purchase warrants, representing approximately 1.71% of Pulse's issued and outstanding common shares on an undiluted basis.

Annual and Special Meeting

Pulse's latest annual and special meeting of shareholders was held on November 14, 2018, in Vancouver, British Columbia. All proposed resolutions were passed.

Risk Factors

Readers should refer to the risk factors summarized under the heading "*Risk Factors*" in the Company's fiscal 2018 Annual Information Form which is available on the SEDAR website at www.sedar.com.

Pulse's management team conducts focused strategic planning and has identified the key risks, uncertainties and opportunities associated with the Company's business that can affect its financial results. These key risks and uncertainties include, but are not limited to, the following:

RESERVES AND RESOURCE ESTIMATES

Pulse's exploration and production activities are concentrated in the Western Canada Sedimentary Basin, where the industry is very competitive. There are a number of risks facing participants in the oil and natural gas industry, some of which are common to all businesses, while others are specific to the sector. These include risks such as finding and developing oil and natural gas reserves economically, geological risk, estimating reserves, producing the reserves in commercial quantities, finding a suitable market at attractive commodity prices, financial and liquidity risks, and environmental and safety risks. Pulse's future oil and natural gas reserves and production and, therefore, its cash flows, will be highly dependent on the Company's success in exploiting its reserve base, executing a successful exploration program and acquiring additional reserves.

The Company mitigates the risk of finding and developing economical oil and natural gas reserves by utilizing a team of highly qualified professionals with expertise and experience in these areas. Pulse attempts to maximize drilling success by exploring areas that have multi-zone opportunities, including targeting deeper horizons with uphole potential, continuously assessing new acquisition opportunities to complement existing activities and, depending on the scope of the resource, balancing higher-risk exploratory drilling with lower risk development drilling.

Beyond exploration risk, there is the potential that the Company's oil and natural gas reserves may not be economically produced at prevailing prices. Pulse minimizes this risk by generating exploration prospects internally, targeting high quality projects, operating projects, and by attempting to access sales markets through Company owned infrastructure or mid-stream operators.

Pulse has retained independent reserves evaluators that assist the Company in evaluating oil and natural gas reserves. Reserve values are based on a number of variable factors and assumptions such as commodity prices, projected production, future production costs and governmental regulation. The reserves and recovery information contained in the independent reserves evaluation is an estimate. The actual production and ultimate reserves from the properties may be greater or less than the estimates prepared by the independent reserves evaluator.

Estimates of the Company's reserves and the net present value of future net revenue attributable to the Company's reserves as at December 31, 2018 are based upon the report that was prepared by McDaniel and Associates Consultants Ltd.. The estimates of reserves provided in this document are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided in this in this document, and the differences may be material. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Estimates of net present value of future net revenue attributable to the Company's reserves do not represent the fair market value of the Company's reserves and there is uncertainty that the net present value of future net revenue will be realized. There is no assurance that the forecast price and cost assumptions applied by

McDaniel and Associates Consultants Ltd. in evaluating Pulse's reserves will be attained and variances could be material. See "Oil and Gas Metrics and Definitions" below for more details.

OPERATIONAL MATTERS

The operation of oil and natural gas wells involves a number of operating and natural hazards that may result in blowouts, environmental damage and other unexpected or dangerous conditions resulting in damage to Pulse and possible liability to third parties. Pulse has established an environmental, health and safety program and has updated its operational emergency response plan and operational safety manual to address these operational issues. Pulse maintains a comprehensive insurance plan, which includes liability insurance, where available, in amounts consistent with industry standards, to the extent that such insurance is available, to mitigate risks and protect against significant losses where possible. Pulse may become liable for damages arising from such events against which it cannot insure or against which it may elect not to insure because of high premiums or other reasons. Pulse operates in accordance with all applicable environmental legislation and strives to maintain compliance with such regulations.

Pulse's mandate includes the ongoing development of procedures, standards and systems to allow Pulse staff to make the best decisions possible and to ensure that those decisions are in compliance with the Company's environmental, health and safety policies. Although management takes all reasonable steps to verify and ensure title to properties in which Pulse has an interest in, management can provide no assurance that there will be no title disputes or undetected deficiencies in title.

The Company's production processed through facilities owned by third parties may be affected as these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a materially adverse effect on Pulse's ability to process its production and deliver the same for sale.

COMMODITY PRICE RISK

Commodity prices for petroleum and natural gas are impacted by global economic events that dictate the levels of supply and demand, as well as the relationship between the Canadian dollar and the U.S. dollar.

Recent market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries, slowing growth in China and other emerging economies, market volatility and disruptions in Asia, and sovereign debt levels in various countries, have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. These difficulties have been exacerbated in Canada by the recent changes in government at a federal level and, in case of Alberta, the provincial level and the resultant uncertainty surrounding regulatory, tax and royalty changes that may be implemented by the new governments. In addition, the inability to obtain the necessary approvals to build pipelines and other facilities to provide the oil and gas industry in Western Canada

better access to markets has led to additional uncertainty and reduced confidence in the oil and gas industry in Western Canada.

The economics of producing from some wells has changed, and is anticipated to continue to change as a result of lower commodity prices, which could result in reduced production of oil or natural gas and a reduction in the volumes of the Company's reserves. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations. The Company might also elect not to produce from certain wells due to a prolonged period of adverse market conditions. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Given the current market conditions in the Canadian oil and gas industry, the Company may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavorable and highly dilutive terms. The Company does not have any financial risk management contracts in place at December 31, 2018 to manage these risks (December 31, 2017 – none).

INTEREST RATE RISK

The Company's exposure to fluctuations in interest on its net (loss) income and comprehensive (loss) income, assuming reasonably possible changes in the variable interest rate of +/- 1%, is insignificant. This analysis assumes all other variables remain constant.

FOREIGN EXCHANGE RISK

The Company is exposed to foreign currency fluctuations as oil and gas prices received.

CREDIT RISK

The Company's credit risk exposure is related to accounts receivables, joint interest billings, goods and services tax receivable, and cash. As at December 31, 2018, the Company had \$108,577 net receivable from GST/HST with the remaining balance collectible from trade receivables. The Company's allowance for doubtful accounts at December 31, 2018, was \$NIL (December 31, 2017 - Nil). The Company expects to collect all other outstanding receivables. The Company retains its cash deposits with highly reputable financial institutions. At December 31, 2018 and 2017, all cash was held with large Canadian financial institutions.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon these financing activities, supplemented by operating cash flows.

CAPITAL MANAGEMENT

The Company's primary objectives in managing its capital structure are to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable level of risk, which maintains sufficient liquidity to support ongoing operations, capital expenditure programs, and strategic initiatives, and which maximizes shareholder returns. The Company manages its capital structure to support current and future business plans and periodically adjusts the structure in response to changes in economic conditions and the risk characteristics of the Company's underlying assets and operations.

The Company monitors metrics such as the Company's debt-to-equity and debt-to-cash flow ratios, among others to measure the status of its capital structure. The Company has currently not established fixed quantitative thresholds for such metrics. Depending on market conditions, the Company's capital structure may be adjusted by issuing or repurchasing shares, issuing or repurchasing debt, refinancing existing debt modifying capital spending programs and disposing of assets. The Company considers its capital structure to include shareholders' equity.

The oil and natural gas industry is a very capital-intensive industry, and in order to fully realize the Company's strategic goals and business plans, Pulse will rely on equity markets as a source of new capital in addition to bank financing and internally generated cash flow to fund its ongoing capital investments. Pulse's ability to raise additional capital will depend on a number of factors that are beyond the Company's control, such as general economic and market conditions. Internally generated funds will also fluctuate with changing commodity prices.

CHANGES IN INCOME TAX LEGISLATION

In the future, income tax laws or other laws may be changed or interpreted in a manner that adversely affects Pulse or its shareholders. Tax authorities having jurisdiction over Pulse or its shareholders may disagree with how Pulse calculates its income for tax purposes to the detriment of Pulse and its shareholders.

ENVIRONMENTAL CONCERNS

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. A breach of such legislation may result in the imposition of fines or issuance of clean-up orders in respect of Pulse or its working interests. Such legislation may be changed to impose higher standards and potentially more costly obligations to Pulse. Pulse focuses on conducting transparent, safe and responsible operations in the communities in which it operates.

PROJECT RISKS

Pulse's ability to execute projects and market oil and natural gas depends on numerous factors beyond its control, including the availability of processing capacity, availability and proximity of pipeline capacity, availability of storage capacity, supply of and demand for oil and natural gas, availability of alternative fuel sources, effects of inclement weather, availability of drilling and related equipment, unexpected cost increases, accidental events, change in regulations, and availability and productivity of skilled labour. Because of these factors, Pulse may be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Basis of Presentation

The 2018 Financial Statements have been prepared on a historical cost basis, except for financial instruments which are classified as fair value through profit or loss. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies have been applied consistently to all periods presented in the audited consolidated financial statements. The Company's financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Critical Accounting Estimates

The timely preparation of financial statements and the financial information contained in this MD&A requires that management make estimates and assumptions and use judgment regarding assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

New events or additional information may result in the revision of these estimates over time. Examples of these estimates include but are not limited to estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and costs have not yet been received; estimated capital expenditures on projects that are in progress; estimated fair values of financial instruments that are subject to fluctuation depending on underlying commodity prices, foreign exchange rates and interest rates, volatility curves and the risk of non-performance; estimated value of decommissioning liabilities that depend on estimates of future costs and timing of expenditures; estimated future recoverable value of property and equipment and any associated impairment charges or recoveries; DD&A; and estimated compensation expense under Pulse's share-based compensation plan.

Pulse has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budget in order to make more informed decisions on future estimates. For further information on certain estimates inherent in the financial statements, refer to Note 2 of the 2018 Financial Statements.

A number of the Company's accounting policies and disclosures require the determination of fair value for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Exploration and Evaluation Assets and Property and Equipment

The fair value of property and equipment recognized in a business combination is based on market values. The market value of property and equipment is the estimated amount for which property and equipment could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The market value of petroleum and natural gas properties included in property and equipment and exploration and evaluation assets is estimated with reference to the discounted cash flows expected to be derived from oil and natural gas production based on externally prepared reserve reports. The risk-adjusted discount rate is specific to the asset with reference to general market conditions. The market value of other items of property and equipment is based on the quoted market prices for similar items.

Cash, Accounts Receivable, Deposits and Accounts Payable and Accrued Liabilities

The fair value of cash, accounts receivable, deposits and accounts payable and accrued liabilities approximated their carrying value at December 31, 2018.

The Company classifies the fair value of these transactions according to the following hierarchy based on the nature of the observable inputs used to value the instrument.

- 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 volume to provide continuous pricing information. Cash is measured at fair value using level 1 fair value inputs.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices 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 marketplace.
- Level 3 – Valuations are derived from inputs that are not based on observable market data. Investments in securities are measured at fair value using level 3 fair value inputs.

The Company is exposed to various financial instrument risks and management proactively assesses the potential impact and the likelihood of this exposure. These risks include commodity price risk, interest rate risk,

foreign exchange risk, credit risk and liquidity risk. When material, these risks are reviewed and monitored by the Board. See note 14 of the 2018 Financial statements.

Management's Responsibility for Financial Statements

Information provided in this MD&A, including information from the audited consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the 2018 Financial Statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Off-Balance Sheet Arrangements

Pulse has certain lease arrangements, all of which are reflected in the contingencies and commitments table, which were entered into in the normal course of operations. All leases have been treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease.

Non-IFRS Financial Measures

This MD&A contains references to funds used in operations, cash provided by (used in) operations per share, and operating netback; which are not defined under IFRS as issued by the International Accounting Standards Board. These measures are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other issuers. Management of Pulse believes funds used in operations, cash provided by (used in) operations per share, and operating netback are relevant indicators of Pulse's financial performance and its ability to fund future capital expenditures. Funds used in operations and operating netback should not be considered an alternative to or more meaningful than cash flow from operating activities, as determined in accordance with IFRS, as an indicator of Pulse's performance. Readers should refer to the "*Operating Netback and Funds Used in Operations*" heading above for a reconciliation of operating netback and funds used in operations to cash from operating activities, the most comparable measure calculated in accordance with IFRS.

Oil and Gas Metrics and Definitions

Production information is commonly reported in units of barrel of oil equivalent ("boe"). For purposes of computing such units, natural gas is converted to equivalent barrels of oil using a conversion factor of six thousand cubic feet to one barrel of oil (6:1). This conversion ratio of 6:1 is based on an energy equivalency conversion method primary applicable at the burner tip and does not represent a value equivalency at the wellhead. Such disclosure of boe's may be misleading, particularly if used in isolation. Additionally, given the

value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value. Readers should be aware that historical results are not necessarily indicative of future performance. Natural gas production is expressed in thousand cubic feet ("mcf"). Oil and natural gas liquids are expressed in barrels ("bbls").

Terms that are used in this MD&A that are not otherwise defined herein are provided below:

Developed producing reserves are those gross reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Developed reserves are those gross reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be sub-divided into producing and non-producing.

Discovered Petroleum-initially-in-place is that quantity of petroleum, which is estimated, on a given date, to be contained in known accumulations, plus those quantities already produced therefrom.

Gross means (i) in relation to the Company's interest in production or reserves, its "company gross reserves", which are the Company's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company; and (ii) in relation to wells, the total number of wells in which the Company has an interest.

Net means, in relation to the Company's interest in wells or lands, the number of wells obtained by aggregating the Company's working interest in each of its gross wells.

Probable reserves are those additional gross reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Proved reserves are those gross reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological,

geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

Amplitude versus offset is the general term for referring to the dependency of the seismic attribute, amplitude, with the distance between the source and receiver (the offset). AVO analysis is a technique that geophysicists can execute on seismic data to determine a rock's fluid content, porosity, density or seismic velocity, shear wave information and fluid indicators.

Changes in Accounting Policies including Initial Adoption

IFRS 9 and IFRS 15 were applied to Pulse's accounting policies during the year ended December 31, 2018 as issued by IASB to begin on or after January 1, 2018. Currently, Pulse is not expecting to adopt new accounting policies for the 2019 fiscal year other than the pronouncements listed in note 3 of the 2018 Financial Statements.

Future changes in Accounting Policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee but were not yet effective as at December 31, 2018. The Company intends to adopt these standards and interpretations when they become effective. Pronouncements that are not applicable to the Company have been excluded from those described below.

- IFRS 16 IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. Effective for annual periods beginning on or after January 1, 2019.

The Company has not early adopted this new and amended standard and is currently assessing the impact that this standard will have on the Company's financial statements.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2018, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

The following pertains to the Company's MD&A for the period ended December 31, 2018, confirming that the Company is in compliance with disclosure controls and procedures and internal controls over the financial reporting period:

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods. Required information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated interim financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets and liabilities of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. Based on their assessment, management has concluded that, as of December 31, 2018, the Company's internal control over financial reporting was effective.

Proposed Transactions

There are no proposed asset or business acquisitions or dispositions not already disclosed elsewhere in this MD&A.

Forward Looking Statements

The MD&A contains forward-looking information statements within the meaning of Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “assume”, “believe”, “estimate”, “expect”, “forecast”, “guidance”, “may”, “plan”, “predict”, “project”, “should”, “will”, or similar words suggesting future outcomes. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: business combinations, financing, agreements, transactions, oil and natural gas acquisition, reserves, enhanced oil recovery, oil and natural gas production estimates and targets; statements regarding BOE/d production capabilities; anticipated revenue from oil and gas fields; completing acquisitions, development and exploration and other activities; capital expenditure programs and estimates; plans to drill wells; plans to grow reserves, production, and cash-flow. Forward-looking statements and information concerning anticipated financial performance are based on management’s assumptions using information currently available. Material factors or assumptions used to develop forward-looking information include that planned acquisitions will be completed, and assumptions as to development, enhanced oil recovery, financing, LLR, business combinations, drilling programs and results, construction operations and enhancements, potential business prospects, growth strategies, the ability to add production and reserves through acquisition, development and exploration activities, the ability to reduce costs and extend commitments, projected capital costs, government legislation, well performance, the ability to market production, the commodity price environment and quality differentials and exchange rates.

Management also assumes that in connection with the Bigoray Assets, its 100% owned subsidiary, Pulse Oil Operating Corp, will be able to work with the operator of the assets to maintain permit tenures in good standing, and that Pulse will be able to access equity capital when required and that Pulse will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Management also assumes that in connection with the Mannville SA Assets, its 100% owned subsidiary, Pulse Oil Operating Corp as operator, will work to maintain permit tenures in good standing, and that Pulse will be able to access equity capital when required and that Pulse will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Pulse will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Although management considers its assumptions to be reasonable based on these factors, they may prove to be incorrect.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to: access to capital, commodity price volatility; well performance and marketability of production; transportation and refining availability and costs; exploration and development costs; enhanced oil recovery costs, infrastructure costs; the recoverability of reserves; reserves estimates and valuations; the Company’s ability to add reserves through development and exploration activities; accessibility of services and equipment; fluctuations in currency exchange rates; and changes in government legislation and regulations.

The forward-looking statements contained herein are as of the date of this MD&A, and are subject to change after this date. Readers are cautioned that the foregoing list of factors that may affect future results is not

exhaustive and as such undue reliance should not be placed on forward-looking statements. Except as required by applicable securities laws, with the exception of events or circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that was previously disclosed to the public, the Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Certain information in this MD&A may constitute “analogous information” as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, including, but not limited to, information relating to areas with similar geological characteristics to the lands held by the Company. Such information is derived from a variety of publicly available information from government sources, regulatory agencies, public databases or other industry participants (as at the date stated therein) that the Company believes are predominantly independent in nature. The Company believes this information is relevant as it helps to define the reservoir characteristics in which the Company may hold an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and in accordance with the COGE Handbook. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by the Company and there is no certainty that the reservoir data and economics information for the lands held by the Company will be similar to the information presented therein. The reader is cautioned that the data relied upon by the Company may be in error and/or may not be analogous to the Company’s land holdings.

Disclosure provided herein in respect of BOE (barrels of oil equivalent) 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.

Additional Information

Additional information regarding Pulse and its activities is available on SEDAR at www.sedar.com or on Pulse’s website at www.pulseoilcorp.com. Information can also be requested from Pulse’s head office located at Suite 500, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 3P6.

Board of Directors and Officers

Garth Johnson¹, CGA

Chief Executive Officer, Director

Drew Cadenhead, B.Sc., P. Geol

President / Chief Operating Officer, Director

Dr. Douglas Ellenor¹ Ph.D. (Geol), B.Sc., (Hons Geol)

Director

Jack Doyle¹, P. Eng.

Director

Daniel Bolstad

Director

Aaron Doyle, P.Eng., CPA / CMA

Chief Financial Officer

Notes

¹ *Member of the Audit Committee*

Stock Exchange Listing

TSX Venture Exchange

Common Share Trading Symbol: "PUL"

Share Purchase Warrant Trading Symbol: "PUL.WT"

Legal Counsel

Owen Bird Law Corp.
Vancouver, BC

Parlee McLaws LLP
Edmonton, AB

Bankers

Bank of Montreal
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Auditors

Manning Elliott LLP
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Independent Reserves Evaluators

McDaniel and Associates
Consultants Ltd.
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