



THIRD QUARTER 2020  
MANAGEMENT'S DISCUSSION AND ANALYSIS –  
QUARTERLY HIGHLIGHTS

Dated November 30, 2020

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020



## Pulse Oil's Third Quarter 2020 Management's Discussion and Analysis

### Overview

The following is management's discussion and analysis ("MD&A") of the condensed interim consolidated financial position and consolidated results of operations of Pulse Oil Corp. (the "Company" or "Pulse") for the three and nine months ended September 30, 2020 and to the date of this report on November 30, 2020. This MD&A should be read in conjunction with Pulse's condensed interim consolidated financial statements for the nine months ended September 30, 2020 and with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2019 (the "2019 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 nine months ended September 30, 2020 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](http://www.sedar.com), or by requesting further information from Pulse's head office located in Vancouver, British Columbia, Canada by emailing [info@pulseoilcorp.com](mailto:info@pulseoilcorp.com).

### Description of Business

Pulse is the owner and operator of 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 currently trades on the TSX Venture Exchange ("TSXV") under the symbol "PUL".

Pulse's business began after completing its Qualifying Transaction (the "QT") as discussed below. For the foreseeable future, Pulse intends to continue to be an active oil and gas producer 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 several infill development drilling locations and additional exploration opportunities, has positioned Pulse to grow production and reserves.

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, most of these costs have been incurred and at current, no future significant commitments are planned to be made and any potential 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 Pulse's accompanying consolidated financial statements for the nine months ended September 30, 2020. Pulse's success in the future will largely be determined by its ability to continue to acquire new oil and gas assets in a competitive acquisition market, conduct operations safely and efficiently to increase production, cash flow and reserves to fund Pulse's business plan. After having stable oil prices in 2019, the WTI benchmarked oil prices underwent a significant drop in late Q1 into Q2 with only a modest recovery in Q2/Q3 of the 2020 fiscal year as a result of a global price war between several OPEC+ nations and the simultaneous COVID-19 world pandemic causing a major decline in global oil demand.

## 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.

### 2020 Overview to Date

- McDaniel & Associates, a qualified independent reserves evaluator in accordance with National Instrument 51-101 and the COGE Handbook, completed their independent reserves assessment (the "Assessment") on Pulse's interests within the Bigoray and Queenstown core operating areas as at December 31, 2019. The Assessment was effective December 31, 2019 and resulted in a pre-tax net present value of \$29.73 million for Pulse's proved plus probable ("2p") reserves and \$17.16 million for Pulse's proved ("1p") reserves, using a 10% discount rate to Pulse's net working interest. This represents a decrease in the value of 1p reserves of 20.3% and a decrease in the value of 2p reserves of 11.0% when compared to December 31, 2018.
- In March 2020, OPEC+ increased production dramatically which resulted in storage capacity approaching maximum levels around the world. As a result, the price of oil plummeted from approximately \$50.00 USD/bbl to a low of negative \$40.32 in mid-April. OPEC+ has since come to an agreement to reduce a substantial amount of production volumes starting in May that will attempt to stabilize the oil markets moving forward. As of the date of this report, WTI prices have steadily been increasing to the current price of approximately \$42.62 USD/bbl.
- Additionally, in March 2020, the effects of COVID-19 becoming a global pandemic have put a halt to all non-essential businesses and travel for the foreseeable future. These effects have placed increased pressure on the oil industry as the lack of demand for oil has amplified the effects of the OPEC+ price war. Management is continually exploring all options to reduce the effects of both the COVID-19 pandemic and the price drop in oil that is currently affecting the industry.
- In an effort to counter some of the effects of lower oil prices that affect Pulse's cashflow, Pulse chose to temporarily suspend production at its Queenstown assets, as well as quickly acting to cut all costs possible within the company, including a reduction of 50% of salaries and contractors' fees.
- During the previous quarter, the company has announced the details of a private placement offering of preferred and common equity. The private placement was to be comprised of preferred shares in the subsidiary Pulse Oil Operating Corp. and common shares in the Company. Subsequent to the quarter, the

company announced the mutual termination of the private placement offering allowing Pulse to have the flexibility to consider all alternative financing currently being considered.

### Third Quarter Discussion of Operations

For the quarter ended September 30, 2020 and subsequent, the Company continued efforts to maintain production from its Bigoray field. Given the current level of production and realized commodity prices at the Queenstown field, the company has continued to have all production temporarily suspended from the area (post March 31<sup>st</sup>, 2020), until a review of the operational and economic challenges associated with Queenstown production is finalised. The oil-weighted Bigoray pool production remained on stream throughout most of the quarter providing the Company with revenue to continue operations. The decision by a third party to shut in the local processing facility forced the Company to temporarily shut-in the production from two of its Bigoray wells until additional infrastructure can be put in place to deliver the production to another location. The effects of the COVID-19 global pandemic and the OPEC+ price war have placed stress on the entire oil industry; the Company will take all measures possible to manage cash flow until a resumption of production at Queenstown is economically viable and additional capital can be used for the Bigoray field.

The effects of COVID-19 and the OPEC+ production actions have significantly lowered the current outlook on oil prices worldwide, however, the continued pressure on oil demand has continued throughout Q3, with some recovery in pricing starting to occur. Management will continue to monitor all changes and make prudent decisions in the best interest of the company and its shareholders.

#### ***Bigoray Assets (100% owned and operated):***

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 1,439,400 BOE (NPV10: \$25,400,600) as of December 31, 2019 and 10,111 net acres of land.

Pulse's plan for the quarter was to maintain current production from its existing wells in the Bigoray area. The production declines have remained steady throughout 2019 and 2020 to date, demonstrating that the pools are performing as expected and showing optimism for when the Company proceeds with the EOR project. The Company is currently looking at additional options to produce its wells in the Bigoray area in response to the recently announced shut-in of changes at the third party Bigoray production facility.

#### ***Queenstown Assets (100% owned and operated):***

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 890,400 BOE (NPV10: \$4,723,000) as of December 31, 2019 and consist of 24,326 net acres of land.

The assets have currently been shut-in during the quarter ended September 30, 2020 due to marginal economic outcomes and remain shut-in as of the date of this report. The company continues to monitor the current commodity pricing environment to determine the optimum time to re-start operations.

## Summary of Quarterly Results

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Revenue (gross)	\$ 285,075	\$ 206,325	\$ 378,368	\$ 443,428
Net loss from continuing operations	\$ (216,590)	\$ (397,955)	\$ (533,904)	\$ (3,258,548)
Net loss per share from continuing operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)
Cash-flow from (used in) operating activities	\$ 89,752	\$ (110,926)	\$ (65,621)	\$ 4,596
Cash-flow provided by (used in) financing activities	\$ (40,831)	\$ (10,831)	\$ (125,000)	\$ (125,000)
Cash-flow used in investing activities	\$ (20,593)	\$ (6,702)	\$ (16,277)	\$ (365,934)
Change in cash during the period	\$ 28,328	\$ (128,459)	\$ (206,898)	\$ (486,338)
Cash	\$ 72,176	\$ 43,848	\$ 172,307	\$ 379,205
Total assets	\$ 18,736,856	\$ 18,790,939	\$ 19,007,724	\$ 19,545,510
Total non-current financial liabilities	\$ 2,819,886	\$ 2,907,279	\$ 2,961,558	\$ 2,791,027
Total liabilities	\$ 4,980,438	\$ 4,757,931	\$ 4,636,761	\$ 4,640,643
Shareholders deficit	\$ (6,845,996)	\$ (6,569,406)	\$ (6,231,451)	\$ (5,697,547)

## Summary of Quarterly Results (Continued)

	Q3 2019	Q2 2019	Q1 2019	Q4 2018 (Restated)
Revenue (gross)	\$ 698,048	\$ 605,287	\$ 466,555	\$ 468,850
Net income (loss) from continuing operations	\$ (252,276)	\$ (158,031)	\$ 566,386	\$ (817,702)
Net income (loss) per share from continuing Operations	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.00)
Cash-flow from (used in) operating activities	\$ (759,631)	\$ (96,942)	\$ (1,178,571)	\$ 1,418,106

Cash-flow provided by (used in) financing activities	\$ -	\$ 1,066,612	\$ (68,361)	\$ 10,181,730
Cash-flow used in investing activities	\$ (946,105)	\$ (5,181,078)	\$ (2,257,208)	\$ (1,565,181)
Increase (decrease) in cash during the period	\$ (1,705,736)	\$ (4,211,408)	\$ (3,504,140)	\$ 10,034,655
Cash	\$ 865,543	\$ 2,571,279	\$ 6,782,687	\$ 10,286,827
Total assets	\$ 22,302,311	\$ 23,423,986	\$ 22,409,315	\$ 23,800,316
Total non-current financial liabilities	\$ 2,474,794	\$ 2,593,492	\$ 2,711,598	\$ 3,083,556
Total liabilities	\$ 3,718,465	\$ 4,587,843	\$ 4,669,258	\$ 7,041,230
Shareholders deficit	\$ (2,018,548)	\$ (1,766,271)	\$ (1,608,240)	\$ (2,595,077)

As of September 30, 2020, Pulse had negative working capital of \$1,884,219 compared to working capital of \$70,765 as at September 30, 2019. The working capital was reduced throughout 2019 and into 2020 as Pulse continued to invest capital on operations in both its Queenstown and Bigoray fields.

Additional declines in working capital were the result of the significant decline in oil pricing that remained throughout the period, in addition to the shut-in of production from the Queenstown field. Although pricing has been recovering slowly throughout the quarter, they have not recovered to the pricing levels seen throughout 2019.

Pulse management feel any variations in quarterly information when compared to 2019 values are a result of the decline in commodity prices and the shut-in production at the Queenstown field that had a significant impact on revenues for the quarter. Management feel that the current operating costs are the approximate baseline level to maintain current production levels. The effects of COVID-19 pandemic that started at the end of Q1 also had a material impact on revenues throughout the most recent quarter.

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 2019 Financial Statements.

## Liquidity and Capital Resources

	For the Period Ended September 30, 2020	For the Period Ended September 30, 2019	For the Period Ended September 30, 2018
Cash	\$ 72,176	\$ 865,543	\$ 252,172
Working capital	\$ (1,884,219)	\$ 70,765	\$ 122,662
Three Month Cash-flow from (used in) operating activities	\$ 89,752	\$ (759,631)	\$ 188,605
Nine Month Cash-flow from (used in) operating activities	\$ (86,795)	\$ (2,035,144)	\$ 490,753
Property acquisition liability	\$ 1,011,503	\$ 1,220,246	\$ 1,505,241

Pulse is being very prudent in evaluating any changes in the current commodity prices to ensure that all business decisions are being completed with the understanding of the current cash flow of the company. All costs are being evaluated carefully to ensure the continued viability of the company.

The Company's operational plan is in place to continue to use cash flow from operations, but continue to explore additional funding opportunities. No additional capital projects are currently planned, other than those related to advancing the Bigoray EOR project. Pulse's short and long-term plans are heavily dependent on Pulse's ability to fund the Bigoray EOR project, combined with cost-effective options to growing production rates and cashflow from existing wells.

## Outstanding Share Data

As of the date of this report, Pulse has 151,592,357 common shares and 21,988,682 warrants outstanding.

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 note 9 of the accompanying condensed interim consolidated financial statements for the period ended September 30, 2020.

## Commitments and Contingencies

As at September 30, 2020 the Company has committed to the following:

Commitment	Financial Implication	Frequency	Initial Payment	Completion
<b>Long-Term Liability</b> – <i>Bigoray Purchase</i>	\$30,831	Monthly	October 1, 2020	May 1, 2023

### ***Litigation and Claims***

The company previously announced 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 on 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 found by the Court of Queen’s Bench of Alberta, Crimson breached the P&S as previously disclosed in Pulse’s continuous disclosure. On January 10, 2020 Pulse and Crimson filed for Discontinuance of Claim pursuant to an agreement between both parties. Subsequently, Pulse and Crimson have resurrected a good working relationship during these current difficult times being experienced around the world.

## Financial Instruments

As at September 30, 2020, the Company’s financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, term loan and property acquisition liability.

### ***Categories of financial assets and financial liabilities***

The carrying values of the Company’s financial instruments are classified into the following categories:

Financial instrument	Category	September 30, 2020	December 31, 2019
Cash and cash equivalents	FVTPL	72,176	379,205
Accounts receivable	Amortized cost	70,139	184,379
Accounts payable	Amortized cost	1,742,983	1,354,176
Term loan	Amortized cost	40,000	-
Property acquisition liability	Amortized cost	1,011,503	1,100,951

### ***Fair value of financial instruments***

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value through profit and loss (“FVTPL”) that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applied to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

As at September 30, 2020 and December 31, 2019, Cash and cash equivalents of \$72,176 and \$379,205 were measured at fair value on a recurring basis and classified as Level 1.

The fair value of the Company's other financial instruments approximates their carrying value as at September 30, 2020 and December 31, 2019 because of the demand nature or short-term maturity of these instruments liabilities.

### ***Financial instruments and risk management***

The Company is exposed to various risks that arise from its business environment and the financial instruments it holds. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk exposures and explains how these risks and its capital structure are managed.

### ***Capital management***

The Company's objective is to maintain its capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it, as it is able to, in light of changing economic conditions and the risks associated with working within the oil and natural gas industry. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may issue shares, issue debentures or obtain new credit facilities.

In order to facilitate the management of its capital structure, the Company prepares annual capital expenditure budgets, which are updated throughout the year depending on a variety of factors such as current and forecast prices, actual capital deployment and general industry conditions. There has been no change to this approach for the year.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure, as far as reasonable, that it will have sufficient liquidity to meet its liabilities when they come due. Typically, the Company will ensure that it has sufficient cash on hand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. To achieve this objective, the Company's use of capital expenditure budgets, cash flow forecasts and authorizations for expenditures on both operated and non-operated projects assist the Company in management of liquidity risk.

The Company may need to seek a combination of debt, equity and/or asset divestitures to meet its operational requirements. As at September 30, 2020, the company has cash of \$72,176 (December 31, 2019 - \$379,205) to meet its current liabilities of \$2,160,552 (December 31, 2019 - \$1,849,616).

Contractual undiscounted cash flow requirements for financial liabilities as at September 30, 2020 are as follows:

		<1 year	2-3 Years	4-5 Years	Thereaft er	Total
Accounts payable	\$	1,742,983	—	—	—	\$ 1,742,983
Property acquisition liability		421,640	616,628	—	—	1,038,268
Term loan		—	40,000	—	—	40,000
Reclamation provision		—	—	—	2,400,200	2,400,200
	\$	2,164,623	\$ 749,122	—	\$ 2,400,200	\$ 5,221,451

### ***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial assets subject to credit risk include cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with Canadian banks, and the Company does not believe cash and cash equivalents would be subject to material credit risk. Accounts receivable credit risk arises principally from sales of oil and gas products to various customers.

### **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.

Below is a summary of key management compensation:

	Three Month Ended September 30, 2020	Three Month Ended September 30, 2019	Nine Month Ended September 30, 2020	Nine Month Ended September 30, 2019
	\$	\$	\$	\$
Salaries paid to CEO	23,125	46,250	92,500	138,750
Management fees paid to CFO	12,500	25,000	50,000	75,000
Salaries paid to COO	23,125	46,250	92,500	138,750
Fees paid to directors	-	1,000	-	6,000
	<b>58,750</b>	<b>118,500</b>	<b>235,000</b>	<b>358,500</b>

During the nine months ended September 30, 2020, the Company paid \$32,000 in operating expenses on oil and gas properties to a company controlled by a director and the CFO (September 30, 2019 - \$376,579)

Included in accounts payable and accrued liabilities is \$154,081 (December 31, 2019 - \$19,273) due to related parties. This includes \$136,908 in accrued salaries and management fees to the CEO, CFO and COO of the company.

Pulse reports that no other related party transactions have occurred during the period ended September 30, 2020. Please also refer to note 10 of the accompanying condensed interim consolidated financial statements for the period ended September 30, 2020.

## Management's Responsibility for Financial Statements

Information provided in this MD&A, including information from the condensed interim 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 accompanying condensed interim consolidated financial statements for the three months ended September 30, 2020. 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 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.

## Proposed Transactions

There are no proposed transactions 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 Queenstown 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](http://www.sedar.com) or on Pulse's website at [www.pulseoilcorp.com](http://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 Johnson<sup>1</sup>, CGA

*Chief Executive Officer, Director*

Drew Cadenhead, B.Sc., P. Geol

*President / Chief Operating Officer, Director*

Dr. Douglas Ellenor<sup>1</sup> Ph.D. (Geol), B.Sc., (Hons Geol)

*Director*

Jack Doyle<sup>1</sup>, P. Eng.

*Director*

Daniel Bolstad

*Director*

Aaron Doyle, P.Eng., CPA / CMA

*Chief Financial Officer*

Notes

<sup>1</sup> *Member of the Audit Committee*

Stock Exchange Listing

TSX Venture Exchange

Common Share Trading Symbol: "PUL"

Legal Counsel

Owen Bird Law Corp.  
Vancouver, BC

Parlee McLaws LLP  
Edmonton, AB

Bankers

Bank of Montreal  
Vancouver, BC

Auditors

Manning Elliott LLP  
Vancouver, BC

Independent Reserves Evaluators

McDaniel and Associates  
Consultants Ltd.  
Calgary, AB



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