MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of financial condition and results of operations for Altura Energy Inc. (the "Corporation" or "Altura") is dated November 8, 2019 and should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2019, the audited consolidated financial statements and related notes for the year ended December 31, 2018, as well as the Corporation's Annual Information Form that is filed on SEDAR at www.sedar.com. These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34, Interim Financial Reporting, in Canadian dollars, except where indicated otherwise.

This MD&A contains non-generally accepted accounting principles ("GAAP") measures and forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Altura's disclosure under the headings "Non-GAAP Measures" and "Forward-looking Information" included in the "Advisories" section at the end of this MD&A.

DESCRIPTION OF BUSINESS

Altura is a junior oil and gas exploration, development and production company with operations in central Alberta. Altura predominantly produces from the Rex member in the Upper Mannville group and is focused on delivering per share growth and attractive shareholder returns through a combination of organic growth and strategic acquisitions. Additional information regarding Altura is available on SEDAR and on its website at www.alturaenergy.ca. Altura's common shares are listed for trading on the TSX Venture Exchange under the symbol "ATU".

Q3 2019 BENCHMARK OIL PRICES

Crude oil prices declined in the third quarter of 2019, with the West Texas Intermediate ("WTI") benchmark price averaging six percent lower than the second quarter of 2019 and 19 percent lower than the third quarter of 2018. Canadian crude oil prices continued to benefit from the Alberta government production curtailment as the differential between WTI and the Western Canadian Select oil price ("WCS") averaged US$12.24 per barrel in the third quarter of 2019, 45 percent lower than the third quarter of 2018, but 15 percent higher than the second quarter of 2019.

Altura primarily compares its oil price to the WCS oil price at the Hardisty, Alberta oil sales terminal which decreased 11 percent in the third quarter of 2019 relative to the second quarter of 2019 and decreased six percent relative to the third quarter of 2018.

2019 GUIDANCE

The following table summarizes the Corporation's 2019 guidance compared to year-to-date results.

	August 14, 2019 Guidance	2019 YTD Actual
2019 Capital expenditures ($000)	13,500	11,356
Leduc-Woodbend extended reach horizontal ("ERH") wells	3	3
2019 Average production volumes (boe/d)	1,700–1,800	1,803

RESULTS OF OPERATIONS

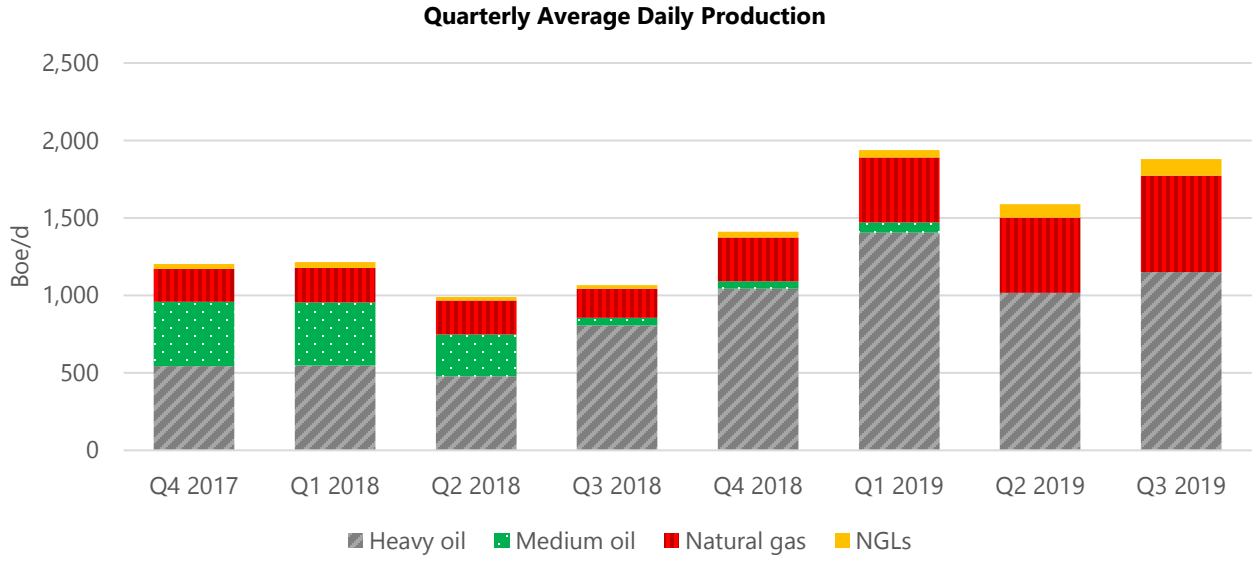
Production

	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Heavy oil (bbls/d)	**1,150**	805	43	**1,190**	611	95
Medium oil (bbls/d)	**-**	51	(100)	**22**	242	(91)
Natural gas (Mcf/d)	**3,733**	1,128	231	**3,057**	1,257	143
Natural gas liquids ("NGLs") (bbls/d)	**108**	23	370	**81**	28	189
Total (boe/d)	**1,880**	1,067	76	**1,803**	1,090	65
Oil and natural gas liquids % of production	**67%**	82%	(18)	**72%**	81%	(11)

During the three and nine months ended September 30, 2019, heavy oil volumes increased 43 percent and 95 percent respectively, as compared to the same periods in the prior year. The increases are mainly due to Altura's development drilling program at Leduc-Woodbend over the past year. Year-to-date, Altura drilled three wells and brought two new wells on production at Leduc-Woodbend. The third well is expected to be completed and brought on production in the fourth quarter of 2019.

Altura's natural gas production increased 231 percent and 143 percent in the three and nine months ended September 30, 2019, respectively, compared to the same periods in 2018. The increases are due to Altura's development program at Leduc-Woodbend over the past year coupled with an increased weighting of natural gas production relative to total production as the pool is produced over time.

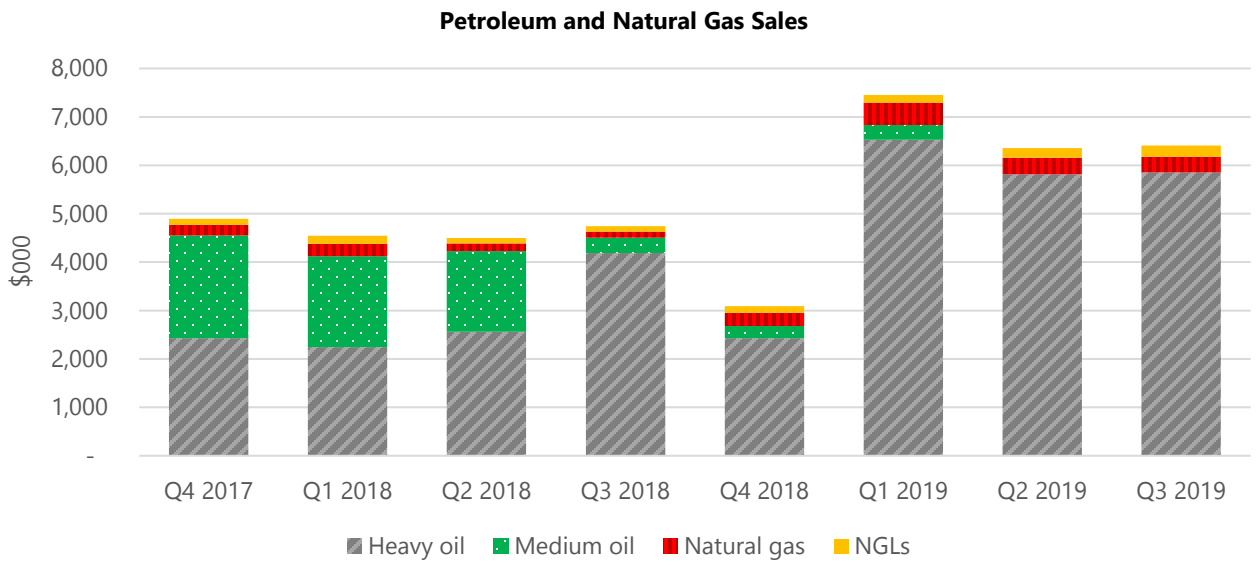
In the third quarter of 2019, the Corporation had no medium oil production volumes, compared to 51 boe per day in the same period in the prior year. The decrease is due to Altura pipeline connecting two heavy oil wells producing from the Rex member to its medium oil Glauconitic battery at the end of February 2019. Commencing in March 2019, oil from this battery has been blended and sold into the heavy oil stream, eliminating Altura's medium oil sales.



Petroleum and Natural Gas Sales

($000)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Heavy oil	**5,853**	4,190	40	**18,194**	8,996	102
Medium oil	**-**	315	(100)	**300**	3,861	(92)
Natural gas	**325**	128	154	**1,137**	544	109
NGLs	**232**	108	115	**595**	384	55
Petroleum and natural gas sales	**6,420**	4,741	35	**20,226**	13,785	47

Petroleum and natural gas sales for the third quarter of 2019 increased 35 percent to $6,420,000 compared to $4,741,000 in the third quarter of 2018. The increase of $1,679,000 consists of $2,179,000 attributed to increased production volumes, partially offset by $500,000 attributed to lower realized crude oil, NGL and natural gas prices. For the nine months ended September 30, 2019, petroleum and natural gas sales increased 47 percent to $20,226,000 compared to $13,785,000 in the same period of 2018. The increase of $6,441,000 consists of $6,543,000 attributed to increased production volumes and $621,000 attributed to higher realized crude oil prices, partially offset by $723,000 attributed to lower NGL and natural gas prices.



Altura sells its crude oil on a monthly index basis and natural gas production on a spot basis. The average realized price the Corporation receives for its crude oil and natural gas production depends on several factors, including the average benchmark prices for crude oil and natural gas, the US to Canadian dollar exchange rate and transportation and product quality differentials.

The average benchmark prices for crude oil are impacted by global and regional events that dictate the level of supply and demand for these commodities. The principal crude oil benchmarks that Altura compares its oil price to are the WTI oil price and the WCS oil price. The differential between WTI and WCS oil prices can widen due to several factors, including, but not limited to, downtime in North American refineries, rising domestic and international production, the US to Canadian dollar exchange rate, high inventory levels in North America and lack of pipeline infrastructure or takeaway capacity connecting key consuming oil markets.

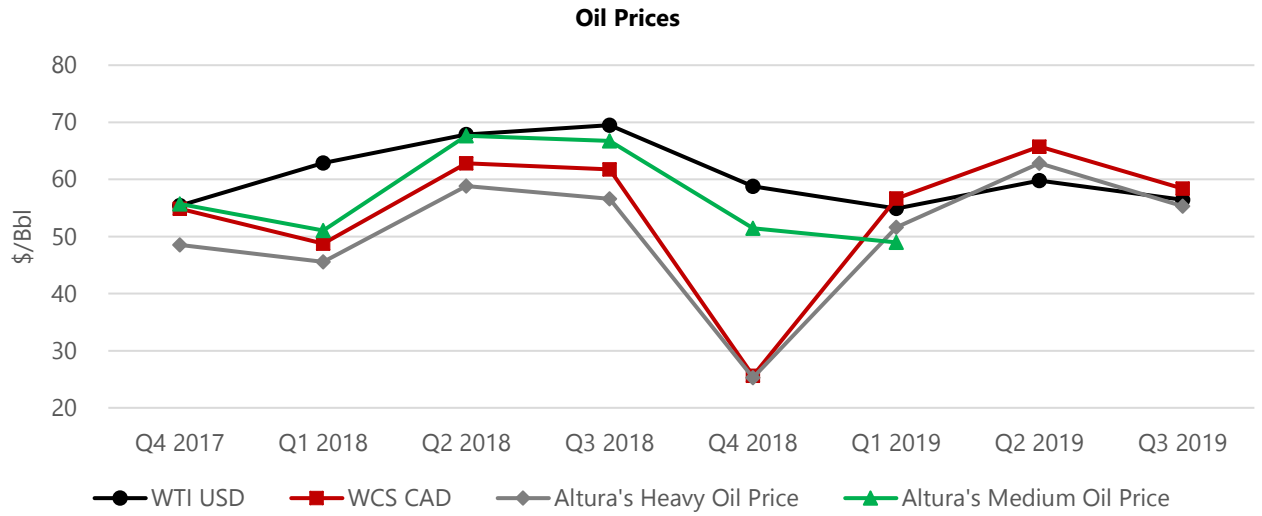
The following table outlines the Corporation's benchmark and realized petroleum and natural gas prices:

	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Average Benchmark Prices						
WTI crude oil (US$/bbl)[1]	**56.45**	69.50	(19)	**57.06**	66.75	(15)
WCS differential (US$/bbl) [2]	**(12.24)**	(22.25)	(45)	**(11.74)**	(21.93)	(46)
US$/Cdn$ exchange rate	**0.757**	0.765	(1)	**0.752**	0.776	(3)
WCS (Cdn$/bbl)	**58.39**	61.76	(5)	**60.27**	57.73	4
AECO daily spot ($/GJ)	**0.86**	1.13	(24)	**1.44**	1.41	2
Average Realized Prices						
Heavy oil ($/bbl)	**55.31**	56.59	(2)	**56.01**	53.93	4
Medium oil ($/bbl)	**-**	66.74	(100)	**48.97**	58.36	(16)
Natural gas ($/Mcf)	**0.95**	1.23	(23)	**1.36**	1.58	(14)
Natural gas liquids ($/bbl)	**24.42**	51.30	(52)	**26.80**	51.03	(47)
Average realized price ($/boe)	**37.12**	48.29	(23)	**41.09**	46.30	(11)

(1) WTI represents posting price of West Texas Intermediate crude oil.
(2) WCS differential represents the difference between the average market price for the benchmark Western Canadian Select heavy crude oil and WTI.

WTI decreased 19 percent and 15 percent during the three and nine months ended September 30, 2019, while Altura's realized heavy oil price decreased two percent and increased four percent, respectively. The impact of lower WTI prices was offset by the narrowing differential between WTI and WCS to an average discount of US$12.24 per barrel and US$11.74 per barrel compared to US$22.25 per barrel and US$21.93 per barrel, in the same periods in 2018, respectively. The WCS differential started narrowing in the first quarter of 2019 due to the Alberta government's mandatory production curtailment designed to balance the market and reduce crude oil differentials.

Altura's average realized price declined 23 percent to $37.12 per boe in the third quarter of 2019 compared to $48.29 per boe in the third quarter of 2018 due mainly to lower natural gas prices, lower NGL prices and an increased weighting of natural gas production relative to total production.



In the third quarter of 2019, Altura's realized natural gas price decreased by 23 percent to $0.95 per Mcf from the third quarter of 2018 while the AECO daily spot price decreased 24 percent to $0.86 per GJ. Year-to-date, Altura's realized natural gas price decreased by 14 percent to $1.36 per Mcf from the same period in 2018 while the AECO daily spot price increased two percent to $1.44 per GJ. The decreased realized natural gas price in the nine months ended September 30, 2019 relative to the increase in the AECO daily spot price is due to a gas balance recovery on the NOVA pipeline, negatively impacting Altura in February and March 2019.

Risk Management Contracts

Altura initiated a risk management program in the second quarter of 2019 to reduce the volatility of crude oil sales, increase the certainty of adjusted funds flow to protect development economics, and to comply with details of its banking covenant. The Corporation's risk management program is approved by Altura's Board of Directors.

	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Realized gain (loss) on financial instruments	**(38)**	-	-	**140**	-	-
Realized gain (loss) on financial instruments per boe	**(0.22)**	-	-	**0.28**	-	-

For the third quarter of 2019, the realized loss on financial instruments of $38,000 reflects cash settlements paid on a WCS contract of 300 barrels per day at CAD $57.00 per barrel. Year-to-date, Altura has a realized gain on financial instruments of $140,000 due to cash settlements received on a May 2019 WTI contract and a June 2019 WCS contract.

At September 30, 2019, Altura held the following crude oil contracts:

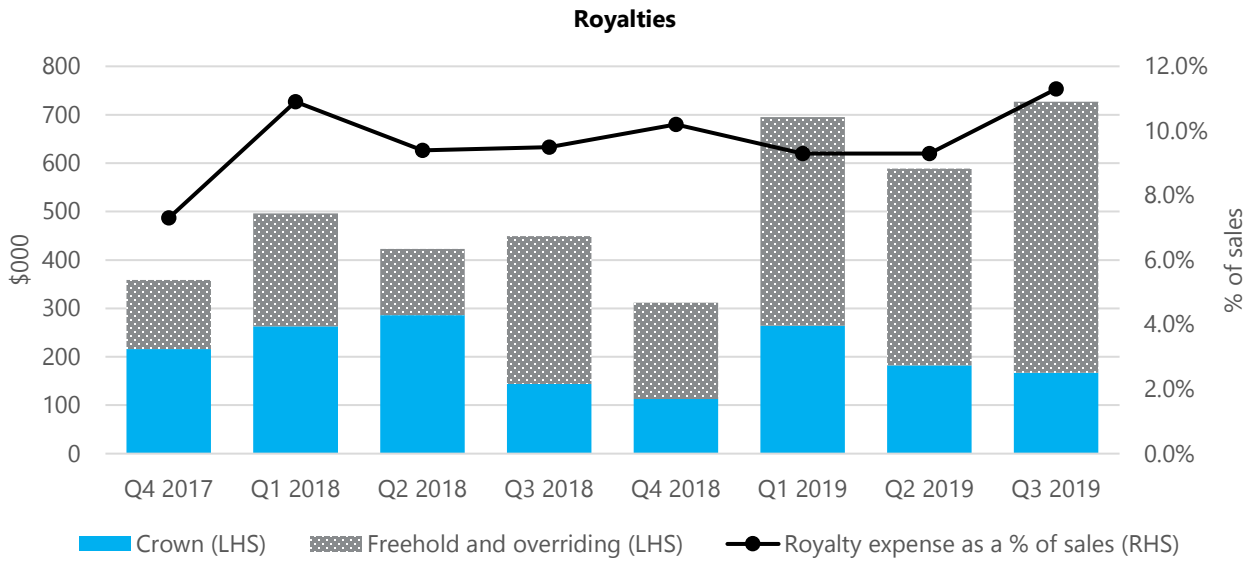
Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price	Fair Value at September 30, 2019 ($000)
Oct 1/19—Mar 31/20	Crude Oil	Fixed	300 bbls/d	WCS	CAD $57.00	307
Apr 1/20—Jun 30/20	Crude Oil	Fixed	300 bbls/d	WTI	CAD $70.20	51
Apr 1/20—Jun 30/20	Crude Oil	Fixed	300 bbls/d	WCS-WTI Differential	CAD ($28.00)	(208)
Jul 1/20—Sep 30/20	Crude Oil	Fixed	300 Bbls/d	WCS	CAD $43.75	(52)
						98

At September 30, 2019, the crude oil contracts were fair valued with an asset of $98,000 (December 31, 2018 - $nil) recorded on the balance sheet and an unrealized loss of $265,000 and an unrealized gain of $98,000 recorded in net income for the three and nine months ended September 30, 2019, respectively (September 30, 2018 - $nil).

Royalties

($000, except % and per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Crown royalties	**167**	144	16	**613**	693	(12)
Freehold and overriding royalties	**560**	305	84	**1,398**	675	107
Royalty expense	**727**	449	62	**2,011**	1,368	47
Royalty expense as a % of sales	**11.3%**	9.5%	19	**9.9%**	9.9%	-
Royalty expense per boe	**4.20**	4.57	(8)	**4.09**	4.59	(11)

Total royalties for the three and nine months ended September 30, 2019 were $727,000 and $2,011,000 ($449,000 and $1,368,000 for the same periods in 2018), respectively. Total royalties as a percentage of petroleum and natural gas sales increased in the third quarter of 2019 to 11.3 percent ($4.20 per boe) compared to 9.5 percent ($4.57 per boe) in the third quarter of 2018. For the nine months ended September 30, 2019, total royalties represented 9.9 percent of petroleum and natural gas sales ($4.09 per boe) as compared to 9.9 percent ($4.59 per boe) in the same period in 2018. The increased royalty rate in the third quarter of 2019 is attributed to an increased percentage of production on freehold land, which has higher royalty rates than Crown land, compared to the third quarter of 2018.



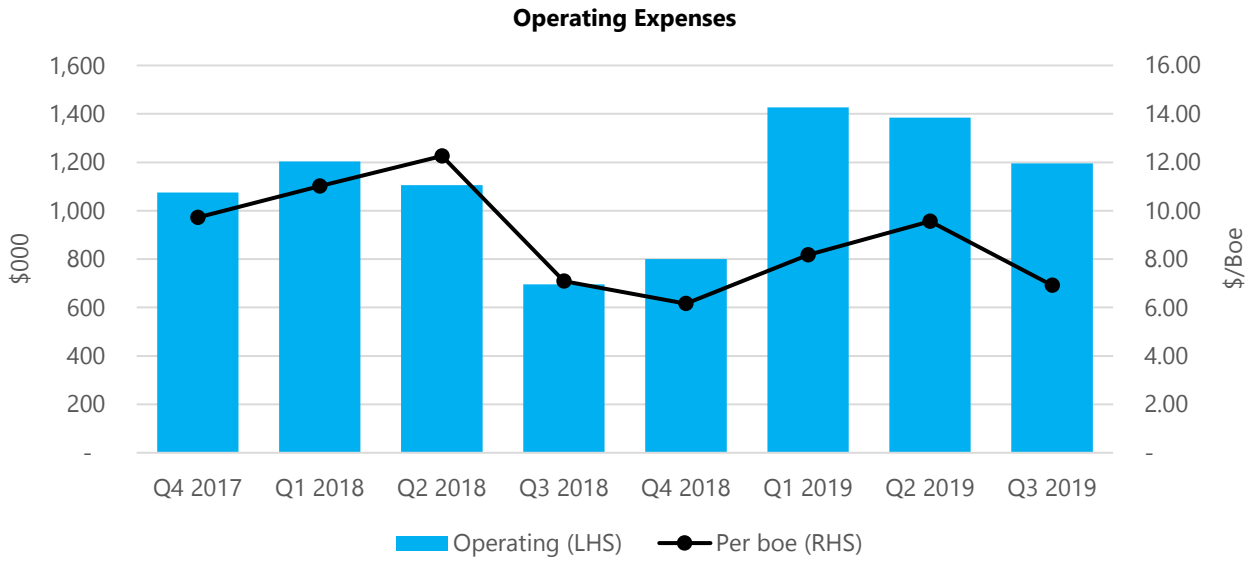
*LHS = Left Hand Side
*RHS = Right Hand Side

Operating

($000, except per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Operating	**1,196**	696	72	**4,008**	3,005	33
Operating per boe	**6.92**	7.09	(2)	**8.14**	10.10	(19)

Operating expenses increased $500,000 in the third quarter of 2019 to $1,196,000 as compared to $696,000 in the third quarter of 2018. For the nine months ended September 30, 2019, operating expenses increased $1,003,000 to $4,008,000 compared to $3,005,000 in the same period of the prior year. This increase in operating expenses for the three and nine months ended September 30, 2019 is primarily due to increased production volumes associated with Altura's Leduc-Woodend development.

On a per boe basis, operating expenses decreased $0.17 per boe to $6.92 per boe in the third quarter of 2019 compared to $7.09 in the third quarter of 2018. Year-to-date, operating expenses decreased by $1.96 per boe to $8.14 per boe compared to $10.10 per boe in the nine months ended September 30, 2018. Operating expenses on a per boe basis decreased in the nine months ended September 30, 2019 due to Altura's growth of lower cost production at Leduc-Woodbend and an asset disposition on May 31, 2018 that had higher average operating costs.



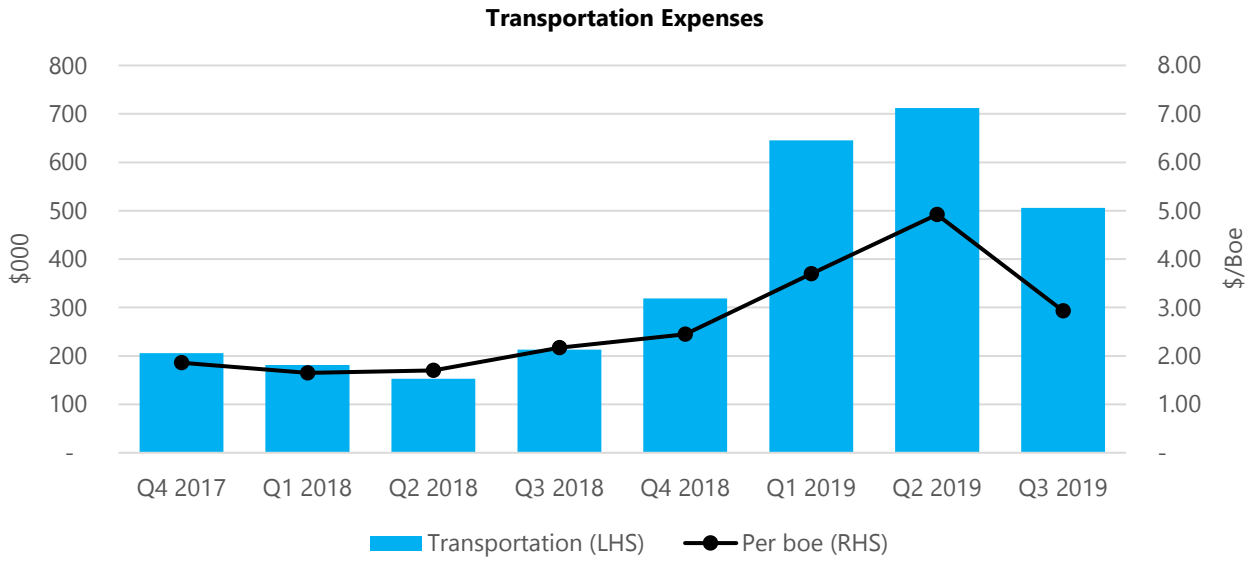
Operating expenses decreased $2.64 per boe to $6.92 per boe in the third quarter of 2019 compared to $9.56 per boe in the second quarter of 2019. The decrease is mainly attributed to lower repairs and maintenance costs in the third quarter of 2019 from converting nine wells from progressive cavity pumps to pump jacks in the second and third quarters of 2019.

Transportation

($000, except per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Transportation	**506**	213	138	**1,863**	547	241
Transportation per boe	**2.93**	2.17	35	**3.79**	1.84	106

Transportation expenses for the third quarter of 2019 increased to $506,000 compared to $213,000 in the third quarter of 2018. On a per boe basis, transportation expenses increased to $2.93 per boe in the third quarter of 2019 compared to $2.17 per boe in the same period of 2018. The increase on an absolute and per unit basis is due to increased production volumes and increased clean oil hauling associated with the completion of the Leduc-Woodbend multi-well battery.

Year-to-date, transportation expenses increased to $1,863,000 compared to $547,000 in the same period of 2018. On a per boe basis, transportation expenses increased to $3.79 per boe in the nine months ended September 30, 2019 compared to $1.84 per boe in the same period of 2018. The increase on an absolute and per unit basis is due to increased clean oil hauling associated with the completion of the Leduc-Woodbend multi-well battery, longer hauls to sales terminals in eastern Alberta to maximize crude oil prices and due to spring break-up road restrictions that limited oil volumes per load in the second quarter of 2019.



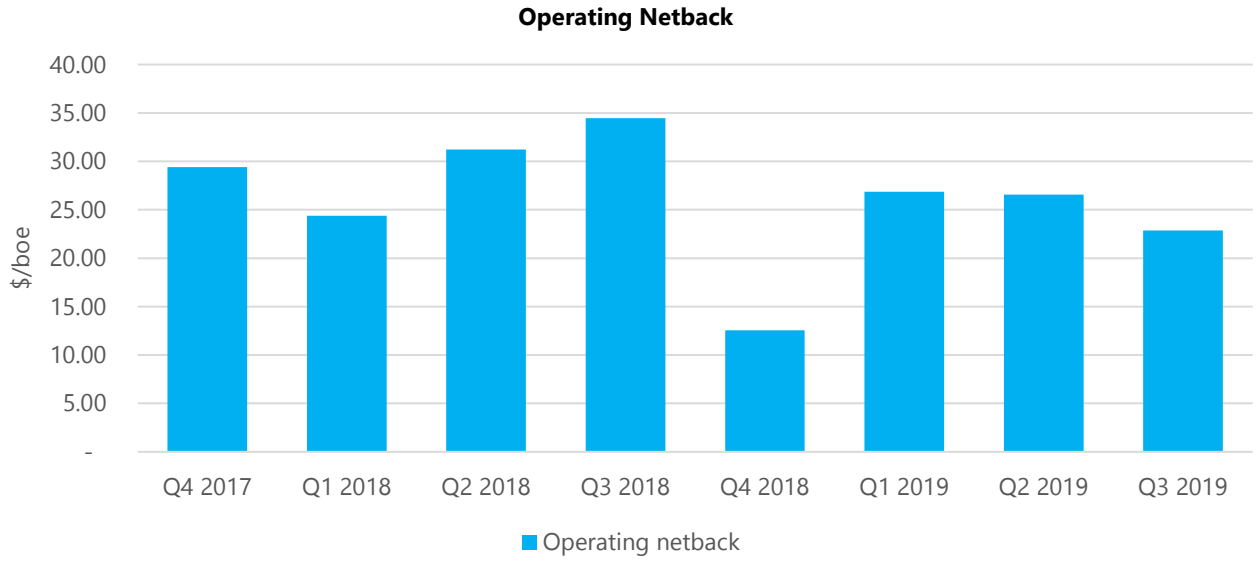
Transportation expenses in the third quarter of 2019 decreased $1.99 per boe to $2.93 per boe from the second quarter of 2019 due to reduced hauls to sales terminals in eastern Alberta that have higher trucking costs and no road restrictions that limited oil volumes per load in the second quarter of 2019.

Operating Netback

($/boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Petroleum and natural gas sales	**37.12**	48.29	(23)	**41.09**	46.30	(11)
Realized gain (loss) on financial instruments	**(0.22)**	-	-	**0.28**	-	-
Royalties	**(4.20)**	(4.57)	(8)	**(4.09)**	(4.59)	(11)
Operating	**(6.92)**	(7.09)	(2)	**(8.14)**	(10.10)	(19)
Transportation	**(2.93)**	(2.17)	35	**(3.79)**	(1.84)	106
Operating netback[(1)]	**22.85**	34.46	(34)	**25.35**	29.77	(15)

(1) Operating netback is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" included in the "Advisories" section at the end of this MD&A.

Altura's operating netback was $22.85 per boe in the third quarter of 2019 compared to $34.46 per boe in the third quarter of 2018. For the nine months ended September 30, 2019, Altura's operating netback was $25.35 per boe compared to $29.77 per boe in the same period of 2018. The decreases are mainly a result of lower petroleum and natural gas sales prices and higher per unit transportation costs, partially offset by decreased royalties and operating expenses.



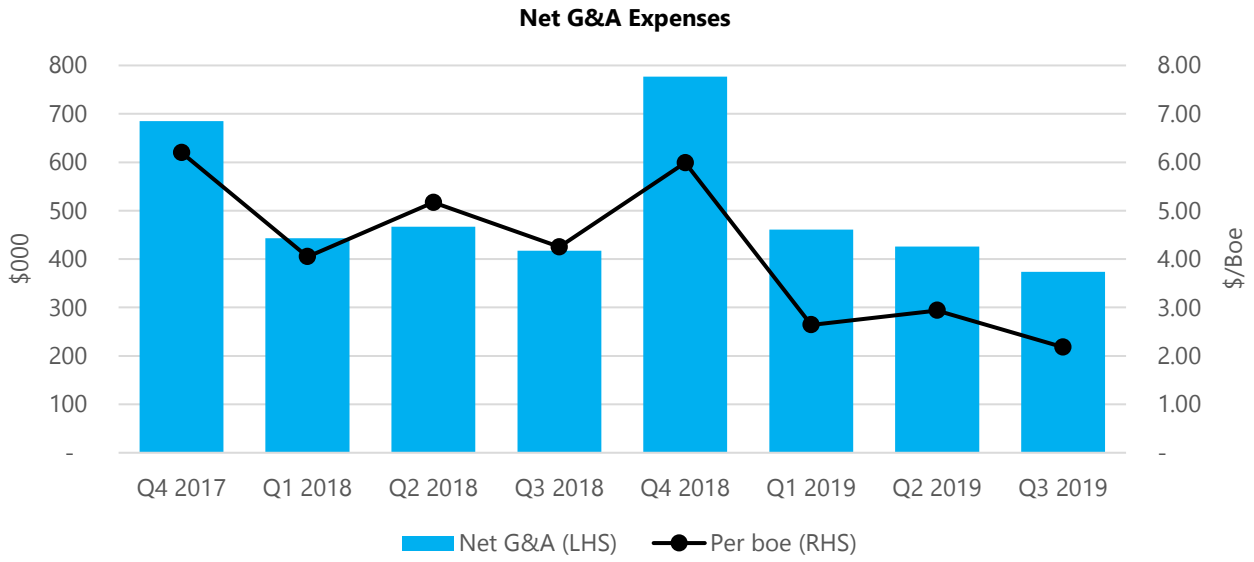
General and Administrative ("G&A") Expenses

($000, except per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Gross G&A	**567**	560	1	**1,765**	1,738	2
Capitalized G&A and overhead recoveries	**(193)**	(143)	35	**(504)**	(411)	23
Net G&A expenses	**374**	417	(10)	**1,261**	1,327	(5)
Net G&A per boe	**2.16**	4.25	(49)	**2.56**	4.46	(43)

Net G&A expenses totaled $374,000 in the third quarter of 2019, compared to $417,000 for the third quarter of 2018. In the nine months ended September 30, 2019, Altura's net G&A expenses were $1,261,000, a five percent decrease from the same period in 2018. The decreased net G&A in the three and nine months ended September 30, 2019 compared to the same periods in 2018 is mainly due to an increase in overhead recoveries related to Altura's Glauconitic property and increased capitalized G&A related to Altura's Entice area.

Net G&A expenses decreased 49 percent and 43 percent to $2.16 per boe and $2.56 per boe for the three and nine months ended September 30, 2019, respectively, compared to the same periods in 2018 due to increased production volumes.

Altura's policy is to capitalize costs that are directly attributable to investments of property and equipment or exploration and evaluation assets.



The increased G&A observed in the fourth quarter of 2017 and the fourth quarter of 2018 primarily relate to additional costs associated with performance-based compensation.

Exploration Expense

($000, except per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Exploration expense	**-**	**20**	(100)	**21**	20	5
Exploration expense per boe	**-**	**0.21**	(100)	**0.04**	0.07	(43)

Exploration expenses are costs incurred prior to acquiring the legal right to explore in an area. Exploration expense in the nine months ended September 30, 2019 relate to geophysical consulting incurred by the Corporation to evaluate Crown land sales and freehold lands available for leasing.

Interest and Financing Expenses

($000, except per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Credit facility interest and financing expenses	**47**	2	>500	**171**	137	25
Lease interest (non-cash)	**3**	-	-	**9**	-	-
Interest and financing expenses	**50**	**2**	>500	**180**	**137**	31
Credit facility interest and financing expenses per boe	**0.27**	**0.03**	>500	**0.35**	**0.46**	(24)

Interest and financing expenses totaled $50,000 and $180,000 in the three and nine months ended September 30, 2019, respectively, compared to $2,000 and $137,000 in the same periods of 2018. The increase in both periods is due to higher average bank debt, higher interest rates on Altura's credit facility and the recognition of lease interest. Altura's average interest rate in the nine months ended September 30, 2019 was 5.6 percent, compared to 5.0 percent in the same period of 2018.

Share-Based Compensation

($000)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Share-based compensation	**199**	234	(15)	**610**	791	(23)
Capitalized share-based compensation	**(64)**	(58)	10	**(150)**	(184)	(18)
Share-based compensation expense	**135**	182	(26)	**460**	607	(24)

Altura's share-based compensation is comprised of stock option expense and performance warrant expense. The Corporation estimates the fair-value of the incentive award based on a Black Scholes model for the determination of non-cash related share-based compensation and the expense is recorded over the expected life. Share-based compensation, net of capitalized amounts, totaled $135,000 and $460,000 in the three and nine months ended September 30, 2019, respectively, compared to $182,000 and $607,000 in the same periods of 2018. The decrease in the three and nine months ended September 30, 2019, as compared to the same periods of 2018, is mainly due to decreased performance warrant expense as two-thirds of the total performance warrants were fully expensed by July 2019.

Altura's policy is to capitalize costs that are directly attributable to investments of property and equipment or exploration and evaluation assets.

Depletion, Depreciation and Amortization ("DD&A")

($000, except per boe)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
DD&A	**2,685**	1,725	56	**7,596**	4,988	52
DD&A per boe	**15.52**	17.56	(12)	**15.43**	16.75	(8)

Altura uses proved and probable reserves to calculate DD&A expense. For the third quarter of 2019, DD&A increased 56 percent to $2,685,000 compared to $1,725,000 in the third quarter of 2018. On a per unit basis, DD&A decreased 12 percent to $15.52 per boe compared to $17.56 per boe in the third quarter of 2018.

For the nine months ended September 30, 2019, DD&A increased 52 percent to $7,596,000 compared to $4,988,000 in the same period of the prior year. On a per unit basis, DD&A was $15.43 per boe compared to $16.75 per boe in the same period of 2018.

The decreased DD&A per boe in the three and nine months ended September 30, 2019 compared to the same periods in 2018 reflects an increase in the Corporation's proved and probable reserves at a lower finding and development cost than the aggregate amount in the nine months ended September 30, 2018.

Impairment

Impairment is recognized when the carrying value of an asset or group of assets exceeds its recoverable amount, defined as the higher of its value in use or fair value less cost to sell. Any asset impairment that is recorded is recoverable to its original value less any associated DD&A expense should there be indicators that the recoverable amount of the asset has increased in value since the time of recording the initial impairment.

At September 30, 2019, Altura evaluated its developed and producing ("D&P") assets and exploration and evaluation ("E&E") assets on a cash generating unit basis for indicators of any potential impairment or related recovery. As a result of this assessment, no indicators were identified, and no impairment was recorded on Altura's D&P and E&E assets for the third quarter of 2019.

Deferred Taxes

The Corporation recognized a deferred tax expense of $120,000 and $713,000 in the three and nine months ended September 30, 2019, respectively, compared to $359,000 and $1,035,000 in the same periods of 2018. The deferred tax expense in the three and nine months ended September 30, 2019 was primarily due to the pre-tax income recorded in the respective periods.

On June 28, 2019, the Alberta government enacted legislation which reduces the Alberta corporate income tax rate from 12 percent to 8 percent over the period of July 1, 2019 through January 1, 2022. As a result, at September 30, 2019, the Corporation recognized a reduction of $186,000 in its deferred tax liability.

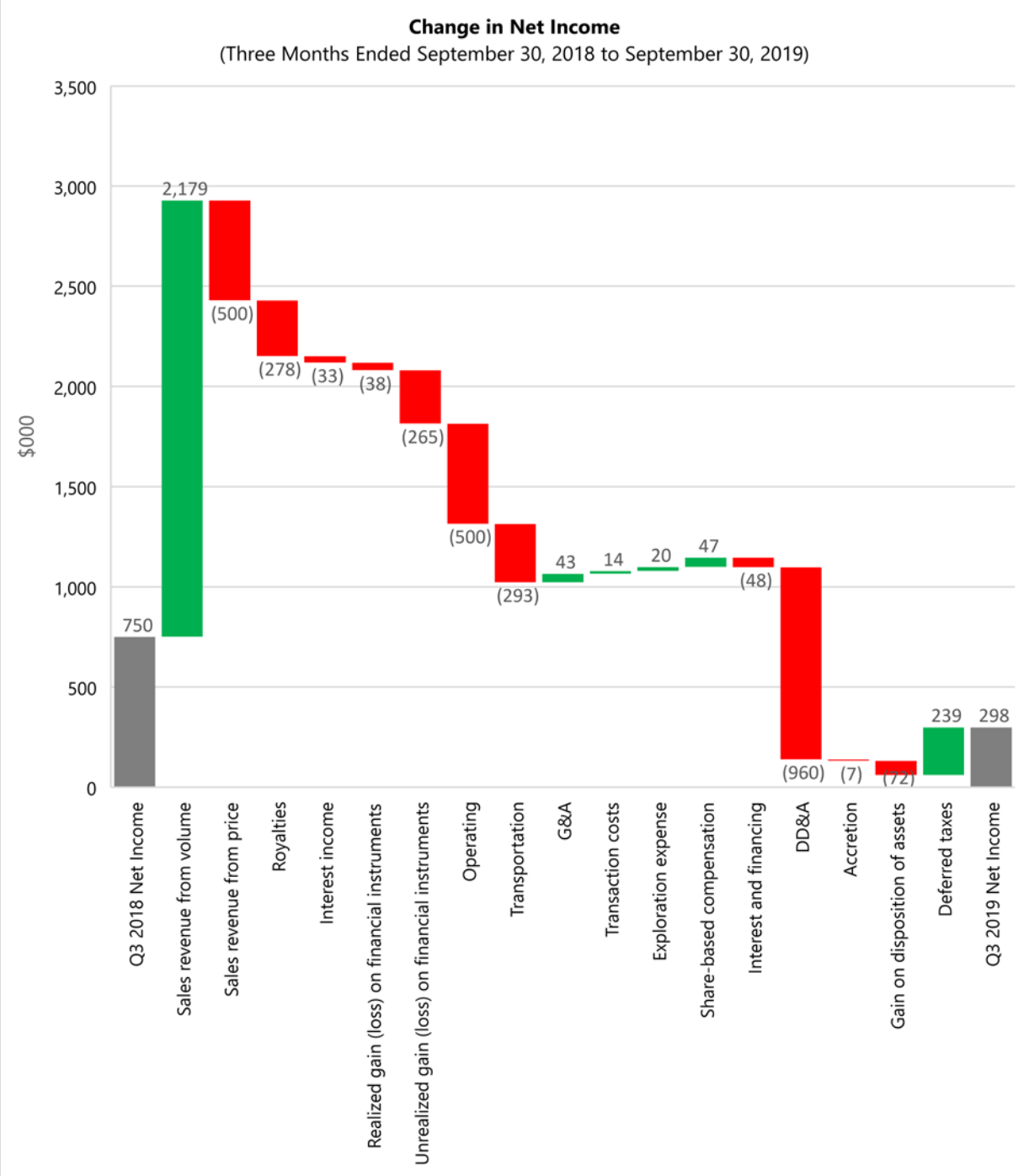
Net Income and Adjusted Funds Flow

	Three months ended September 30			**Nine months ended September 30**		
($000, except per share amounts and per boe)	**2019**	2018	% Change	**2019**	2018	% Change
Net income	**298**	750	(60)	**2,271**	3,677	(38)
Per share – diluted	**-**	0.01	(100)	**0.02**	0.03	(33)
Adjusted funds flow[(1)]	**3,532**	2,977	19	**11,031**	7,430	48
Per share – diluted[(1)]	**0.03**	0.03	-	**0.10**	0.07	43
Adjusted funds flow per boe[(1)]	**20.42**	30.31	(33)	**22.40**	24.95	(10)

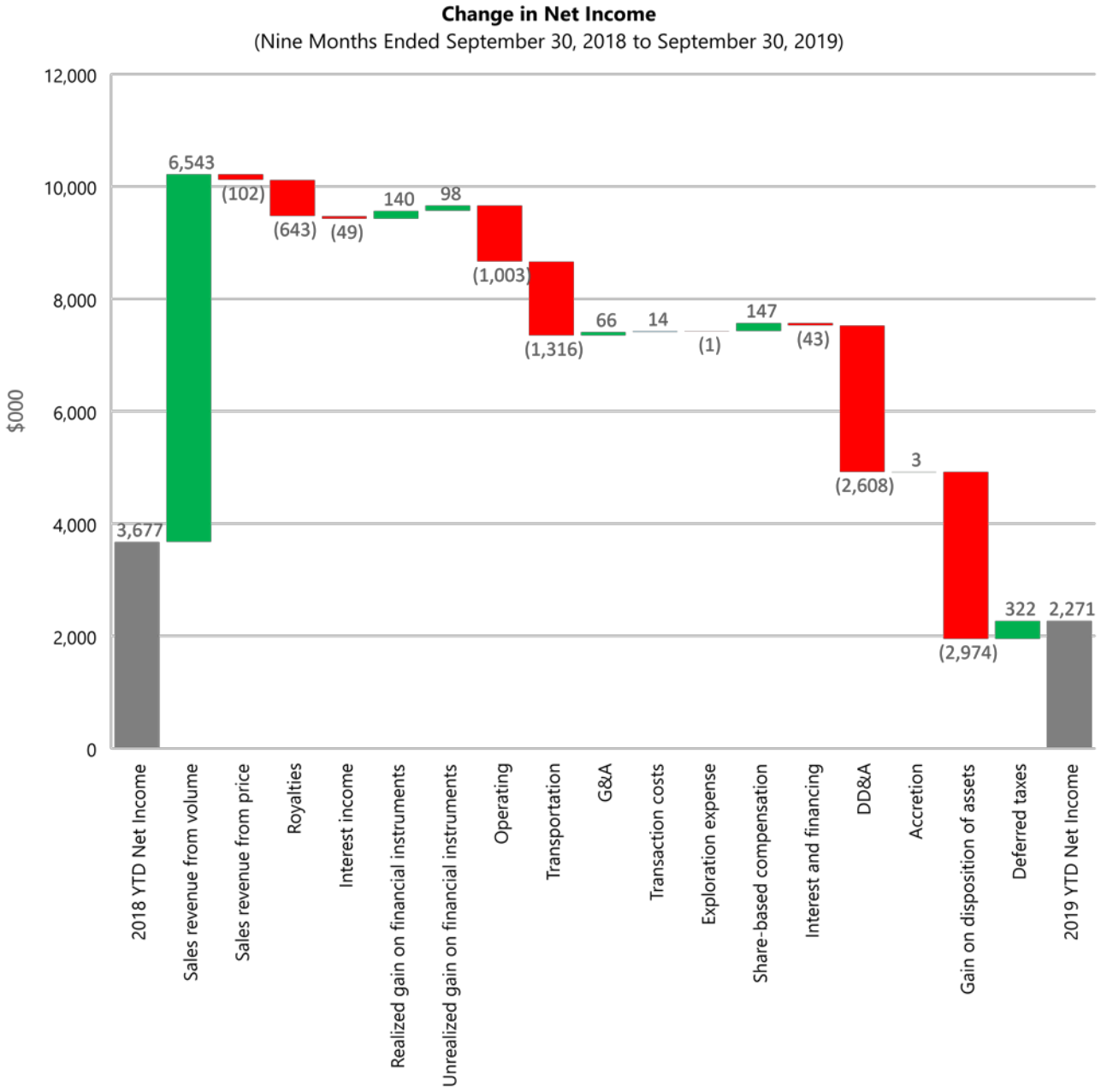
(1) Adjusted funds flow is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" included in the "Advisories" section at the end of this MD&A.

Net Income

In the third quarter of 2019, net income decreased by $452,000 to $298,000 compared to $750,000 in the third quarter of 2018. The decreased net income primarily reflects decreased sales revenue from price, losses on financial instruments and increased royalties, operating, transportation and DD&A expenses, partially offset by increased sales revenue from production volumes and decreased deferred tax expense.

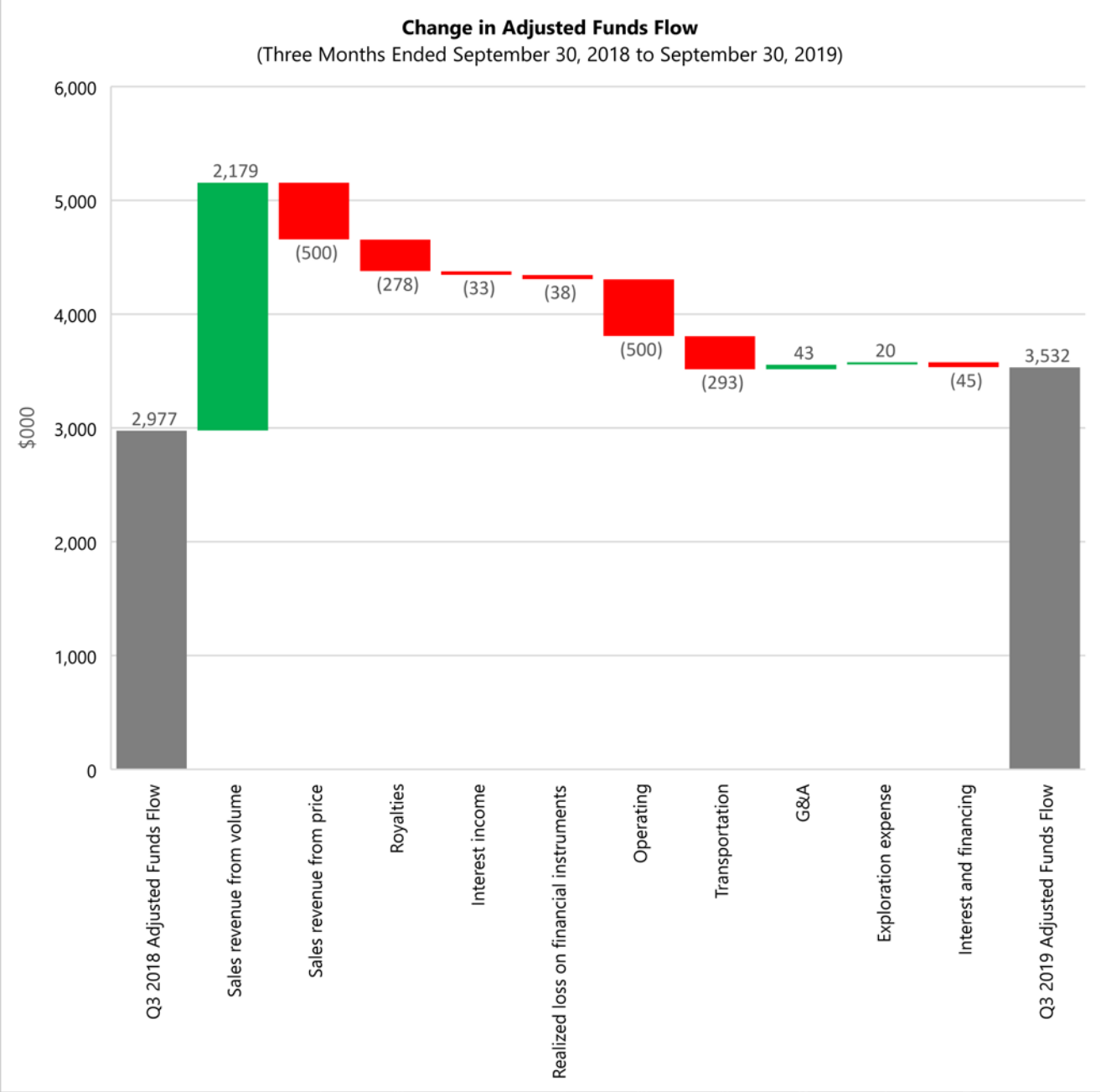


In the nine months ended September 30, 2019, net income decreased by $1,406,000 to $2,271,000 compared to $3,677,000 in the same period of 2018. The decreased net income primarily reflects no gain on disposition of assets and increased royalties, operating, transportation, and DD&A expenses, partially offset by increased sales revenue from production volumes, lower share-based compensation and gains on financial instruments.

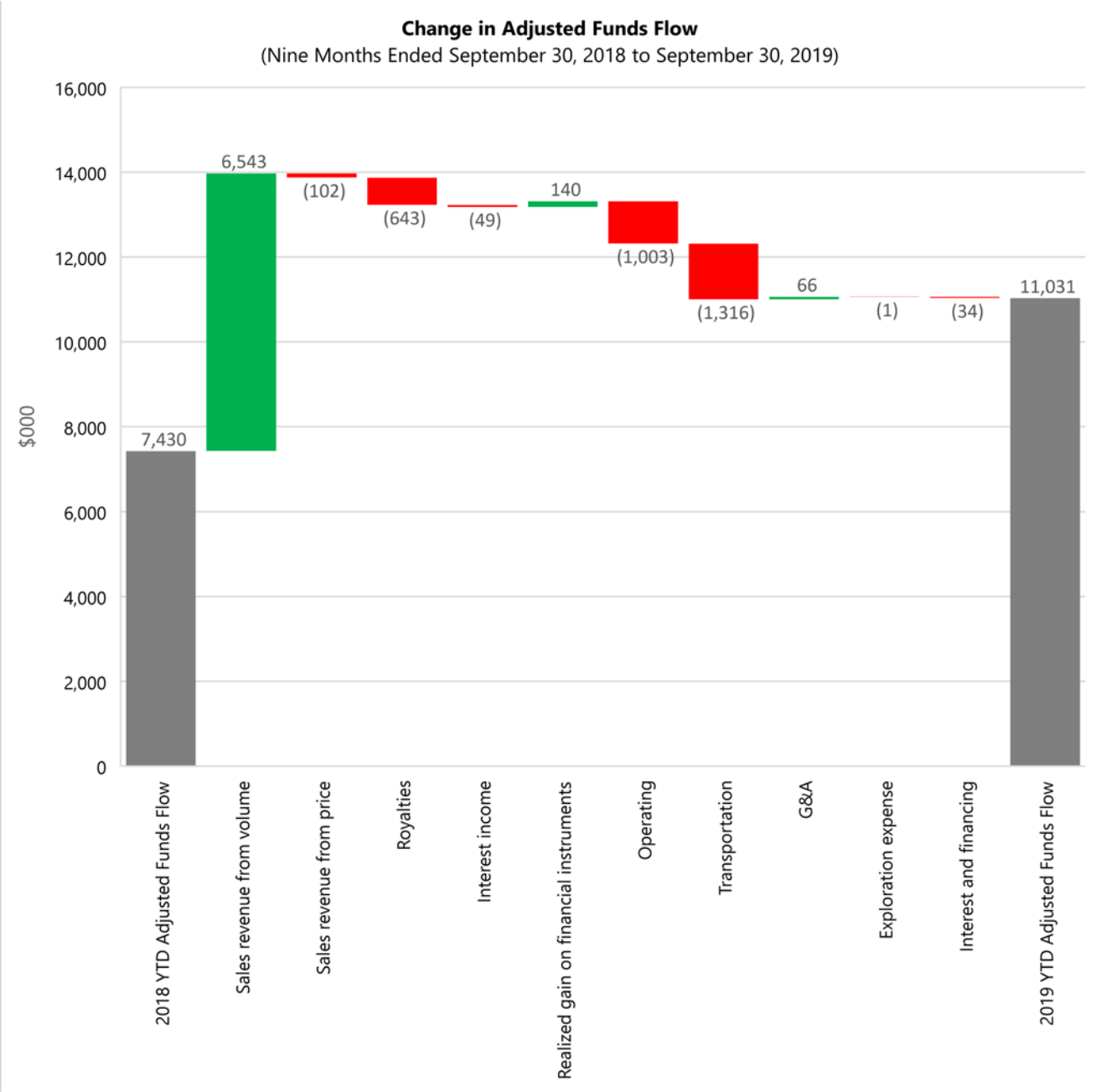


Adjusted Funds Flow

In the third quarter of 2019, adjusted funds flow increased by $555,000 to $3,532,000 compared to $2,977,000 in the third quarter of 2018. The increase primarily reflects increased sales revenue from production volumes, partially offset by decreased sales revenue from price and increased royalties, operating and transportation expenses.



In the nine months ended September 30, 2019, adjusted funds flow increased by $3,601,000 to $11,031,000 compared to $7,430,000 in the same period of 2018. The increase primarily reflects increased sales revenue from production volumes and a gain on realized financial instruments, partially offset by decreased sales revenue from price and increased royalties, operating, and transportation expenses.



Capital Expenditures

($000)	Three months ended September 30			Nine months ended September 30		
	2019	2018	% Change	**2019**	2018	% Change
Geological and geophysical	**5**	-	-	**41**	21	95
Land	**70**	73	(4)	**821**	266	209
Drilling and completions	**2,588**	14,443	(82)	**5,830**	22,260	(74)
Workovers	**415**	194	114	**1,281**	770	66
Equipping and tie-in	**716**	924	(23)	**1,599**	1,343	19
Facilities and pipelines	**32**	2,374	(99)	**1,354**	5,238	(74)
Other	**(273)**	(1,291)	(79)	**430**	508	(15)
Capital expenditures	**3,553**	16,717	(79)	**11,356**	30,406	(63)
Property acquisitions	**-**	2,608	(100)	**-**	2,608	(100)
Property dispositions	**-**	29	(100)	**-**	(27,683)	(100)
Total capital expenditures	**3,553**	19,354	(82)	**11,356**	5,331	113

In the third quarter of 2019, Altura invested $3.6 million on property and equipment and exploration and evaluation assets. The Corporation completed two extended reach horizontal ("ERH") wells at Leduc-Woodbend that were brought on production in August 2019. Altura drilled a third ERH well at Leduc-Woodbend that is planned to be completed and brought on production in the fourth quarter of 2019.

The Corporation commenced its waterflood pilot project in the third quarter of 2019 with the conversion of a producing well to a water injection well. Additionally, Altura changed its artificial lift system on three wells to improve run-time efficiencies and limit operating and capital workover events. The credit of $0.3 million in the "Other" category includes $0.4 million of well casing and tubulars that were pre-purchased in the second quarter of 2019 and were transferred to drilling and completion costs in the third quarter of 2019.

Year-to-date, Altura has drilled three and completed two ERH wells at Leduc-Woodend and drilled a vertical stratigraphic well in a new area called Entice, located south of Strathmore, Alberta. Additionally, the Corporation changed its artificial lift system on nine wells totaling $0.6 million of workovers expenditures and $1.1 million related to equipping expenditures.

Decommissioning Liability

At September 30, 2019, Altura's decommissioning liability was $6.7 million (December 31, 2018 - $5.8 million) for the future abandonment and reclamation of Altura's properties. The estimated decommissioning liability includes cost assumptions to abandon wells or reclaim the property, the time frame in which such costs will be incurred as well as annual inflation factors (2.0 percent at September 30, 2019 and December 31, 2018) used to calculate the undiscounted total future liability. The future liability has been discounted at the Bank of Canada's long-term risk-free bond rate of 1.5 percent (December 31, 2018 – 2.2 percent).

Abandonment cost estimates are derived from both third-party industry and government sources and operational knowledge of the properties. The estimates are reviewed quarterly and adjusted as new information regarding the liability is determined. The change in liability is due to a revision of the risk-free discount rate from 2.2 percent to 1.5 percent, new wells drilled in the first nine months of 2019 and accretion expense.

Accretion expense is the increase in the decommissioning liability resulting from the passage of time. For the three and nine months ended September 30, 2019, accretion expense totaled $26,000 and $80,000 (September 30, 2018 - $19,000 and $83,000), respectively.

The Corporation's Liability Management Rating ("LMR") with the Alberta Energy Regulator ("AER") was 9.98 at October 5, 2019. The LMR is the ratio of the Corporation's deemed assets to its deemed liabilities and is updated monthly. An LMR rating less than 1.0 would require the Corporation to pay a deposit to the AER. Additionally, Altura's revolving operating demand loan includes a covenant requiring the Corporation to maintain a Licensee Liability Rating ("LLR") in Alberta, Saskatchewan and British Columbia, in each case, of no less than 2.0. Altura's LLR with the AER was 9.98 at October 5, 2019, consistent with its LMR.

CAPITAL RESOURCES AND LIQUIDITY

Working Capital

The Corporation had an adjusted working capital deficit of $5.2 million at September 30, 2019 compared to an adjusted working capital deficit of $4.8 million at December 31, 2018. At September 30, 2019, the major components of Altura's current assets were accounts receivable (75 percent) to be received from its oil and gas marketers in respect to September 2019 production. Altura routinely assesses the financial strength of its marketers and joint interest partners and has determined all past due accounts receivable to be collectible. Current liabilities largely consist of trade and joint interest payables (13 percent) and accrued liabilities (28 percent) related to the Corporation's operations and bank debt (56 percent). The Corporation manages its working capital using a combination of its cash flow from operating activities and advances under its revolving operating demand loan credit facility and, if applicable, funds from debt and equity issuances and asset divestitures. Altura invests its excess cash, if any, in a short-term interest-bearing account with its lender.

Credit Facility

The Corporation has a revolving operating demand loan (the "Credit Facility") with a Canadian bank (the "Lender") with a maximum borrowing limit of $10.0 million. The Credit Facility is payable on demand and the interest rate is equal to the Lender's prime rate plus 1.75 percent per annum on the outstanding principal, payable monthly.

Altura is subject to certain reporting and financial covenants including:

- the Corporation is required to maintain a working capital ratio of at least 1:1, but for the purposes of the covenant, the Credit Facility and the fair value of any commodity contracts are excluded and the unused portion of the Credit Facility is added to current assets.
- the Corporation will, at all times, maintain hedging agreements covering no less than 300 bbl/d oil (Western Canadian Select) for no less than the succeeding nine-month period, on a rolling basis; and
- the Corporation will maintain a LLR in Alberta, Saskatchewan and British Columbia, in each case, of no less than 2.0.

As at September 30, 2019, the working capital ratio as defined was 2.30:1 (December 31, 2018 – 1.29:1) and the Corporation was compliant with the hedging covenant and the LLR covenant.

As at September 30, 2019, $4.6 million (December 31, 2018 - $2.1 million) was drawn on the Credit Facility and the Corporation had outstanding letters of credit for $160,000 (December 31, 2018 - $160,000). The next review date for the Credit Facility has been scheduled for May 31, 2020 but may be set at an earlier or later date at the sole discretion of the Lender.

Shareholders' Equity

At September 30, 2019 there were 108,920,973 common shares outstanding, 9,749,879 performance warrants outstanding and 9,770,000 stock options outstanding. The number of common shares and performance warrants remain unchanged from December 31, 2018.

At November 8, 2019 the number of common shares, performance warrants and stock options outstanding remain unchanged from September 30, 2019.

Liquidity

($000)	**September 30, 2019**	December 31, 2018
Current assets	**3,054**	854
Fair value of financial instruments included in current assets	**(98)**	-
Current liabilities	**(8,149)**	(5,674)
Adjusted working capital deficit[1]	**(5,193)**	(4,820)
Credit Facility capacity[2]	**9,840**	5,840
Available funding	**4,647**	1,020

(1) Adjusted working capital deficit is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" included in the "Advisories" section at the end of this MD&A.

(2) As at September 30, 2019, $160,000 in letters of credit were issued and outstanding (December 31, 2018 - $160,000).

At September 30, 2019, Altura had $4.6 million of available funding capacity from its Credit Facility (December 31, 2018 - $1.0 million).

Net debt

Net debt as at September 30, 2019 and December 31, 2018 is calculated as follows:

($000)	**September 30, 2019**	December 31, 2018
Adjusted working capital deficit[1]	**5,193**	4,820
Current portion of lease liabilities	**(48)**	-
Current portion of decommissioning liability	**(15)**	(15)
Net debt[1]	**5,130**	4,805
Net debt to annualized adjusted funds flow[1][2]	**0.4**	1.5

(1) Adjusted working capital deficit, net debt and adjusted funds flow are non-GAAP measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" included in the "Advisories" section at the end of this MD&A.

(2) Refer to Note 12 "Capital Management" in the financial statements regarding net debt to annualized adjusted funds flow.

The Corporation's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. Altura's net debt of $5.1 million as at September 30, 2019 was comparable to $4.8 million at December 31, 2018 as adjusted funds flow approximated capital expenditures in the nine months ended September 30, 2019. The increased adjusted funds flow compared to the fourth quarter of 2018 resulted in net debt to annualized adjusted funds flow improving to 0.4 times at September 30, 2019 compared to 1.5 times at December 31, 2018.

Capital Resources

Altura's 2019 capital expenditure forecast is $13.5 million, as highlighted in the "2019 Guidance" section of this MD&A. As at September 30, 2019, $11.4 million has been invested, with $2.1 million forecasted for the fourth quarter of 2019. Altura expects to have the liquidity to fund the capital program through a combination of cash flow from operating activities and available funding from its Credit Facility.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Altura has contractual obligations in the normal course of operations including operating agreements, transportation commitments, royalty obligations, lease rental obligations and employee agreements. These obligations are of a recurring, consistent nature and impact Altura's cash flows in an ongoing manner.

SUMMARY OF QUARTERLY INFORMATION

	2019			2018				2017
Quarters Ended	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
OPERATING								
Average daily production								
Heavy oil (bbls/d)	**1,150**	1,016	1,404	1,044	805	478	547	544
Medium oil (bbls/d)	**-**	-	68	46	51	271	408	414
Natural gas (Mcf/d)	**3,733**	2,914	2,510	1,699	1,128	1,309	1,336	1,286
NGLs (bbls/d)	**108**	88	47	38	23	23	37	30
Total (boe/d)	**1,880**	1,591	1,939	1,412	1,067	991	1,215	1,202
Average realized sales price								
Heavy oil ($/bbl)	**55.31**	62.83	51.62	25.28	56.59	58.83	45.58	48.54
Medium oil ($/bbl)	**-**	-	48.97	51.44	66.74	67.64	51.06	55.73
Natural gas ($/Mcf)	**0.95**	1.30	2.06	1.74	1.23	1.32	2.14	1.81
NGLs ($/bbl)	**24.42**	24.23	37.16	40.19	51.30	51.68	50.44	45.46
Total ($/boe)	**37.12**	43.89	42.71	23.57	48.29	49.87	41.58	44.22
($/boe)								
Petroleum and natural gas sales	**37.12**	43.89	42.71	23.57	48.29	49.87	41.58	44.22
Realized gain (loss) on financial instruments	**(0.22)**	1.23	-	-	-	-	-	-
Royalties	**(4.20)**	(4.08)	(3.98)	(2.40)	(4.57)	(4.69)	(4.54)	(3.24)
Operating expenses	**(6.92)**	(9.56)	(8.18)	(6.16)	(7.09)	(12.26)	(11.01)	(9.72)
Transportation expenses	**(2.93)**	(4.92)	(3.70)	(2.45)	(2.17)	(1.70)	(1.65)	(1.86)
Operating netback[1]	**22.85**	26.56	26.85	12.56	34.46	31.22	24.38	29.40
General and administrative	**(2.16)**	(2.94)	(2.64)	(5.99)	(4.25)	(5.17)	(4.05)	(6.20)
Exploration expense	**-**	-	(0.12)	(0.04)	(0.21)	-	-	-
Credit facility interest and financing expense	**(0.27)**	(0.50)	(0.29)	(0.18)	(0.03)	(0.88)	(0.51)	(0.38)
Interest income	**-**	-	-	-	0.34	0.18	-	-
Adjusted funds flow per boe[1]	**20.42**	23.12	23.80	6.35	30.31	25.35	19.82	22.82
FINANCIAL ($000, except per share)								
Petroleum and natural gas sales	**6,420**	6,353	7,453	3,062	4,741	4,497	4,547	4,893
Adjusted funds flow[1]	**3,532**	3,346	4,153	826	2,977	2,285	2,168	2,526
Per share – diluted[1]	**0.03**	0.03	0.04	0.01	0.03	0.02	0.02	0.02
Cash flow from operating activities	**3,181**	3,568	2,290	4,200	831	2,313	2,443	1,940
Per share – diluted	**0.03**	0.03	0.02	0.04	0.01	0.02	0.02	0.02
Net income (loss)	**298**	1,044	929	(984)	750	2,750	177	(1,032)
Per share – diluted[2]	**-**	0.01	0.01	(0.01)	0.01	0.02	-	(0.01)
($000)								
Capital expenditures	**3,553**	6,350	1,453	3,050	16,717	6,344	7,345	3,083
Property acquisitions (dispositions)	**-**	-	-	986	2,637	(27,712)	-	(355)
Total assets	**61,202**	59,719	55,704	54,023	54,793	49,957	55,973	50,807
Net debt (working capital surplus)[1]	**5,130**	5,109	2,105	4,805	1,872	(14,761)	8,495	3,663
Shareholders' equity	**44,748**	44,251	42,983	41,867	42,633	41,643	38,616	38,165
Common shares outstanding (000)								
Weighted average for the period - basic[2]	108,921	108,921	108,921	108,921	108,921	108,921	108,921	108,921
Weighted average for the period - diluted[2]	109,517	110,503	110,430	110,260	112,281	110,546	109,133	109,570
Shares outstanding, end of period	108,921	108,921	108,921	108,921	108,921	108,921	108,921	108,921

(1) Adjusted funds flow, net debt, and operating netback are non-GAAP measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" included in the "Advisories" section at the end of this MD&A.

(2) Basic weighted average shares are used to calculate diluted per share amounts when the Corporation is in a loss position.

Quarter over quarter changes in revenue from the fourth quarter of 2017 are the result of changes in oil and gas volumes sold as well as changes in Altura's average realized price. The decline in production in the second quarter of 2018 is a result of the disposition of assets in east central Alberta and Saskatchewan on May 31, 2018. Production volumes increased in the third and fourth quarters of 2018 and the first quarter of 2019 with seven new Leduc-Woodbend wells being brought on production

in the second half of 2018 and one well being brought on production in the first quarter of 2019. Production volumes declined in the second quarter of 2019 as no new wells were brought on production and Altura had decreased well run-time efficiency due to pump failures. Two wells were brought on production in the third quarter of 2019, increasing average production volumes. Realized crude oil prices declined sharply in the fourth quarter of 2018 due to wide Canadian oil differentials but recovered in the first quarter of 2019 as Canadian oil differentials narrowed as a result of the Alberta government mandatory curtailment.

Capital expenditures in the first quarter of 2018 included drilling two wells, pipeline construction costs and facility equipment purchases. In the second and third quarters of 2018, Altura drilled eight wells, completed seven wells and constructed a multi-well battery at Leduc-Woodbend. In the fourth quarter of 2018, Altura's capital investments included one well completion and facility work at the previously commissioned multi-well battery. Capital expenditures in the first three quarters of 2019 included drilling three and completing two horizontal wells at Leduc-Woodbend and one vertical well in a new area. Additionally, capital investment in 2019 included an electrification project at Altura's multi-well battery and associated pad sites, pipeline construction, and a solution gas compressor. In the second and third quarters of 2019, Altura changed its artificial lift system on nine wells to improve run-time efficiencies and limit operating and capital workover events.

In the fourth quarter of 2017, Altura recorded an impairment expense for $1.5 million resulting in a loss. In the second quarter of 2018, Altura recorded net income of $2.8 million mainly due to a gain on disposition of assets, partially offset by a deferred tax expense. In the third quarter of 2018, the Corporation recorded net income of $0.8 million and in the fourth quarter of 2018 Altura recorded a net loss of $1.0 million, due mainly to the decline in realized oil prices. In the first and second quarters of 2019, Altura recorded net income of $0.9 million and $1.0 million, respectively, from increased production volumes and higher crude oil prices. Net income decreased in the third quarter of 2019 due to lower realized commodity prices.

OFF BALANCE SHEET ARRANGEMENTS

Altura does not have any off-balance sheet arrangements that would result in a material change to its financial position, performance or adjusted funds flow during the reporting periods.

RELATED PARTY TRANSACTIONS

Other than the payment of compensation to key management personnel and the board of directors, the Corporation has not entered into any related party transactions.

CRITICAL ACCOUNTING ESTIMATES

The Corporation's financial and operating results incorporate certain estimates including:

- estimated revenues, royalties and operating expenses on production as at a specific reporting date but for which actual revenues and expenses have not yet been received;
- estimated capital expenditures on projects that are in progress;
- estimated DD&A that are based on estimates of oil and gas reserves that the Corporation expects to recover in the future, commodity prices, estimated future salvage values and estimated future capital costs;
- estimated value of decommissioning liabilities that are dependent upon estimates of future costs, timing of expenditures and the risk-free rate;
- estimated income and other tax liabilities requiring interpretation of complex laws and regulations. All tax filings are subject to audit and potential reassessment after the lapse of considerable time;
- estimated share-based compensation expense using the Black-Scholes option pricing model; and
- estimated recoverable amounts are based on estimated proved plus probable reserves, production rates, oil and gas prices, future costs, discount rates and other relevant assumptions.

The Corporation 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 budgets in order to make more informed decisions on future estimates.

RISK FACTORS & RISK MANAGEMENT

Altura monitors and complies with current government regulations that affect its activities, although operations may be adversely affected by changes in government policy, regulations or taxation. In addition, Altura maintains a level of liability, and property insurance, which is believed to be adequate for the Corporation's size and activities but is unable to obtain insurance to cover all risks within the business or in amounts to cover all possible claims. See "Forward-Looking Information" in this MD&A and "Risk Factors" in Altura's most recently filed annual information form for additional information.

IMPACT OF NEW ENVIRONMENTAL REGULATIONS

The oil and gas industry is currently subject to regulation pursuant to a variety of provincial and federal environmental legislation, all of which is subject to governmental review and revision from time to time. Such legislation provides for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain oil and gas industry operations, such as sulphur dioxide and nitrous oxide. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites. Compliance with such legislation can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability and the imposition of material fines and penalties.

Climate change regulation has the potential to significantly affect the regulatory environment of the crude oil and natural gas industry in Canada. In addition, the Supreme Court's decision in *Orphan Well Association v Grant Thornton Limited* may impact the manner in which provincial regulators seek to regulate their liability management and end-of-life asset retirement regimes. Such climate change and other environmental regulations impose certain costs and risks on the industry, and there remains some uncertainty with regard to the impacts of federal or provincial climate change and environmental laws and regulations, as Altura is unable to predict additional legislation or amendments that governments may enact in the future. Any new laws and regulations, or additional requirements to existing laws and regulations, could have a material impact on the Corporation's operations and adjusted funds flow.

Additional information is available in Altura's AIF that is filed on SEDAR at www.sedar.com.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2019, Altura adopted IFRS 16, "Leases" ("IFRS 16"). The Corporation has applied the new standard using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. Therefore, the comparative information in the Corporation's financial statements have not been restated. On adoption, Altura elected to use the following practical expedient permitted under the standard:

- Short-term leases and leases of low-value assets are not recognized on the balance sheet and lease payments are instead recognized in the financial statements as incurred.

The impacts of adoption of IFRS 16 as at January 1, 2019 was a $241,000 increase to right-of-use ("ROU") assets with a corresponding increase to lease liabilities. The ROU assets and lease liabilities were measured at the present value of the remaining lease payments, discounted using Altura's weighted average incremental borrowing rate of 5.6 percent, as at January 1, 2019.

Management applies judgment in reviewing each of its contractual arrangements to determine whether the arrangement contains a lease within the scope of IFRS 16. The measurement of lease liabilities is subject to management's judgment of the applicable incremental borrowing rate.

Altura's adjusted funds flow was impacted by the adoption of IFRS 16. Where lease payments made for certain operating items were previously included in G&A, these payments are now reflected as payments of interest and lease liabilities, which increases adjusted funds flow. As IFRS 16 was adopted using a modified retrospective approach, prior period comparatives have not been restated and may not be comparable.

ADVISORIES

Non-GAAP Measures

This MD&A and third quarter report contains references to measures used in the oil and natural gas industry such as "adjusted funds flow", "adjusted working capital deficit", "net debt", and "operating netback". The data presented in this MD&A and third quarter report is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These reported non-GAAP measures and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used, they should be given careful consideration by the reader.

Adjusted Funds Flow

Altura considers adjusted funds flow to be a key measure of performance as it demonstrates the Corporation's ability to generate the necessary funds for sustaining capital, future growth through capital investment, and to repay debt. Management believes that such a measure provides a useful assessment of Altura's business on a continuing basis by eliminating certain non-cash charges, transaction costs, if any, and actual settlements of decommissioning obligations, the timing of which, in the opinion of management, is discretionary.

Altura reports adjusted funds flow in total, on a per share basis and on a per boe basis. The Corporation's adjusted funds flow is disclosed in the "Net Income and Adjusted Funds Flow" section of this MD&A on page 15. The following schedule sets out the reconciliation of net income to adjusted funds flow and cash flow from operating activities for the reporting period and the comparable prior period:

	Three months ended September 30		Nine months ended September 30	
($000)	**2019**	2018	**2019**	2018
Net income	**298**	750	**2,271**	3,677
Adjusted for the following non-cash items				
Deferred tax expense	**120**	359	**713**	1,035
Depletion, depreciation and amortization	**2,685**	1,725	**7,596**	4,988
Accretion of decommissioning liability	**26**	19	**80**	83
Share-based compensation	**135**	182	**460**	607
Gain on disposition of assets	**-**	(72)	**-**	(2,974)
Lease interest	**3**	-	**9**	-
Unrealized loss (gain) on financial instruments	**265**	-	**(98)**	-
Transaction costs on acquisition	**-**	14	**-**	14
Adjusted funds flow	**3,532**	2,977	**11,031**	7,430
Decommissioning liabilities settled	**-**	(21)	**-**	(21)
Transaction costs on property acquisition	**-**	(14)	**-**	(14)
Transaction costs on property disposition	**-**	(14)	**-**	(411)
Changes in non-cash operating working capital	**(351)**	(2,097)	**(1,992)**	(1,397)
Cash flow from operating activities	**3,181**	831	**9,039**	5,587

Adjusted Working Capital Deficit and Net Debt

Management views adjusted working capital deficit and net debt as key industry benchmarks and measures to assess the Corporation's financial position and liquidity. Adjusted working capital deficit is calculated as current assets, excluding the Fair Value of Financial Instruments less current liabilities, excluding the Fair Value of Financial Instruments. Net debt is calculated as adjusted working capital deficit less the current portion of lease liabilities and less the current portion of the decommissioning liability. Management has excluded the current portion of the decommissioning liability as this is an estimate based on management's assumptions and subject to volatility based on changes in cost and timing estimates, the risk-free discount rate and inflation rate. Altura's adjusted working capital deficit and net debt are disclosed in the "Liquidity" and "Net Debt" sections of this MD&A on page 22.

Operating Netback

Altura calculates operating netback on a per boe basis as petroleum and natural gas sales plus (minus) realized gain (loss) on financial instruments less royalties, operating and transportation costs. Management feels that operating netback is a key industry benchmark and a measure of performance for Altura that provides investors with information that is commonly used by other crude oil and natural gas producers. The measurement on a per boe basis assists management and investors with evaluating operating performance on a comparable basis. Altura's operating netback is disclosed in the "Operating Netback" section of this MD&A on page 12.

Barrels of Oil Equivalent

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 bbl) of crude oil. The boe conversion ratio of 6 Mcf to 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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Forward-looking Information

This MD&A and third quarter report contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "budget", "forecast", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A and third quarter report contains forward-looking information and statements pertaining to:

- the completion and on production date for Altura's third ERH well;
- positive production response from the Corporation's waterflood pilot project;
- plans to advance the drilling of a horizontal well at Entice;
- forecasted average production and percent growth for 2019; and
- plans to provide guidance on its 2020 capital program in early 2020.

The forward-looking information and statements contained in this MD&A and third quarter report reflect several material factors and expectations and assumptions of Altura including, without limitation:

- the continued performance of Altura's oil and gas properties in a manner consistent with its past experiences;
- that Altura will continue to conduct its operations in a manner consistent with past operations;
- the general continuance of current industry conditions;
- the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes;
- the accuracy of the estimates of Altura's reserves and resource volumes;
- certain commodity price and other cost assumptions;
- the continued availability of oilfield services; and
- the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

Altura believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. To the extent that any forward-looking information contained herein may be considered future oriented financial information or a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeting and developing future plans and readers are cautioned that the information may not be appropriate for other purposes.

The forward-looking information and statements included in this MD&A and third quarter report are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation:

- changes in commodity prices;
- changes in the demand for or supply of Altura's products;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, royalty rates or other regulatory matters;
- changes in development plans by Altura or by third party operators, if any, of Altura's properties,
- increased debt levels or debt service requirements;
- inaccurate estimation of Altura's oil and gas reserve and resource volumes;
- limited, unfavorable or a lack of access to capital markets;
- increased costs;
- a lack of adequate insurance coverage;
- the impact of competitors; and
- certain other risks detailed from time to time in Altura's public documents.

The forward-looking information and statements contained in this MD&A and third quarter report speak only as of the date of this MD&A and third quarter report, and Altura does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.