



MANAGEMENT'S DISCUSSION AND ANALYSIS

SINTANA ENERGY INC.

YEAR ENDED DECEMBER 31, 2016

(EXPRESSED IN CANADIAN DOLLARS)



Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Sintana Energy Inc. ("Sintana" 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, 2016. 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 annual consolidated financial statements of the Company for the years ended December 31, 2016 and 2015, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. Information contained herein is presented as of April 27, 2017, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), 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 Sintana common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the offices of the Company or on the System for Electronic Documents Analysis and Retrieval ("SEDAR") and is available for review under the Company's profile on the SEDAR website (www.sedar.com).

Description of Business

Sintana is a Canadian crude oil and natural gas exploration and development company listed on the TSX Venture Exchange ("TSXV"). Its trading symbol changed from SNN to SEI effective as of the market open on August 10, 2015, subsequent to the business combination (the "Business Combination") with Sintana Holdings Corp. Sintana is primarily engaged in petroleum and natural gas exploration and development activities in Colombia. The Company's exploration strategy is to acquire, explore, develop and produce superior quality assets with significant reserve potential. Its primary assets are private participation interests of 30% unconventional (carried) and 100% conventional in the potential hydro carbon resources of the 43,158 acres Valle Medio Magdalena 37 ("VMM-37") Block.

On November 12, 2012, Sintana announced that a wholly-owned Panama subsidiary of the Company, Patriot Energy Oil and Gas Inc. and its Colombian branch Patriot Energy Sucursal Colombia (both entities hereinafter referred to as "Patriot"), had entered into a Farmout Agreement (the "Exxon Agreement") with ExxonMobil Exploration Colombia Limited, a wholly-owned subsidiary of ExxonMobil Corporation (both entities hereinafter referred to as "Exxon") for the exploration and development of unconventional oil and natural gas resources underlying the VMM-37 Block. In April 2013, the Agencia Nacional de Hidrocarburos ("ANH") approved the acquisition by Exxon of an undivided 70% private participation interest and operatorship in the formations defined as unconventional by completing the contractually required work program specified in the license agreement. Patriot retains the remaining 30% interest in the unconventional play as well as a 100% participation interest in the conventional resources overlying the top of the unconventional interval.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs; the operating and exploration activities of the Company for the twelve-month period ending December 31, 2017, and the costs associated therewith, will be consistent with the Company's current expectations regarding costs and timing	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of estimate; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Company's need to raise capital in order to meet its working capital needs. See "Liquidity and Financial Position" below	The exploration and operating activities of the Company on a going forward basis, and the costs associated therewith, will be consistent with Sintana's current expectations; debt and equity markets; exchange and interest rates and other applicable economic conditions will be favourable to Sintana; availability of financing	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in operating and exploration activities; interest and exchange rates fluctuations; changes in economic conditions, planned operations and associated costs
The potential of Sintana's participation interests to contain petroleum and natural gas reserves. See "Petroleum and Natural Gas Prospects" below	Financing will be available for future exploration and development of Sintana's private participation interests; the actual results of Sintana's exploration and development activities will be favourable; operating, exploration, development and production costs will not exceed Sintana's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Sintana; applicable political and economic conditions will be favourable to Sintana; the market prices for petroleum and natural gas and applicable interest and exchange rates will be	Petroleum and natural gas market prices volatility; uncertainties involved in interpreting geological and geophysical data and Sintana's expectations regarding the conventional and unconventional plays and uncertainties in confirming valid private participation interests; the possibility that future exploration results will not be consistent with Sintana's expectations; availability of financing for and actual results of Sintana's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation;

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	favourable to Sintana; no legal disputes exist with respect to the Company's private participation interests; Sintana's expectations regarding the potential of conventional and unconventional plays	interest and exchange rates fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff and obtain all required permits in a timely manner on acceptable terms
Management's outlook regarding future trends. See "Trends"	Financing will be available for Sintana's exploration and operating activities; the market prices for petroleum and natural gas will be favourable to Sintana; economic and political conditions will be favorable	Petroleum and natural gas market prices volatility; changes in debt and equity markets; interest and exchange rates fluctuations; changes in economic and political conditions; availability of financing
Work programs and related timing and budgets relating to the exploration and development of the VMM-37 Block. See "Petroleum and Natural Gas Prospects" below	Exxon will continue to proceed with the project and will not exercise its rights of withdrawal pursuant to the Exxon Agreement; the market prices of petroleum and natural gas will be favourable; all requisite permits, equipment, materials, supplies, services, access and personnel will be obtained in a timely manner upon acceptable terms; proposed exploration and development activities and the costs associated therewith will occur as currently anticipated; actual results of exploration are positive; financing will be available to Sintana upon acceptable terms; political and economic considerations will remain favourable	Exxon exercises its withdrawal rights pursuant to the Exxon Agreement; petroleum and natural gas market prices volatility; changes in debt and equity markets; increases in costs; interest rates and exchange rates fluctuations; changes in economic and political conditions; availability of permits, equipment, materials, supplies, services, access, personnel and financing; proposed exploration and development activities will not occur as currently anticipated; actual results of exploration are inconsistent with Sintana's expectations
Summaries of proposed work programs and related timing and budgets relating to other property interests of Sintana and the availability of extensions of applicable licenses and permits	The market prices of petroleum and natural gas will be favourable; all requisite permits (including renewals thereof), equipment, materials, supplies, services, access and personnel will be obtained in a timely manner upon acceptable terms; proposed exploration and development activities and the costs associated therewith will occur as currently anticipated; actual results of exploration are positive; financing will be available to Sintana upon acceptable terms; interest and exchange rates and political and economic considerations will remain favourable; future extensions to existing property rights and permits will be available	Petroleum and natural gas market prices volatility; changes in debt and equity markets; increases in costs; interest and exchange rates fluctuations; changes in economic and political conditions; availability of permits (including extensions and renewals thereof), equipment, materials, supplies, services, access, personnel and financing; proposed exploration and development activities will not occur as currently anticipated; actual results of exploration are inconsistent with Sintana's expectations; future extensions to property rights and permits will not be available on terms acceptable to Sintana or at all
The termination of farmout agreements covering COR-11 and COR-39 Blocks will not lead to	Sintana and Canacol Energy Inc. ("Canacol") will settle disagreements on	Sintana and Canacol will not resolve their farmout agreement issues which

significant additional costs	farmout agreements and costs	will lead to significant additional costs
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond Sintana's ability to predict or control. Additional risk factors are described in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of any and all relevant factors and / or assumptions that could affect forward-looking statements, and that assumptions underlying such statements might prove to be incorrect. Actual results and developments are likely to materially differ from those expressed or implied by forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause Sintana's actual results, performance or achievements to be materially different from any of its projected results, performance and / or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law and / or regulation. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Certain information contained herein is considered "analogous information" as defined in national Instrument 51-101 ("NI 51-101"). Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. In particular, this document notes specific analogous oil discoveries and corresponding details of said discoveries in the area of the Company's private participation interests and makes certain assumptions about such interests as a result of such analogous information and potential recovery rates as a result thereof. Such information is based on public data and information obtained from the public disclosure of other issuers who are active in the area, and the Company has no way of verifying the accuracy of such information and cannot determine whether the source of the information is independent. Such information has been presented to help demonstrate that hydrocarbons could be present in commercially recoverable quantities in the Company's areas of interest. There is no certainty that such results will be achieved by the Company and such information should not be construed as estimates of future reserves or resources or future production levels of Sintana.

Trends

The Company is focused on acquisition, exploration, development, production and / or sales of crude oil and natural gas resources.

There are significant uncertainties regarding the market prices for crude oil and natural gas and the availability of equity and / or other financing for the purposes of acquisition, exploration, development, production and / or sales activities. The future performance of the Company is largely tied to the acquisition, exploration, development and production of properties that may be proven successful; associated regulator actions, including approval of permits to drill, hydraulically fracture and produce wells, associated sales of crude oil and natural gas and overall financial markets. Financial and commodities markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weak global growth prospects. Uncertainties in financial and commodities markets and delays in regulatory actions have also led to increased difficulties in borrowing and raising funds. Oil companies worldwide have been materially and adversely affected by these trends. As a result, the Company might have difficulties raising equity and / or other capital without excessively diluting the interests of existing

shareholders. These trends may limit the ability of the Company to explore and / or further develop crude oil and natural gas discovered on License Blocks in which it has private participation interests.

The volatility of financial and commodities markets is a significant risk for the Company and the industry. As a result, investors might divest assets perceived as higher risk to other investments. Companies similar to Sintana are considered substantially above average risk investments and are highly speculative. The volatility of markets, and investor sentiment, could make it difficult for Sintana to access capital markets in order to raise the capital it will need to fund future expenditures. See also "Risk Factors".

Financial and Operational Highlights

(i) On January 27, 2016, the Company settled debt of \$65,000 through the issuance of an aggregate of 361,110 common shares, in partial consideration of the past services provided to Sintana by five officers of the Company (the "Recipients"), in lieu of cash compensation previously earned by such Recipients but not paid.

(ii) On February 5, 2016, 6,667 warrants with an exercise price of \$4.50 expired unexercised.

(iii) On April 1, 2016, 667 stock options with an exercise price of \$15.75 expired unexercised.

(iv) On April 19, 2016, 1,740,801 stock options with an exercise price of \$1.03 expired unexercised.

(v) On May 5, 2016, 1,667 stock options with an exercise price of \$15.60 expired unexercised.

(vi) On May 11, 2016, 710,532 stock options with an exercise price of \$1.86 expired unexercised.

(vii) On July 19, 2016, the Company granted a total of 2,400,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.10, vest in three equal tranches over the next 24 months and expire on July 19, 2021.

(viii) Effective as of July 31, 2016, the employment by the Company of Lee A. Pettigrew, Vice President – Canadian Operations, ceased. Pursuant to his employment agreement, Mr. Pettigrew is entitled to 12 months base salary (US\$200,000 (\$262,340)) as a retiring allowance.

(ix) On October 16, 2016, 2,667 stock options with an exercise price of \$3.00 expired unexercised.

(x) On October 29, 2016, 575,000 stock options with an exercise price of \$0.18 expired unexercised.

(xi) On November 13, 2016, 1,667 stock options with an exercise price of \$4.35 expired unexercised.

(xii) On December 20, 2016, 1,552,644 stock options with an exercise price of \$0.76 expired unexercised.

(xiii) On December 31, 2016, 566,667 stock options with an exercise price of \$0.145 expired unexercised.

(xiv) On December 31, 2016, 3,333 stock options with an exercise price of \$1.50 expired unexercised.

(xv) On December 31, 2016, 920,000 stock options with an exercise price of \$0.145 expired unexercised.

(xvi) On February 28, 2017, 200,000 stock options with an exercise price of \$0.145 expired unexercised.

(xvii) On February 28, 2017, 250,000 stock options with an exercise price of \$0.175 expired unexercised.

(xviii) On February 28, 2017, 200,000 stock options with an exercise price of \$0.10 expired unexercised.

(xix) On March 2, 2017, 7,894 stock options with an exercise price of \$1.026 expired unexercised.

(xx) On April 25, 2017, 78,948 stock options with an exercise price of \$1.026 expired unexercised.

Petroleum and Natural Gas Prospects

Exploration Expenditures

Exploration Expenditures	Year Ended December 31, 2016 \$	Year Ended December 31, 2015 \$
Magdalena Basin, Colombia		
Salaries and benefits	nil	997,015
Administrative and general	15,611	320,012
Consulting fees	145,141	264,265
Professional fees	156,528	155,537
Office rent	30,161	146,049
Drilling	nil	137,858
Travel expenses	(331)	97,691
Other	151,776	193,177
	498,886	2,311,604
Sechura Basin, Peru		
Professional fees	nil	10,825
	nil	10,825
Duvernay formation, Alberta		
Well abandonment and site cleanup	59,664	50,000
	59,664	50,000
Nova Scotia properties, Nova Scotia		
Well abandonment and site cleanup	(827,814)	215,701
	(827,814)	215,701
Total	(269,264)	2,588,130

Petroleum and Natural Gas Update

Statistical Summary for Sintana's assets in Colombia's Magdalena Basin:

Asset Summary			
Basin / Block	Operator	Gross Acres ('000)	Private Participation Interest
<u>Middle Magdalena</u>			
VMM-37 Unconventional	Exxon	43	30%
VMM-37 Conventional	Sintana	n/a	100%
		43	
VMM-4	La Luna	155	15%
Total Magdalena Basin, Colombia		(A)	198

(A) Square Miles: Gross – 309.

VMM-37 Block (Sintana: Conventional – 100% private participation interest; Unconventional – 30% private participation interest - carried)

In March 2011, 100% of the License Contract covering the 43,158 acres VMM-37 Block in Colombia was awarded to Patriot, a wholly-owned branch of Sintana.

In November 2012, Patriot executed the Exxon Agreement whereby Exxon acquired contractual rights to an undivided 70% private participation interest and operatorship in the unconventional formations of VMM-37, subject to completion of a defined Work Program. For purposes of the agreement, unconventional formations are defined as the La Luna and deeper. Patriot retained the remaining 30% private participation interest in the unconventional play as well as a 100% private participation interest in the conventional resources overlying the top of the unconventional interval.

In April 2013, the ANH approved the acquisition by Exxon of the undivided 70% private participation interest and operatorship in the formations defined as unconventional effective as of when Exxon completes the Work Program as specified in the License Contract for the VMM-37 Block. Four months later, the ANH approved an amendment to the Exxon Agreement which revised the Work Program for the VMM-37 Block to include the hydraulic stimulation ("fracking" or "frack") and production testing of the initial vertical exploration well, drilled to a minimum depth of 14,000 feet (the "Manati Blanco-1" or "Blanco -1"). Also now required is the drilling of a second vertical well to a depth of at least 14,000 feet plus the drilling of a lateral side track of the second well to a length of at least 4,000 feet with fracking and production testing of the horizontal segment. The horizontal segment replaced a previously required third vertical well.

Drilling operations for the Manati Blanco-1 vertical well were successfully completed and the rig was released on September 19, 2015 after having reached a measured depth of approximately 14,500 feet. Primary targets for the Blanco-1 well were the Cretaceous age La Luna and Tablazo/Paja tight oil formations. The well drilled through a gross total of approximately 2,600 feet in the La Luna and approximately 500 feet in the Tablazo/Paja. The next major activity in the Work Program is to hydraulically fracture ("frack") selected prospective cores encountered during drilling operations.

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Receipt of an environmental permit is a mandatory prerequisite to finalizing the frack design and developing a detailed action plan and timeline for training, procurement, logistics and other pre-frack activities. Without knowing the requirements and restrictions of the permit, meaningful progress on a yet to be determined timeline is not a reasonable expectation.

Exxon submitted a permit application (>2,000 pages) in the first quarter of 2015. In multiple contacts with the relevant regulatory agencies, the operator has been advised that work on environmental issues is ongoing. However, no timeline for completion of an initial review and feedback on the application for an environmental permit has been received as of the date of this MD&A. Further complicating the matter are statements by Colombian regulatory authorities that no permit applications will be addressed until such time as the recently signed peace treaty with the Revolutionary Armed Forces of Colombia ("FARC") has been satisfactorily implemented. Per the operator, no specific milestones of timeline has been issued to date.

Technical Information

Douglas Manner, Chief Executive Officer of Sintana, has reviewed and verified the technical content of the information contained in this MD&A.

Environmental Contingency

The Company's Colombia exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of the date of this MD&A, the Company believes that there are no significant environmental obligations requiring material capital outlays in the immediate future for Colombia exploration activities. However, an asset retirement obligation has been recorded for a Canadian oil and gas lease interest acquired as a result of the Business Combination.

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company at December 31, 2016, December 31, 2015 and December 31, 2014 and for the years then ended:

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Loss	\$	\$	\$
Total revenues	nil	nil	nil
Total loss ⁽¹⁾⁽²⁾	(2,372,262)	(4,826,232)	(6,317,487)
Net loss per share – basic ⁽³⁾⁽⁴⁾	(0.02)	(0.05)	(0.08)
Net loss per share – diluted ⁽³⁾⁽⁴⁾	(0.02)	(0.05)	(0.08)
Assets / Liabilities	As at December 31, 2016	As at December 31, 2015	As at December 31, 2014
	\$	\$	\$
Total assets	480,981	2,527,493	2,216,496
Total non-current financial liabilities	nil	402,800	nil
Distribution or cash dividends ⁽⁵⁾	nil	nil	nil

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- (1) Loss from continuing operations attributable to owners of the parent, in total;
 - (2) Loss attributable to owners of the parent, in total;
 - (3) Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis;
 - (4) Loss attributable to owners of the parent, on a per-share and diluted per-share basis;
 - (5) Declared per-share for each class of share.
- The net loss for the year ended December 31, 2016, consisted primarily of (i) exploration and evaluation expenditures recovery of \$269,264; (ii) general and administrative expenses of \$2,671,765; (iii) foreign exchange loss of \$2,261; and (iv) gain on settlement of debt of \$32,500.
 - The net loss for the year ended December 31, 2015, consisted primarily of (i) exploration and evaluation expenditures of \$2,588,130; (ii) general and administrative expenses of \$3,195,309; (iii) foreign exchange gain of \$365,761; and (iv) gain on Business Combination of \$591,446.
 - The net income for the year ended December 31, 2014, consisted primarily of (i) exploration and evaluation expenditures of \$4,763,327; (ii) general and administrative expenses of \$1,653,710; (iii) foreign exchange loss of \$10,810; and (iv) other income of \$110,360.
 - The Company's ability to fund its operations is dependent upon it securing financing by issuing equity, selling assets, proceeds from sales of oil and natural gas produced, and / or from royalty income. The value of any oil and gas prospect is dependent upon the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete exploration, development and production activities, and the future profitable production or proceeds from disposition of such oil and natural gas prospect. See "Trends" and "Risk Factors".

Selected Quarterly Information

Quarter Ending	Total Sales (\$)	Profit or (Loss)		Total Assets (\$)
		Total (\$)	Basic and Diluted Income (Loss) Per Share ⁽⁹⁾ (\$)	
2016-December 31	Nil	(606,599) ⁽¹⁾	(0.01)	480,981
2016-September 30	Nil	(1,055,372) ⁽²⁾	(0.01)	714,898
2016-June 30	Nil	72,846 ⁽³⁾	0.00	1,077,863
2016-March 31	Nil	(783,137) ⁽⁴⁾	(0.01)	1,881,847
2015-December 31	Nil	(1,743,972) ⁽⁵⁾	(0.01)	2,527,493
2015-September 30	Nil	(516,612) ⁽⁶⁾	(0.01)	3,409,561
2015-June 30	Nil	(1,610,264) ⁽⁷⁾	(0.02)	1,474,449
2015-March 31	Nil	(955,384) ⁽⁸⁾	(0.01)	1,559,904

Notes:

- (1) Net loss of \$606,599 consisted primarily of: exploration and evaluation expenditures of \$147,723, general and administrative expenses of \$427,629 and foreign exchange loss of \$31,247.
- (2) Net loss of \$1,055,375 consisted primarily of: exploration and evaluation expenditures of \$155,541, general and administrative expenses of \$888,132 and foreign exchange loss of \$11,699.
- (3) Net income of \$72,846 consisted primarily of: exploration and evaluation expenditures recovery of \$651,802 which was offset by general and administrative expenses of \$576,886 and foreign exchange of \$2,070.
- (4) Net loss of \$783,137 consisted primarily of: exploration and evaluation expenditures of \$79,274 and general and administrative expenses of \$779,118 which was offset by foreign exchange of \$42,755 and gain on debt settlement of \$32,500.
- (5) Net loss of \$1,743,972 consisted primarily of: exploration and evaluation expenditures of \$659,827 and general and administrative expenses of \$1,240,031 which was offset by foreign exchange gain of \$125,614.
- (6) Net loss of \$516,612 consisted primarily of: exploration and evaluation expenditures of \$378,905, general and administrative expenses of \$699,505; foreign exchange loss of \$16,728 and finance interest expense of \$18,538 which was offset by a gain on Business Combination of \$597,064.
- (7) Net loss of \$1,610,264 consisted primarily of: exploration and evaluation expenditures of \$914,270, general and administrative expenses of \$623,015; foreign exchange loss of \$55,627 and finance interest expense of \$17,352.
- (8) Net loss of \$955,384 consisted primarily of: exploration and evaluation expenditures of \$635,128, general and administrative expenses of \$632,758; and foreign exchange gain of \$312,502.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Variances in the Company's quarterly net income or loss are largely attributable to variances in the magnitude and timing of the Company's exploration and evaluation expenditures and recoveries, transactions costs, share-based payments, foreign exchange gain / loss and loss on debt extinguishment.

Related Party Transactions

Related parties include the Board, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions are conducted at normal commercial terms.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board in strict adherence to conflict of interest laws and regulations.

Remuneration of directors and key management personnel of the Company was as follows:

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Salaries and Benefits ⁽¹⁾⁽²⁾ (Includes deferred)	Year Ended December 31, 2016 \$	Year Ended December 31, 2015 \$
Salaries and benefits paid		
Keith D. Spickelmier - Director / Executive Chairman	111,144	147,160
Douglas G. Manner - Director / Chief Executive Officer	111,144	153,552
David L. Cherry - President & Chief Operating Officer	111,144	147,160
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	164,450	133,847
Lee A. Pettigrew – Vice President - Canadian Operations ^(A)	14,721	23,886
Bruno C. Maruzzo – Director	10,000	20,000
Ronald A. MacMicken – Director ^(B)	nil	10,000
Ian W. Macqueen – Director	10,000	10,000
Phil C. de Gruyter – Vice President Exploration & South America Manager ^(C)	nil	198,376
Greg L. Schlatter – Reservoir Engineering Manager ^(D)	nil	351,558
Total salaries and benefits paid	532,603	1,195,539
Deferred salaries and benefits		
Keith D. Spickelmier - Director / Executive Chairman	153,756	152,141
Douglas G. Manner - Director / Chief Executive Officer	153,756	152,141
David L. Cherry - President & Chief Operating Officer	153,756	152,141
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	73,960	135,521
Lee A. Pettigrew – Vice President - Canadian Operations ^(A)	404,704	90,421
Bruno C. Maruzzo – Director	10,000	nil

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Ian W. Macqueen – Director	5,000	nil
Total deferred salaries and benefits	954,932	682,365
Total	1,487,535	1,877,904

(A) Employment ceased in July 2016.

(B) Did not stand for reelection in July 2015.

(C) Employment ceased in April 2015.

(D) Employment ceased in September 2015.

(1) Salaries and benefits include director fees. During the year ended December 31, 2016, \$nil (year ended December 31, 2015 - \$716,609) of salaries and benefits expense was included in exploration and evaluation expenditures. Balances for deferred compensation due to directors and key management personnel of \$1,675,477 are included in accounts payable and other liabilities as at December 31, 2016 (December 31, 2015 - \$752,287) and include the retiring allowance payable to Lee A. Pettigrew (refer to (2)).

(2) Effective as of July 31, 2016, the employment by the Company of Lee A. Pettigrew, Vice President - Canadian Operations, ceased. Pursuant to his employment agreement, Mr. Pettigrew is entitled to 12 months base salary (US\$200,000 (\$268,540)) as a retiring allowance. This amount is included as accounts payable and other liabilities.

Share-based expense	Year Ended December 31, 2016 \$	Year Ended December 31, 2015 \$
Keith D. Spickelmier - Director / Executive Chairman	55,790	46,390
Douglas G. Manner - Director / Chief Executive Officer	55,790	46,390
David L. Cherry - President & Chief Operating Officer	55,790	46,390
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	55,790	43,313
Lee A. Pettigrew – Vice President - Canadian Operations	nil	41,261

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Bruno C. Maruzzo – Director	25,199	17,939
Ian W. Macqueen – Director	25,199	17,939
Carmelo Marrelli, Chief Financial Officer	8,996	7,176
Total	282,554	266,798

The Company has entered into the following transactions with related parties:

For the year ended December 31, 2016, the Company paid professional fees and disbursements of \$89,489 (year ended December 31, 2015 - \$84,081) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Carmelo Marrelli is the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. An amount of \$25,806 is included in accounts payable and other liabilities as at December 31, 2016 (December 31, 2015 - \$20,980).

For the year ended December 31, 2016, the Company paid professional fees and disbursements of \$16,990 (year ended December 31, 2015 - \$36,532) to DSA Corporate Services Inc. ("DSA"), an organization which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2016, DSA was owed \$1,412 (December 31, 2015 - \$3,104) and this amount is included in accounts payable and other liabilities.

Certain related parties of the Company received common shares as settlement of debt and received an aggregate of 361,110 common shares as follows:

- Sean Austin, Vice President of the Company, received 83,333 common shares of the Company in settlement of debt of \$15,000 on January 27, 2016.
- David Cherry, President and Chief Operating Officer of the Company, received 83,333 common shares of the Company in settlement of debt of \$15,000 on January 27, 2016.
- Douglas Manner, a Director and Chief Executive Officer of the Company, received 83,333 common shares of the Company in settlement of debt of \$15,000 on January 27, 2016.
- Lee Pettigrew, then Vice President - Canadian Operations of the Company, received 27,778 common shares of the Company in settlement of debt of \$5,000 on January 27, 2016.
- Keith Spickelmier, a Director and Executive Chairman of the Company, received 83,333 common shares of the Company in settlement of debt of \$15,000 on January 27, 2016.

Discussion of Operations

Year Ended December 31, 2016, compared with the year ended December 31, 2015

Sintana's net loss totalled \$2,372,262 for the year ended December 31, 2016, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$4,826,232 for the year ended December 31, 2015,

with basic and diluted loss per share of \$0.05. The decrease of \$2,453,970 in net loss was principally due to:

- Exploration and evaluation expenditures decreased to a recovery of 269,264 for the year ended December 31, 2016 compared to expenses of \$2,588,130 for the comparative period. See "Petroleum and Natural Gas Prospects", above for a description of current exploration activities.
 - Effective as of December 31, 2015, no employees remained on staff in Colombia.
- General and administrative expenses decreased by \$523,544. General and administrative expenses totalled \$2,671,765 for the year ended December 31, 2016 (year ended December 31, 2015 - \$3,195,309) and consisted of administrative and general expenses of \$109,650 (year ended December 31, 2015 - \$538,505), professional fees of \$377,402 (year ended December 31, 2015 - \$895,526), reporting issuer costs of \$17,937 (year ended December 31, 2015 - \$28,403), travel expenses of \$37,539 (year ended December 31, 2015 - \$90,623), salaries and benefits of \$2,052,939 (year ended December 31, 2015 - \$1,669,685) rent expenses of \$77,479 (year ended December 31, 2015 - \$nil) and interest and other income of \$1,181 (year ended December 31, 2015 - \$27,433). These general and administrative expenses were materially impacted by one time legal and other expenditures associated with the completion of the Business Combination during the year ended December 31, 2015.
 - The Company incurred an increase in salaries and benefits of \$383,254 for the year ended December 31, 2016, compared to the year ended December 31, 2015. The increase can be attributed to Lee A. Pettigrew's retiring allowance of 12 months base salary (US\$200,000 (\$262,340)) recorded during the three months ended September 30, 2016. The increase can also be attributed to the vesting over time of options granted.
 - On November 5, 2015, the Company granted a total of 4,375,000 stock options to several directors, officers and consultants of the Company. The options have an exercise price of \$0.175, vest in three equal tranches over the next 24 months and expire on November 5, 2020. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 341.77%; risk-free interest rate of 0.97%; and an expected average life of 5 years. The options were value at \$765,625. \$290,772 (year ended December 31, 2015 - \$313,941) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus for the year ended December 31, 2016.
 - On July 19, 2016, the Company granted a total of 2,400,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.10, vest in three equal tranches over the next 24 months and expire on July 19, 2021. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 249.60%; risk-free interest rate of 0.63%; and an expected average life of 5 years. The options were value at \$155,040. \$86,564 (year ended December 31, 2015 - \$nil) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus for the year ended December 31, 2016.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the maximum term ascribed to stock options issued for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.
 - Volatility: the Company used historical information on the market price of common shares of a similar company to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
 - Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate varies depending on the date of the grant of the stock options and their expected term.
 - Dividend yield: the Company has not paid dividends in the past because it is in the exploration phase of discovering crude oil and natural gas resources and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.
- The Company incurred a decrease in professional fees of \$518,124 for the year ended December 31, 2016, compared to the year ended December 31, 2015. The decrease can be attributed to higher corporate activity requiring legal assistance during the comparative period principally related to the Business Combination during the comparative period.
 - Administrative and general expenses include corporate office expenses. The decrease in administrative and general expenses can be attributed to lower corporate support costs related to Sintana's operations in Colombia.
 - Rent expenses increased of \$77,479 for the year ended December 31, 2016, compared to the year ended December 31, 2015. The increase can be attributed to rent expenses included in administrative and general expenses in the comparative period while disclosed in a separate line for the year ended December 31, 2016.
 - The Company incurred a decrease in travel expenses of \$53,084 for the year ended December 31, 2016, compared to the year ended December 31, 2015. The decrease can be attributed to lower business development, operations monitoring and investor relations activities.
- The Company incurred a foreign exchange loss of \$2,261, down from a gain of \$365,761 in the previous period, which was primarily attributable to US dollar and Colombian peso exchange rate fluctuations.
 - The Company recorded a gain on settlement of debt of \$32,500 for the year ended December 31, 2016 compared to \$nil for the year ended December 31, 2015. The increase is due to the issuance of 361,110 common shares of the Company to settle debt of \$65,000 on January 27, 2016.

- The Company incurred a decrease in gain on Business Combination of \$591,446 for the year ended December 31, 2016, compared to the year ended December 31, 2015. The increase is due to the completion of the Business Combination incurred during the year ended December 31, 2015.

Three Months Ended December 31, 2016, compared with the three months ended December 31, 2015

Sintana's net loss totalled \$606,599 for the three months ended December 31, 2016, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$1,743,972 for the three months ended December 31, 2015, with basic and diluted loss per share of \$0.01. The decrease of \$1,137,373 in net loss was principally due to:

- Exploration and evaluation expenditures decreased to \$147,723 compared to \$659,827 for the comparative period. See "Petroleum and Natural Gas Prospects", above for a description of current exploration activities.
 - Effective as of December 31, 2015, no employees remained on staff in Colombia.
- General and administrative expenses decreased by \$812,402. General and administrative expenses totalled \$427,629 for the three months ended December 31, 2016 (three months ended December 31, 2015 - \$1,240,031) and consisted of administrative and general expenses of (\$28,905) (three months ended December 31, 2015 - \$283,245), professional fees of \$94,457 (three months ended December 31, 2015 - \$240,465), reporting issuer costs of \$439 (three months ended December 31, 2015 - \$833), travel expenses of \$21,595 (three months ended December 31, 2015 - \$19,726), salaries and benefits of \$343,565 (three months ended December 31, 2015 - \$703,816) and interest and other income of \$153 (three months ended December 31, 2015 - \$8,054).
 - The Company incurred a decrease in salaries and benefits of \$360,251 for the three months ended December 31, 2016, compared to the three months ended December 31, 2015. The decrease can be attributed to management salaries and benefits recorded for months renounced during fiscal year 2014 and 2015 but for which the Company decided to partially pay in fiscal 2015.
 - On November 5, 2015, the Company granted a total of 4,375,000 stock options to several directors, officers and consultants of the Company. The options have an exercise price of \$0.175, vest in three equal tranches over the next 24 months and expired on November 5, 2020. For the purpose of the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 341.77%; risk-free interest rate of 0.97%; and an expected average life of 5 years. The options were value at \$765,625. \$49,116 (three months ended December 31, 2015 - \$313,941) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus for the three months ended December 31, 2016.
 - On July 19, 2016, the Company granted a total of 2,400,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of \$0.10, vest in three equal tranches over the next 24 months and expire on July 19, 2021. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 249.60%; risk-free interest rate of 0.63%; and an expected average life of 5 years. The options

were value at \$155,040. \$19,380 (three months ended December 31, 2015 - \$nil) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus for the three months ended December 31, 2016.

Several variables are used, including the expected term, volatility, risk-free interest rate and dividend yield, when determining the value of stock options using the Black-Scholes valuation model, as described on page 16.

- The Company incurred a decrease in professional fees of \$146,008 for the three months ended December 31, 2016, compared to the three months ended December 31, 2015. The decrease can be attributed to higher corporate activity requiring legal assistance during the comparative period principally related to the Business Combination during the comparative period.
- Administrative and general expenses include corporate office expenses. The decrease in administrative and general expenses can be attributed to lower corporate support costs related to Sintana's operations in Colombia
- The Company incurred a foreign exchange loss of \$31,427, down from a gain of \$125,614 in the previous period, which was primarily attributable to US dollar and Colombian peso exchange rate fluctuations.

As at December 31, 2016, the Company had assets of \$480,981 and a net deficit position of \$2,124,025. This compares with assets of \$2,527,493 and a net deficit position of \$161,599 at December 31, 2015. At December 31, 2016, the Company had \$2,605,006 of current liabilities (December 31, 2015 - \$2,286,292). For the year ended December 31, 2016, the Company expensed \$558,550 (year ended December 31, 2015 – expensed \$2,588,130) as exploration and evaluation expenditures on its oil and natural gas ownership interests which was offset by well abandonment and site cleanup reversal of \$827,814 (year ended December 31, 2015 - \$nil).

At December 31, 2016, the Company had a working capital deficiency of \$2,124,025 (December 31, 2015 – working capital of \$192,561). The Company had cash and cash equivalents of \$387,576 at December 31, 2016 (December 31, 2015 - \$2,147,770). The increase in working capital deficiency of \$2,316,586 from December 31, 2015 to December 31, 2016, is primarily due to operating and administration costs and exploration and evaluation expenditures on its oil and natural gas ownership interests which was offset by the reversal of well abandonment and site cleanup of \$827,814.

Cash Flow

At December 31, 2016, the Company had cash and cash equivalents of \$387,576. The decrease in cash and cash equivalents of \$1,760,194 from the December 31, 2015 cash and cash equivalents balance of \$2,147,770 was as a result of cash outflows in operating activities of \$1,760,194. Operating activities were mainly affected by a net loss of \$2,372,262, share-based compensation of \$377,336, gain on settlement of \$32,500, reversal of well abandonment and site cleanup of \$827,814 and net change in non-cash working capital balances of \$1,095,046 because of a decrease in accounts receivable and other assets of \$246,939, a decrease in deposits of \$39,379, an increase in accounts payable and other liabilities of \$760,238 and a decrease in asset retirement obligation of \$48,490.

Liquidity and Financial Position

The Company derives no income from operations, has continuing operating losses and limited working capital. Accordingly, the activities of the Company have been financed by cash raised through private placements of securities. As the Company does not expect to generate cash flows from operations in the

near future, it will continue to rely primarily upon the sale of securities to raise capital. As a result, the availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risk Factors" below. In addition, the Company will defer payment of its liabilities until the Company is in a position financially to do so.

It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Company. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed, or for other purposes, as needs arise. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information".

Changes in capital markets, including a decline in the market prices for crude oil and / or natural gas, could materially and adversely impact Sintana's ability to complete further financings or disposition of assets, with the result that it may be forced to scale back its operations.

Capital Risk Management

Sintana manages its capital with the following objectives:

- ensure sufficient financial flexibility to achieve its ongoing business objectives;
- maintain a balanced portfolio of various participation interests, with a focus on conventional and unconventional opportunities in the Magdalena Basin, Colombia; and
- maximize shareholder value.

Sintana monitors its capital structure and makes adjustments, as deemed necessary, in an effort to meet its commitments and objectives. Sintana can manage its capital structure by issuing new shares and debt, repurchasing outstanding shares, reducing participation interests, adjusting capital spending and operating costs, and / or disposing of assets. The cash forecasts and capital structure are reviewed by management and the Board of Directors on an ongoing basis.

Sintana considers its financial capital to be deficit, which comprises share capital, warrants, contributed surplus (which includes stock options) and deficit, which at December 31, 2016 totaled to a deficit of \$2,124,025 (December 31, 2015 – deficit of \$161,599).

Sintana monitors its sources and uses of capital through its financial and operational forecasting processes. Sintana reviews its working capital and forecasts the timing and amounts of its future cash flows based on anticipated operating and overhead expenditures, and other investing and financing activities. The forecast is updated periodically based on current and planned activities related to its oil and natural gas participation interests. Forecast summaries are provided to the Board of Directors.

Sintana's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2016. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2016, the Company was not compliant with Policy 2.5. The impact of this violation is not know and is ultimately dependent on the discretion of the TSXV.

Share Capital

The Company is authorized to issue an unlimited number of common shares and special shares. As of the date of this MD&A, the Company had 117,227,824 common shares outstanding and no warrants.

As of the date of this MD&A, the following stock options were outstanding:

Options	Expiry Date	Exercise Price
342,108	November 28, 2017	\$0.76
894,744	April 29, 2018	\$0.76
200,000	December 21, 2019	\$0.15
3,550,000	November 5, 2020	\$0.18
2,200,000	July 19, 2021	\$0.10
7,186,852		

Financial Risk Management

Financial risk

Sintana's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest and foreign exchange risk).

Risk management is carried out by Sintana's management team with guidance from the Board.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. All of the Company's cash is held with well-known and established financial institutions. As such, management considers credit risk related to these financial assets to be minimal.

Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in economic conditions generally or matters specific to Sintana. The Company generates cash flow primarily from its financing and business development activities.

Most of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms, except for Colombian income taxes. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

- Interest rate risk

The Company's current policy is to invest excess cash in short-term guaranteed investment certificates or money market funds of major Canadian chartered banks.

- Foreign currency risk

As of December 31, 2016, the Company funds certain operations, exploration and administrative expenses in Colombia on a cash call basis using US dollar currency and Colombian Pesos. The Company maintains US dollar bank accounts in Canada, Colombia, Panama and the United States. The Company maintains two Colombian Peso bank accounts in Colombia. The Company is subject to gains and losses from fluctuations in the Canadian dollar, Colombian Peso and the United States dollar. The Company does not use currency derivative instruments to manage its exposure to foreign currency fluctuations.

The following are the Canadian dollar equivalent balances for items denominated in foreign currencies:

	December 31, 2016 (\$)
Cash and cash equivalents	336,860
Accounts receivable and other assets	30,740
Accounts payable and other liabilities	(1,886,029)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- Sintana holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. As at December 31, 2016, a plus or minus 10% change in the Colombian Peso and US dollar foreign exchange rates against the Canadian dollar, with all other variable held constant, would have affected the reported loss and comprehensive loss by approximately \$152,000.

Outlook

The Company routinely evaluates various business development opportunities which could entail farm-ins, farmouts, acquisitions and / or divestitures.

The Company continues to monitor its spending and will amend its plans and budgets based on exploration results and expectations of being able to obtain additional funds as and when required.

Proposed Transactions

The Company routinely evaluates various business development opportunities that could entail farm-ins, farm-outs, acquisitions, trades and / or divestitures. In this regard, the Company is currently in discussions related to these and similar activities with various parties. There can be no assurance that any such transactions will be concluded in the future.

Recent Accounting Pronouncements

(i) IFRS 9 – Financial Instruments (“IFRS 9”) was initially issued by the IASB in November 2009 and issued in its completed version in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company will adopt the standard on its effective date and is currently assessing the impact of this pronouncement.

(ii) IFRS 16 - Leases (“IFRS 16”) was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases. The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board (“FASB”). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 - Revenue from Contract with Customers, has been applied, or is applied at the same date as IFRS 16.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (“NI 52-109”), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional

risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

Investment in Sintana must be considered highly speculative due to the nature of Sintana's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of Sintana should only be considered by those persons who can afford a total loss of their investment.

Requirement to invest to retain rights

Most of the leases and other operating rights that Sintana has and will acquire granting Sintana the right to explore for and exploit crude oil and natural gas resources require, within defined lengths of time, Sintana to drill wells and / or conduct seismic activities to maintain those rights. There can be no assurance that Sintana will have the resources necessary to drill the required wells or conduct the requisite seismic activities within the required time periods. Sintana does not have adequate cash at present to complete all of its drilling and seismic activities required to maintain its interests in oil and natural gas properties. In addition, Sintana will prioritize its drilling and seismic programs so as to pursue its best prospects, thus running the risk that certain of its rights may expire. If Sintana does not perform the required drilling or other required activities within the defined time periods, its rights to explore may lapse, which could have a material adverse effect on Sintana.

Ongoing need for financing

As Sintana has limited revenue, its ability to continue exploration, development, acquisition and divestiture efforts are largely reliant on its continued attractiveness to equity investors. Sintana will incur operating losses as it continues to expend funds to explore and develop its properties. There is no guarantee that Sintana will be able to develop any of its properties to commercial production. Additionally, Sintana will require additional capital to continue exploration and development. Failure to raise such capital could result in Sintana going out of business. From time to time, Sintana may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase Sintana's debt levels above industry standards.

Crude oil and natural gas development

No reserves have been assigned in connection with Sintana's property interests to date, given their early stage of development. The future value of Sintana is therefore dependent on the success or otherwise of Sintana's activities, which are principally directed toward the further exploration, appraisal and development of its assets in Colombia, and potential acquisition of additional property interests in the future. Exploration, appraisal and development of crude oil and natural gas reserves are speculative and involve a significant degree of risk. There is no guarantee that exploration or appraisal of the property interests of Sintana will lead to a commercial discovery or, if there is a commercial discovery, that Sintana will be able to realize the value of such reserves as intended. Few properties that are explored are ultimately developed into new reserves. If at any stage Sintana is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, Sintana's business, financial condition and / or results of operations and, accordingly, the trading price of Sintana shares, is likely to be materially adversely affected.

Crude oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made for future exploration or development activities by Sintana will result in discoveries of crude oil, condensate or natural gas that are commercially or economically viable. It is difficult to project

the costs of implementing any exploratory drilling or development program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Political risks

All of Sintana's current operations are conducted in Colombia and as such, Sintana's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; terrorism; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Sintana. Changes, if any, in oil and natural gas or investment policies or shifts in political attitude in the countries in which Sintana holds property interests may adversely affect Sintana's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and oil and natural gas safety matters. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to property applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Volatile stock price

The stock price of Sintana is highly volatile and will most likely be drastically affected by exploration and development results. Sintana cannot predict the results of its exploration and development activities expected to take place in the future. The results of these activities will inevitably affect Sintana's decisions related to further exploration and development of any of the properties that Sintana may hold in the future, and will likely trigger major changes in the trading price of the Sintana shares.

Potential conflicts of interest

Some of the individuals who serve as directors or officers of Sintana are also directors, officers and / or promoters of other reporting and non-reporting issuers. As of the date of this MD&A, and to the knowledge of the directors and officers of Sintana, there are no existing conflicts of interest between Sintana and any of the individuals who are directors or officers of SEI other than as disclosed elsewhere in this MD&A. Situations may arise where the directors and / or officers of Sintana may be in competition with Sintana. Any conflicts will be subject to and governed by the laws applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of Sintana's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Sintana are required to act honestly, in good faith and in the best interests of Sintana.

No history of production

Sintana's properties are exploration stage only. Sintana has never had any material interest in crude oil and / or natural gas producing properties. There is no assurance that commercial quantities of crude oil or natural gas will be discovered at any of the properties of Sintana or any future properties, nor is there any assurance that the exploration or development programs of Sintana thereon will yield any positive results. Even if commercial quantities of crude oil and / or natural gas are discovered, there can be no assurance that any property of Sintana will ever be brought to a stage where oil and / or natural gas can profitably be produced thereon. Factors which may limit the ability of Sintana to produce oil and / or natural gas from its properties include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any crude oil and / or natural gas deposits.

Reliance on limited number of properties

The principal property interests of Sintana are currently the VMM-37, VMM-4, Talora, COR-11 and COR-39 Blocks. As a result, any adverse developments affecting any or all of these Blocks could have a material adverse effect upon Sintana and would materially and adversely affect the potential production, profitability, financial performance and results of operations of Sintana.

Future sales of Sintana shares by existing shareholders

Sales of a large number of Sintana shares in the public markets, or the potential for such sales, could decrease the trading price of the Sintana shares and could impair Sintana's ability to raise capital through future sales of Sintana shares. Sintana may from time to time have previously issued securities at an effective price per share that is lower than the then current market price of Sintana shares. Accordingly, certain shareholders of Sintana may have an investment profit in Sintana shares that they may seek to liquidate.

Market price of Sintana shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of Sintana shares is also likely to be significantly affected by short-term changes in oil and natural gas prices or in Sintana's financial condition or results of operations of the Company. Other factors unrelated to Sintana's performance that may have an effect on the price of Sintana shares include the following: the extent of analytical coverage available to investors concerning Sintana's business may be limited if investment banks with research capabilities do not follow Sintana's securities; lessening in trading volume and general market interest in Sintana's securities may affect an investor's ability to trade significant numbers of Sintana shares; the size of Sintana's public float may limit the ability of some institutions to invest in Sintana's securities; and a substantial decline in the price of Sintana shares that persists for a significant period of time could cause Sintana's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of Sintana shares at any given point in time may not accurately reflect Sintana's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. Sintana may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Environmental regulation and risks

All phases of Sintana's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Sintana's operations. Environmental hazards may exist on the properties in which Sintana holds interests that are unknown to Sintana at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval of aboriginal people and permits are currently and may in the future be required in connection with Sintana's direct and indirect operations. To the extent such approvals are required and not obtained, Sintana may be curtailed or prohibited from continuing its oil and / or natural exploration operations or from proceeding with planned exploration or development of its properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of natural resource properties may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of crude oil and natural gas exploration companies, or more stringent implementation thereof, could have a material adverse impact on Sintana and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Requirement for permits and licenses

The operations of Sintana require it to obtain licenses for operating, permits, and in some cases, renewals of existing licenses and permits from various authorities in Colombia. Sintana believes that it currently holds or has applied for all necessary licenses and permits to carry on the activities it is currently conducting under applicable laws and regulations in respect of its properties, and also believes that it is complying in all material respects with the terms of such licenses and permits. However, the ability of Sintana to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions.

Exploration, development and operating risks

Exploration, development and production operations generally involve a high degree of risk. The operations of Sintana are subject to all the hazards and risks normally encountered in the exploration, development and production of oil and natural gas, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability.

Insurance and uninsured risks

Sintana's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, mechanical failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to crude oil and natural gas properties and / or production facilities, personal injury or death, environmental damage to the properties of Sintana, or the properties of others, delays in exploration, development and production activities, monetary losses and possible legal liability.

Although Sintana maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with crude oil and natural gas operations. Sintana may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to Sintana or to other companies in the oil and natural gas industry on acceptable terms. Sintana might also become subject to liability for pollution or other hazards that may not be insured against or which Sintana may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Sintana to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Infrastructure

Crude oil and natural gas exploration, development and production activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, water supply and disposal facilities are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of Sintana.

Participation Interests

No assurances can be given that there are no participation interests defects affecting any properties of Sintana. Insurance generally is not available, and the ability of Sintana to ensure that it has obtained secure claim to individual properties or concessions may be severely constrained. Furthermore, Sintana has not conducted surveys of the claims in which it currently holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, such natural resource properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and participation interests may be affected by, among other things, undetected defects. In addition, Sintana may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition

The crude oil and natural gas industries are competitive in all of their phases. Sintana faces strong competition from other companies in connection with the acquisition of properties producing, or capable of producing, crude oil and natural gas. Many of these companies have greater financial resources, operational experience and technical capabilities than Sintana. As a result of this competition, Sintana may be unable to maintain or acquire attractive properties on terms it considers acceptable or at all.

Consequently, the revenues, operations and financial condition of Sintana could be materially adversely affected.

Commodity prices

The price of Sintana shares, its financial results and its exploration, development and production activities, if any, could be significantly adversely affected by declines in the price of crude oil and / or natural gas. The prices of crude oil and natural gas fluctuate widely and are affected by numerous factors beyond Sintana's control, such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major oil-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future price declines in the market value of crude oil and / or natural gas could cause continued development of and commercial production from its properties to be impracticable. Depending on the price of crude oil and natural gas, cash flow from any potential future operations may not be sufficient and Sintana could be forced to discontinue production and may lose its interests in, or be forced to sell, some of its properties. Potential future production from Sintana's properties, if any, is dependent upon the price of crude oil and / or natural gas being adequate to make these properties economic.

In addition to adversely affecting Sintana's financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government regulation

Sintana's exploration, development and production activities are subject to various laws, regulations and rules governing prospecting, development, production, taxes, labour standards and occupational health and safety, toxic substances, land use, water use, land claims of local people and other matters. Although to the best knowledge of Sintana the exploration, development and production activities are currently carried out in all material respects in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner that could limit or curtail exploration, development, production and / or sales activities. Amendments to current laws, rules and regulations governing oil and natural gas operations, or more stringent implementation thereof, could have a substantial adverse impact on Sintana.

Global financial conditions

Over the cover of the last several years global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or had to be rescued by governmental authorities. Access to public financing has been negatively impacted by government debt burdens, sub-prime mortgages, the liquidity crisis affecting the asset-backed commercial paper market and other factors. These factors may adversely impact the ability of Sintana to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, the operations of Sintana could be impacted and the value and the price of Sintana shares and other securities could be adversely affected.

Dividend policy

No dividends on any of the Sintana shares have been paid to date. Payment of future dividends, if any, will be at the discretion of the Board of Directors after taking into account multiple factors, including Sintana's operating results, financial condition, and current and anticipated cash needs.

Management

The success of the Company is heavily dependent on the performance of management. Shareholders will be relying on the good faith, experience and judgment of the Company's management, directors and advisers in supervising and providing for the effective management of the Company's business. The loss of the services of one or more of these persons could have a materially adverse effect on the Company's business. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company.

Additionally, directors and officers of the Company may also serve as directors and / or officers of other reporting issuers from time to time.

The Company has not purchased "key-man" insurance.

Commitments

(i) A subsidiary of the Company holds an operating lease agreement for office space in Calgary, Alberta commencing on March 1, 2012 and ending on February 28, 2017. The annual average basic rent obligation is approximately \$27,000, payable in monthly installments of approximately \$2,000. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes.

(ii) A subsidiary of the Company holds an operating lease agreement for office space in Bakersfield, California commencing July 1, 2012 and ending on June 30, 2017. The annual average basic rent obligation is approximately US\$80,000, payable in average monthly installments of approximately US\$7,000. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. Effective March 1, 2014, the Company entered into an agreement to sublet the office space for approximately US\$4,000 per month for the first year, increasing to US\$5,000 per month after the first year and US\$6,000 after the second year.

Litigation

In June 2016, the Company received a letter from a third party seeking payment of \$1,291,972 for well abandonment and site cleanup of a Nova Scotia property. The third party has filed a suit against a subsidiary of the Company seeking full payment of the alleged liability plus reimbursement of the costs incurred to pursue the matter. Management believes that the Company is not liable for the invoiced costs and therefore no provision for any potential payments has been recorded. An amount of \$827,814 was recorded as a reversal of the previously recorded ARO and accrual for the well abandonment and site clean up costs.

An operating lease agreement for office space in Calgary, Alberta commencing on March 2012 and ending on February 28, 2017 was held by a subsidiary of the Company prior to the Business Combination. The annual average basic rent obligation is approximately \$88,000, payable in monthly installments of approximately \$7,000. Since September 2015 (after the Business Combination), only one payment has been made. The lessor has filed a suit against a subsidiary of the Company seeking full payment of the alleged liability plus reimbursement of the costs incurred to pursue the matter.

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Management believes that the Company is not liable for this rent and therefore no provision for any potential payments has been recorded.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.sintanaenergy.com.

Subsequent Events

- (i) On February 28, 2017, the following stock options expired unexercised:
- 200,000 stock options with an exercise price of \$0.145;
 - 250,000 stock options with an exercise price of \$0.175; and
 - 200,000 stock options with an exercise price of \$0.10.
- (ii) On March 2, 2017, 7,894 stock options with an exercise price of \$1.026 expired unexercised.
- (iii) On April 25, 2017, 78,948 stock options with an exercise price of \$1.026 expired unexercised.

Additional Disclosure for Venture Issuers Without Significant Revenue

	Year Ended December 31, 2016	Year Ended December 31, 2015
General and administrative	\$	\$
Salaries and benefits	2,052,939	1,669,685
Professional fees	377,402	895,526
Administrative and general	109,650	538,505
Rent	77,479	nil
Travel expenses	37,539	90,623
Reporting issuer costs	17,937	28,403
Interest and other income	(1,181)	(27,433)
Total	2,671,765	3,195,309