PULSE OIL

# THIRD QUARTER 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

Dated November 29, 2022

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

# Pulse Oil's Third Quarter 2022 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, 2022 and to the date of this report on November 29, 2022. This MD&A should be read in conjunction with Pulse's condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and with the Company's audited financial statements and the notes thereto for the year ended December 31, 2021 (the "2021 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 three and nine months ended September 30, 2022 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 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 has had a number of challenges over the past couple of years, but after persistent efforts, the company was able to move forward with a number of strategic decisions to be able to continue operating and is now positioned well to achieve significant growth moving forward. Over the past year, the company has commissioned its 100% owned production and water injection facility in its Bigoray field to be able to grow its production and cash flow to its current levels, where it is profitable and able to invest in further capital to continue its growth plans.

During the previous period, the company closed a non-brokered financing for gross proceeds of $10,706,000. These funds have allowed the company to invest in additional infrastructure required to start the injection phase of its EOR project in Q4 of 2022. Pulse's success in the near future will largely be determined by the results of the Bigoray EOR program and longer-term, growth will require Pulse to acquire new oil and gas assets in a competitive acquisition market, conduct operations safely and efficiently to further increase production, cash flow and reserves to fund Pulse's business plan.

## 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.

## 2022 Overview to Date

- McDaniel, 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, 2021. The Assessment was effective December 31, 2021 and resulted in a pre-tax net present value of $34.59 million for Pulse's proved plus probable ("2p") reserves and $22.71 million for Pulse's proved ("1p") reserves, using a 10% discount rate to Pulse's net working interest. This represents an increase in the value of 1p reserves of 66.2% and an increase in the value of 2p reserves of 60% when compared to December 31, 2020.
- In January, the company completed a cleanout of an additional well in its Queenstown field. This well is still undergoing recovery of its load fluid injected during the cleanout operations. Anticipated full-time production rates are expected subsequent to the date of this report.
- On February 17, the Company announced the offering of a planned private placement to further the advancement of the Company's 100% owned Bigoray area Enhanced Oil Recovery program (EOR).
- In April, the company was able to purchase a number of vessels, pumps and tanks that were required for Pulse's EOR infrastructure.
- On May 17, the company announced the completion of its previously announced private placement financing. The non-brokered financing consisted of 214,120,000 units (each, a "Unit") for gross proceeds of $10,706,000

at a price of $0.05 per unit. Each unit consists of one common share of Pulse ("Common Shares") and one Common Share purchase warrant (each, a "Warrant") exercisable for a period of one year from the close of the financing to purchase one additional Common Share at an exercise price of $0.065 per share.

- During the period, the Company secured a source of solvent for the EOR and is completing the installation of the final infrastructure requirements needed to begin injection by the end of the current fiscal year. As of the date of this report, all infrastructure is completed and awaiting the final approval to begin injection.
- The Company has completed the necessary regulatory applications to begin the injection phase of the project. Pulse has currently received approval for the first part of the application and is awaiting the final approval to begin the injection process immediately following.
- During the period, Darren Lehne was appointed Chief Operating Officer of Pulse Oil Corp, replacing Drew Cadenhead who has remained in his capacity of President and Director of the Company. Additionally, the Company has added Patrick Harrison to the Board of Directors.

## Third Quarter Discussion of Operations

Operations, for the three months ended September 30, 2022 and subsequent, have been focused on finalizing the negotiations on a solvent supply for the EOR project, installing the final infrastructure components required to complete the EOR injection facility and maintain existing operations. As of the date of this report, the solvent supply has been confirmed, the infrastructure has been installed at the Bigoray facility, the injection well has been re-completed and the final application to begin the EOR flood has been submitted. The company is working hard to begin the EOR project's injection phase within the current quarter.

Pulse also reports that pricing of both crude and natural gas products has remained strong throughout the year to date but has weakened in the fourth quarter of 2022. All of the oil produced by Pulse is high quality light crude that has a low differential and is based on West Texas Intermediate that is currently trading at approximately $78 USD/bbl. As of the date of this report, the company is producing approximately 229 BOE/d from its two fields, with the 3-month average for Q2 producing 259.8 BOE/d (64% oil and natural gas liquids)

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

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 1,584,400 BOE (NPV10: $32,326,500) as of December 31, 2021 and 5,029 net acres of land.

The Bigoray assets have been producing consistently for most of the year to date with the Company working hard to complete the final steps needed to begin the injection stage of the EOR. The Company has completed the installation of the necessary infrastructure and is awaiting the final regulatory approval. Pulse is also pleased to have secured a stable source of solvent that will allow the company to progress the EOR project along for the next few years. The next few months will continue to be an exciting time as the company brings the long awaiting project to fruition.

***Queenstown Assets (100% interest and operator):***

These 100% owned and operated assets consist of proved and probable reserves (McDaniel & Associates Consultants Ltd.) of 258,900 BOE (NPV10: $2,263,200) as of December 31, 2021 and consist of 4,781 net acres of land.

After completing the restart of production on the Queenstown assets in 2021, the Company has used the first half of 2022 to complete 2 cleanouts on some wells and been able to maintain existing production at consistent rates for most of the year to date. The current plan is to maintain the existing operations for the foreseeable future. During the period, the third-party facility that processes the production from the field has undergone some unscheduled maintenance that has forced the temporary shut-in of the assets for the current time. The facility has an anticipated re-start date in the middle of December. The company looks forward to being able to resume operations within the field going forward.

| **Summary of Quarterly Results** | **Q3 2022** | **Q2 2022** | **Q1 2022** | **Q4 2021** |
|---|---|---|---|---|
| Revenue (gross) | $ 1,594,740 | $ 1,585,097 | $ 1,632,981 | $ 1,425,309 |
| Net income (loss) from continuing operations | $ 322,694 | $ 574,523 | $ 819,896 | $ 721,363 |
| Net income (loss) per share from continuing operations | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |
| Cash-flow from (used in) operating activities | $ 797,649 | $ (134,902) | $ 944,526 | $ 645,387 |

| | | | | |
|---|---|---|---|---|
| Cash-flow provided by (used in) financing activities | $ (95,796) | $ 10,578,043 | $ (130,823) | $ (35,575) |
| Cash-flow used in investing activities | $ (1,025,119) | $ (1,081,501) | $ (669,117) | $ (865,817) |
| Increase (decrease) in cash during the period | $ (326,266) | $ 9,361,640 | $ 144,586 | $ (256,005) |
| Cash | $ 9,328,565 | $ 9,651,831 | $ 290,191 | $ 145,605 |
| Total assets | $ 31,326,403 | $ 30,610,701 | $ 20,673,084 | $ 20,016,844 |
| Total non-current financial liabilities | $ 3,144,223 | $ 2,985,858 | $ 3,329,064 | $ 3,420,793 |
| Total liabilities | $ 4,955,323 | $ 4,562,315 | $ 5,873,060 | $ 6,001,689 |
| Shareholders deficit | $ (6,333,649) | $ (6,656,343) | $ (7,230,867) | $ (8,050,763) |

| Summary of Quarterly Results (Continued) | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 |
|---|---|---|---|---|
| Revenue (gross) | $ 934,580 | $ 527,552 | $ 359,480 | $ 120,477 |
| Net income (loss) from continuing operations | $ 28,133 | $ (157,853) | $ 231,470 | $ (2,087,880) |
| Net income (loss) per share from continuing Operations | $ 0.00 | $ (0.00) | $ 0.00 | $ (0.01) |
| Cash-flow from (used in) operating activities | $ 482,841 | $ (27,548) | $ (146,870) | $ (18,834) |
| Cash-flow provided by (used in) financing activities | $ (93,213) | $ 1,378,950 | $ 356,119 | $ (49,169) |
| Cash-flow used in investing activities | $ (771,637) | $ (753,283) | $ (126,260) | $ - |

| | | | | |
|---|---|---|---|---|
| Increase (decrease) in cash during the period | $ (382,009) | $ 598,119 | $ 82,989 | $ 30,335 |
| Cash | $ 401,610 | $ 783,619 | $ 185,500 | $ 102,511 |
| Total assets | $ 18,756,110 | $ 18,466,187 | $ 17,364,240 | $ 17,223,759 |
| Total non-current financial liabilities | $ 3,276,884 | $ 3,367,699 | $ 3,230,985 | $ 2,843,447 |
| Total liabilities | $ 5,462,318 | $ 5,198,132 | $ 5,412,282 | $ 5,495,221 |
| Shareholders deficit | $ (8,772,126) | $ (8,800,259) | $ (8,642,406) | $ (8,873,876) |

As of September 30, 2022, Pulse had working capital of $8,371,387 compared to negative working capital of $1,208,302 as at September 30, 2021. The working capital has been improving over the past year as revenues have been increasing. With the close of the private placement early in 2022, the Company has improved its working capital position. The company now has a positive working capital as of the date of this report. Through the efforts that were achieved late in 2021 and in the first half of 2022, the company has been able to increase production and cashflow to position itself for growth moving forward. The plan for the current and subsequent quarter is to begin injection for its EOR project that is anticipated to begin subsequent to this report.

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 2021 Financial Statements.

## Liquidity and Capital Resources

| | **For the period ended September 30, 2022** | **For the period ended September 30, 2021** | **For the period ended September 30, 2020** |
|---|---|---|---|
| Cash | $ 9,328,565 | $ 410,610 | $ 72,176 |
| Working capital | $ 8,371,387 | $ (1,208,302) | $ (1,884,219) |

| | | | |
|---|---|---|---|
| Three Month Cash-flow from (used in) operating activities | $ 797,649 | $ 482,841 | $ 89,752 |
| Nine Month Cash-flow from (used in) operating activities | $ 1,607,273 | $ 308,423 | $ (86,795) |
| Property acquisition liability | $ 565,756 | $ 933,597 | $ 1,011,503 |

With the constant changes and volatility within the commodity market, the Company is making prudent business decisions to ensure that the company will be able to continue to operate on cash flow moving forward. All costs and expenditures are being carefully evaluated to ensure the continued viability of the company.

The Company's operations plan is in place to continue to use cash flow from operations, the recently completed private placement and the anticipated proceeds of existing share purchase warrants being exercised in order to fund its ongoing EOR project and existing operations. Current capital is being implemented on the final installation of infrastructure required for the EOR injection facility at our Bigoray field and prepare for the purchase of solvent for the EOR flood. Pulse's short and long-term plans are heavily dependent on the ability to fund the Bigoray EOR project and grow existing production rates and cash flow.

## Share Capital

On May 16, Pulse completed a private placement. Pulse issued 214,120,000 units raising total gross aggregate proceeds of $10,706,000. Each unit consists of one common share of Pulse ("Common Shares") and one Common Share purchase warrant (each, a "Warrant") exercisable for a period of one year from the close of the financing to purchase an additional Common Share at an exercise price of $0.065 per share.

As of the date of this report, Pulse has 517,304,714 common shares outstanding and 251,620,000 warrants outstanding. If all Warrants are exercised, $15.8 million will be raised for Pulse's operational needs.

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 8 of the accompanying condensed interim consolidated financial statements for the period ended September 30, 2022.

## Commitments and Contingencies

As at September 30, 2022 the Company has committed to the following:

| Commitment | Financial Implication | Frequency | Initial Payment | Completion |
|---|---|---|---|---|
| **Long-Term Liability –** *Bigoray Purchase* | $31,932 | Monthly | October 1, 2021 | March 1, 2024 |

## Financial Instruments

As at September 30, 2022, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable 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, 2022 | December 31, 2021 |
|---|---|---|---|
| Cash and cash equivalents | FVTPL | 9,328,565 | 145,605 |
| Accounts receivable | Amortized cost | 627,792 | 528,572 |
| Accounts payable | Amortized cost | 1,432,043 | 1,802,434 |
| Property acquisition liability | Amortized cost | 565,756 | 842,326 |

***Fair value of financial instruments***

IFRS 7 establishes a fair value hierarchy for financial instruments measured at fair value 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, 2022 and December 31, 2021, Cash and cash equivalents of $9,328,565 and $145,605 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, 2022 and December 31, 2021 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 is 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, 2022, the company has cash of $9,328,565 (December 31, 2021 - $145,605) to meet its current liabilities of $1,811,100 (December 31, 2021 - $2,580,896).

Contractual undiscounted cash flow requirements for financial liabilities as at September 30, 2022 are as follows:

| | <1 year | 2-3 Years | 4-5 Years | Thereafter | Total |
|---|---|---|---|---|---|
| Accounts payable and accrued liabilities | $ 1,432,043 | — | — | — | $ 1,432,043 |
| Property acquisition liability | 379,057 | 186,699 | — | — | 565,756 |
| CEBA Loan | — | 120,000 | — | — | 120,000 |
| Reclamation provision | — | — | — | 2,651,230 | 2,651,230 |
| | $ 1,811,100 | 306,699 | — | $ 2,651,230 | $ 4,769,029 |

***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 is 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.

| Description | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
|---|---|---|---|---|
| Salaries paid to the CEO | $ 77,500 | $ 46,250 | $ 170,000 | $ 105,990 |
| Management fees paid to the CFO | 56,250 | 25,000 | 106,250 | 56,673 |
| Director fees | 4,550 | - | 4,550 | - |
| | $138,300 | $ 71,250 | $280,800 | $ 163,663 |

Pulse reports that no other related party transactions have occurred during the period ended September 30, 2022. Please also refer to note 9 of the accompanying condensed interim consolidated financial statements for the period ended September 30, 2022.

## 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 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.

## CORPORATE INFORMATION

PULSE OIL

### Board of Directors and Officers

Garth Johnson[1], CGA

*Chief Executive Officer, Director*

Drew Cadenhead, B.Sc., P. Geol

*President, Director*

Dr. Douglas Ellenor[1] Ph.D. (Geol), B.Sc., (Hons Geol)

*Director*

Jack Doyle[1], P. Eng.

*Director*

Daniel Bolstad

*Director*

Patrick Harrison

*Director*

Aaron Doyle, P.Eng., CPA / CMA

*Chief Financial Officer*

Darren Lehne

*Chief Operating Officer*

### Notes

[1] *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

PULSE OIL

Suite 500, 666 Burrard Street
Vancouver, British Columbia
V6C 3P6
604.909.1152
www.pulseoilcorp.com