

WESTBRIDGE ENERGY CORPORATION

Management's Discussion and Analysis

Year Ended December 31, 2018

Form 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
WESTBRIDGE ENERGY CORPORATION

Date

The effective date of this MD&A is April 29, 2019.

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Westbridge Energy Corporation ("Westbridge" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2018. This MD&A was written to comply with the requirements of National Instrument 51-102 Continuous Disclosure Obligations.

This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.

The results for the year ended December 31, 2018 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at this date, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors.

Additional information about Westbridge is available at www.Sedar.com.

Description of the Business

Westbridge Energy Corporation (the “Company”) is incorporated under the laws of British Columbia and its principal business activity is the acquisition and development of oil and gas properties. The Company was incorporated on February 9, 1956.

On April 9, 2019, the Company’s common share listing was transferred to NEX, a separate board of the TSX Venture Exchange (“TSX.V”), for failing to meet all of the Tier 2 Maintenance Requirements (“TMR”). NEX is a separate board of the TSX.V for companies previously listed on the TSX.V or the Toronto Stock Exchange which have failed to maintain compliance with on-going financial listing standards of those markets. NEX has been designed to provide a forum for the trading of publicly listed companies without business revenues while they seek and undertake transactions in furtherance of a qualifying business acquisition and their reactivation on the TSX.V or the Toronto Stock Exchange.

The address of the Company’s corporate office and principal place of business is Suite 530 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6. Westbridge Energy Corporation is a junior oil and natural gas exploration and production company. However, at this time, it has no active projects.

Financing Activity During the Year Ended December 31, 2018

960,000 share purchase warrants were exercised at \$0.05 for gross proceeds of \$48,000.

Subsequent to December 31, 2018, 1,300,000 share purchase warrants were exercised for gross proceeds of \$65,000.

Selected Annual Financial Information

	Year-end 12/31/18	Year-end 12/31/17	Year-end 12/31/16
Basis of preparation	IFRS	IFRS	IFRS
Revenues (Net)	\$ Nil	\$ (4,255)	\$ 16,682
General and Administrative Expenses (not including stock based compensation)	112,700	98,912	105,174
Stock Based Compensation Expenses	-	-	-
Comprehensive Loss Per Share	(370,376) (0.05)	(111,044) (0.02)	(101,745) (0.02)
Working Capital (Deficiency)	(620,788)	(548,412)	(473,108)
Exploration and evaluation assets	-	-	-
Long Term Liabilities	17,311	17,311	17,311
Shareholders' Equity (Deficiency)			
Dollar Amount	\$ (638,099)	\$ (315,723)	\$ (221,679)
Number of Securities	7,059,293	6,099,293	5,759,293

Results of Operations

Summary of Quarterly results

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas Revenue, net of royalties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,404
Operating Expenses	-	-	-	-	-	-	541	6,118
Net Revenue (Loss) after Operating Expenses	-	-	-	-	-	-	(541)	(3,714)
General and Admin Expenses	35,158	17,526	34,029	25,987	27,863	22,223	25,404	23,422
Income (loss) before other items	(35,158)	(17,526)	(34,029)	(25,987)	(27,863)	(22,223)	(25,945)	(27,136)
Other Items	(258,186)	-	11	499	(8,265)	-	(57)	445
Currency translation adjustment	-	-	-	-	-	-	-	-
Comprehensive loss for the period	(293,344)	(17,526)	(34,018)	(25,488)	(36,128)	(22,223)	(26,002)	(26,691)
Basic loss per share	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* See the financial statements regarding these items.

Results of Operations for the Year Ended December 31, 2018

Net Income (Loss): The year ended December 31, 2018 yielded a net loss of \$370,376 (2017 – \$111,044). This was comprised of revenue of \$Nil (2017 – \$2,404), operating expenses of \$Nil (2017 - \$6,659), General and Administrative expenses (“G&A”) of \$112,700 (2017 - \$98,912), and a loss from other items of \$257,676 (2017 – \$7,877).

Revenue: Revenue from the sale of oil and natural gas (net of royalties) was \$Nil compared to \$2,404 in 2017, all related to the Lennox wells in Michigan. The wells have reached the end of their production lives and the Company expects no more revenue from them.

Expenses: Well operating expenses were \$Nil compared with \$6,659 in 2017. The 2017 costs were incurred on the Lennox wells in Michigan.

General & Administration Expenses: G&A expenses were \$112,700 (2017 - \$98,912). Professional fees were higher in the current year due to higher audit and accounting fees. Transfer agent and regulatory fees also increased due to the timing of the annual general meeting. Management expects G&A to remain at these levels until a new project is acquired.

Other Items: Other items consisted of a foreign exchange gain of \$13,825 (2017 – \$8,398), interest income of \$499 (2017 - \$521) and a loss of \$272,000 (2017 - \$Nil) on the write-off of the performance bond.

Results of Operations for the Three Months December 31, 2018

Net Income (Loss): The three months ended December 31, 2018 yielded a net loss of \$293,344 (2017 – \$36,128). This was comprised of General and Administrative expenses (“G&A”) of \$35,158 (2017 - \$27,863), and a loss from other items of \$258,186 (2017 – 8,265).

General & Administration Expenses: G&A expenses were \$35,158 (2017 - \$27,863). The increase was mainly due to an increase in the accrual for the 2018 audit fees and the timing of some tax work. All other G&A expenses remained at the similar levels as the same period in 2017

Other Items: Other items consisted of a foreign exchange gain of \$13,814 (2017 – loss of \$8,265) and a loss of \$272,000 (2017 - \$Nil) on the write-off of the performance bond.

Liquidity and Capital Resources

At December 31, 2018, the Company had cash on hand of \$9,717 (December 31, 2017 - \$11,955) and a working capital deficiency of \$620,788 (December 31, 2017 – \$548,412). The Company will need to be recapitalized in order to continue as a going concern.

Subsequent to December 31, 2018, 1,300,000 share purchase warrants were exercised for gross proceeds of \$65,000.

Commitments

Other than the commitments discussed in the exploration and evaluation section and the related party section, the Company has no commitments.

Off-Balance Sheet Transactions

The Company does not have any off-balance sheet transactions.

Related Party Transactions for the Year Ended December 31, 2018

1. The Company paid or accrued management fees of \$30,000 (2017 - \$30,000) to 2263171 Ontario Inc., a company controlled by the President and CEO of the Company, Darren Collins;
2. The Company paid or accrued administration fees of \$30,000 (2017 - \$30,000) to New Dawn Holdings Ltd., a company controlled by Paul Larkin, a Director of the Company. The fees are for the day to day financial administration and office rent for the Company.

Amounts due to related parties are non-interest bearing, unsecured and have no specific terms of repayment. Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

Proposed Transaction

There are currently no proposed transactions, except as otherwise disclosed in this MD&A. Confidentiality agreements may be entered into from time to time with independent entities to allow for discussions of the potential acquisition and or development of certain properties.

Financial Instruments

The Company's financial assets consist of cash, which is designated as held for trading and measured at fair value; and amounts receivable which are designated as loans and receivables and measured at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities which are designated as other financial liabilities and measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

Outstanding Share Data

The following table summarizes the outstanding share capital as at April 29, 2019, the effective date of this MD&A:

Common shares – issued and outstanding	8,359,293
Stock options outstanding	30,000
Total – fully diluted	<u>8,389,293</u>

Recent Accounting Pronouncements and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

i) Decommissioning Provisions

Asset retirement obligation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently estimated.

ii) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

iii) Title to Oil and Gas Property Interests

Although the Company has taken steps to verify title to oil and gas properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iv) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

v) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

vi) Future accounting policies:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has not assessed the effect of the future adoption of these standards yet.

IAS 16 Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

This standard is effective for reporting periods beginning on or after January 1, 2019. The Company does not anticipate the adoption of IFRS 16 to have a significant impact on its consolidated financial statements.

Risks

Exploration Risks

Oil and gas exploration and development involves significant risks. Few wells which are drilled are developed into commercially producing fields. Substantial expenditures may be required to establish reserves and no assurance can be given that commercial quantities or further reserves will be discovered or, if found, will be present in sufficient quantities to enable the Company to recover the costs incurred. The Company's estimates of exploration and production costs can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, and unusual or unexpected formations, pressures and work interruptions. There can be no assurance that actual exploration cost will not exceed projected cost.

Volatility of Oil and Gas Prices

The Company's revenues, profitability and future growth and the carrying value of its oil and gas properties are substantially dependent on prevailing prices of oil and gas. The Company's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Company. These factors include economic conditions in the United States and Canada, the actions of the Organization of Petroleum Exporting Countries, governmental regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and gas, the price of foreign imports and the availability of alternative fuel sources.

Any substantial and extended decline in the price of oil and gas would have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Risks Relating to Financial Condition

Going concern assumption used by management highlights doubts on the Company's ability to successfully continue

The Company's financial statements include a statement that the financial statements of the Company are prepared on a going concern basis, and therefore that certain reported carrying values are subject to the Company receiving the future continued support of its stockholders, obtaining additional financing and generating revenues to cover its operating costs. The going concern assumption is only appropriate provided that additional financing continues to become available.

The Company's History of Operating Losses is likely to continue leading to need for additional potentially unavailable financings and related problems

The Company has a history of losses. Despite recent capital infusions, the Company will require significant additional funding to meet its business objectives. Capital may need to be available to help maintain and to expand work on the Company's principal exploration/development property. The Company may not be able to obtain additional financing on reasonable terms, or at all. If equity financing is required, then such financings could result in significant dilution to existing shareholders. If the Company is unable to obtain sufficient financing, the Company might have to dramatically slow exploration/development efforts and/or lose control of its projects. The Company has historically obtained the preponderance of its financing through the issuance of equity. The Company has no current plans to obtain financing through means other than equity financing and/or loans. Such losses and the resulting need for external financings could result in losses of investment value.

The Company's Need for Additional Financing to Explore and Develop new oil and gas properties

The Company is engaged in the business of exploiting oil/gas properties. The Company currently has insufficient funds to meet its working capital obligations and additional financing will be required to search for and develop any new oil/gas properties identified and to place new wells into commercial production. The exploitation of oil/gas properties is, therefore, dependent upon the Company's ability to obtain financing through the sale of assets, debt financing, equity financing or other means. Failure to obtain such financing may result in delay in the Company's ability to search for and develop other oil/gas properties.

The Company competes with other oil/gas companies which have similar operations, and many such competitor companies have operations and financial resources and industry experience far greater than those of the Company.

Nevertheless, the market for the Company's potential future production of oil/gas tends to be commodity-oriented rather than company-oriented. If a well successfully reaches commercial production, the Company will still be subject to competition from much larger and financially stronger competitors and such competition may materially adversely affect the Company's financial performance.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada and balances due from the sale of its share of oil and gas relating to its oil and gas properties. Management believes that the credit risk concentration with respect to financial instruments included in receivables is minimal.

Currency risk

Cash held in foreign currencies other than the Canadian dollar is subject to currency risk. The Company is exposed to currency risk by incurring revenues and expenditures in US dollars. The Company does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no interest bearing financial obligations or assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its oil and properties and the future profitability of the Company are directly related to the market price of oil and gas. The Company monitors oil and gas prices to determine the appropriate course of action to be taken by the Company.

Officers Certification of Evaluation of Disclosure Controls

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management Discussion and Analysis.

In contrast to the certificate under National Instrument (“NI”) 52-109 (Certification of Disclosure in an Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

The Company has been in the exploration stage and has not had common separation of duties and functions usually found in a larger or revenue generating company with comprehensive internal controls. While the Company’s smaller staff size has not allowed for full separation of duties, its senior management believes that its close involvement with day-to-day business activities and related financial reporting provides a reasonable measure of internal control in lieu of the separation of duties.

Forward Looking Statements

Forward looking statements or information included in this Management Discussion & Analysis (“MD&A”) include statements with respect to:

- the Company’s current internal expectations, estimates, projections, assumptions and beliefs regarding the future market price of oil and gas and Canadian US exchange rates; and
- expectations regarding the Company’s ability to raise capital and add to reserves through the acquisition and development of current and additional oil and gas properties.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may differ significantly from the results discussed in these forward-looking statements.

Factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected include, among others:

- adverse changes in prices for oil and gas and in general economic conditions and risks associated with the oil and gas industry
- in general such as the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to production, costs and expenses; and
- the operational risks in development, exploration and production.

In evaluating forward-looking statements, readers should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements.