



MANAGEMENT'S DISCUSSION AND ANALYSIS

SINTANA ENERGY INC.

YEAR ENDED DECEMBER 31, 2019

(EXPRESSED IN CANADIAN DOLLARS)



Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of 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, 2019. 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, 2019 and 2018, 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 March 10, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considered 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; and / or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluated 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 ("hydrocarbons") 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 with Sintana Holdings Corp. Sintana is primarily engaged in hydrocarbons exploration and development activities in Colombia. The Company's exploration strategy is to acquire, explore, develop and produce superior quality assets with significant reserves potential. Its primary assets are private participation interests of 30% unconventional (carried) and 100% conventional in the potential hydrocarbon 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 and ExxonMobil Exploration Colombia Limited Sucursal Colombia (both entities hereinafter referred to as "Exxon") for the exploration and development of unconventional hydrocarbons 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 Contract for the VMM-37 Block. Patriot retains the remaining 30% interest in the unconventional play as well as a 100% 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

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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 remain a going concern and continue its business activities	The Company has anticipated all material costs; the operating and exploration activities of the Company for the twelve-months period ending December 31, 2020, 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 additional capital in order to meet its working capital needs. See "Liquidity and Financial Position" under the subheading "Financial Highlights" 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 Update" under the subheading "Operational Highlights" below	Financing will be available for future exploration and development of Sintana's private participation interests; the actual results of exploration and development activities will be favourable; operating, exploration, development and production costs will not exceed 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; the market prices for petroleum and natural gas and applicable interest and exchange rates will be favourable; no legal disputes exist or arise with respect to the Company's private participation interests; Sintana's expectations regarding the potential of conventional and unconventional plays	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; interest and exchange rates fluctuations; changes in economic and political conditions; the Company's ability to retain and

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		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 exploration and operating activities; the market prices for petroleum and natural gas will be favourable; economic and political conditions will be favourable	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 Update" under the subheading "Operational Highlights" 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 upon acceptable terms; political, contractual, regulatory 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, contractual, regulatory 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
The currently dormant (4 years) arbitration proceeding, if ever reopened, will not result in an adverse ruling and significant additional costs	The currently dormant arbitration proceeding will not be reopened and if it is the outcome will not result in a significant award of damages	The now dormant arbitration proceeding is reopened and results in significant additional costs

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 and / 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 may note

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 parties 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, when presented, is intended to help demonstrate that hydrocarbons could be present in commercially recoverable quantities in the VMM-37 Block. 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 hydrocarbon resources.

There are significant uncertainties regarding the market prices for hydrocarbons 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 successful, exploration, development and production of the VMM-37 Block; associated regulatory actions, including approval of permits and work programs to drill, stimulate and produce wells; associated sales of hydrocarbons and overall financial markets. Financial and commodities markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and 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. Energy 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 further explore and / or develop hydrocarbon resources discovered on the VMM-37 Block.

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 in comparison 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

On February 11, 2019, the Company approved grants of a total of 800,000 restricted share units ("RSUs") to four officers of the Company. 400,000 RSUs vested immediately. An additional 400,000 RSUs vested on February 11, 2020. The remaining 200,000 RSUs in the 2019 RSUs Plan were awarded on January 30, 2020 and vested on February 11, 2020.

On July 15, 2019, the Company received a notice of partial conversion (the "Notice") in respect of its convertible debentures in the principal amount of \$650,000 issued on July 24, 2018 (the "Debenture"). The Debenture has a term of five years, an annual interest rate of 8%, and the principal amount thereof may be converted into common shares of the Company at the option of the holder at a conversion price of \$0.07 per share during the first year following closing (the "Initial Conversion Price") and \$0.10 thereafter. Interest is also convertible under the Debenture at the election of the holder, subject to the approval of the TSXV. The Notice provided for conversion of (i) \$550,000 of the principal amount of the Debenture at the Initial Conversion Price in exchange for the issuance of 7,857,143 common shares of the Company; and (ii) \$42,874 of interest owing under the Debenture at a conversion price of \$0.075 per share in exchange for the issuance of 571,664 common shares of the Company. The partial conversion of

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the Debentures resulted in a decrease of the convertible debentures of \$374,917, a decrease of the conversion feature and convertible debt of \$136,899 and an increase in share capital of \$511,816.

On December 21, 2019, 200,000 stock options with an exercise price of \$0.15 expired unexercised.

On February 3, 2020, the Company announced that its Board of Directors approved grants of a total of 2,025,000 stock options to several directors and officers of the Company and one consultant. The stock options have an exercise price of \$0.145, vest in three equal tranches over the next 24 months and will expire on January 30, 2025.

The Company also approved grants to four officers of an aggregate of 200,000 RSUs that will vest on February 11, 2020.

On February 13, 2020, 3,325,000 warrants with an exercise price of \$0.10 and expiration date of July 24, 2021 were exercised for cash proceeds of \$332,500. As a result, 2,395,000 warrants with an expiration date of July 24, 2021 remain outstanding and will expire on July 24, 2021.

Petroleum and Natural Gas Update

Exploration Expenditures

Exploration Expenditures	Year Ended December 31, 2019 \$	Year Ended December 31, 2018 \$
Magdalena Basin, Colombia		
Administrative and general	46,811	46,052
Professional fees	15,052	63,896
Total	61,863	109,948

Operations Update

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

Asset Summary			
Basin / Block	Operator	Gross Acres ('000)	Private Participation Interest
Middle Magdalena			
VMM-37 Unconventional	Exxon	43	30%
VMM-37 Conventional	Sintana	n/a	100%
Total		43	

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 the VMM-37 Block, subject to completion of a defined Work Program. For purposes of the Exxon 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 License Contract which revised the Work Program for the VMM-37 Block to include the hydraulic stimulation ("frack" or "fracking") and production testing of the Manati Blanco #1 exploration well ("well"), drilled to a minimum depth of 14,000 feet. 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 vertical well were successfully completed and the rig was released on September 19, 2015 after having reached a measured depth of 14,345 feet. Primary targets for the 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 frack selected prospective zones encountered during drilling operations.

In 2017, the ANH published a regulatory document, AGREEMENT No. 02 OF 2017, which describes in significant detail the legal requirements governing License Contracts and Contractors (joint venture partners holding interests in a License Contract) to conduct exploration, including fracking, development and production operations in unconventional formations. To date, no environmental permits to do so have been approved.

Also in 2017, executives of Ecopetrol, Colombia's national oil company (~85% government ownership), began speaking publically about the significant decline in conventional oil production from a peak of more than one million barrels of oil per day ("BOPD") in January, 2015 to a current average of approximately 860 thousand BOPD. At this rate of production, Colombia's 2018 reserve life index based on reported year end 2018 reserve estimates was less than six years. Industry and government officials have, with increasing frequency and detail, raised the point that the only way to reverse this decline, and its associated negative impacts on employment, government revenues, energy security and other strategic and political goals, is to initiate exploration activities in unconventional formations. Ultimately recoverable unconventional oil resources in the Middle Magdalena Valley Basin are estimated to be in the range of 4 to 7 billion barrels. Remaining conventional oil reserves in all of Colombia are estimated to be approximately 1.7 billion barrels.

In October 2018, a Commission of Experts (academics from a number of disciplines) was appointed to review various potential aspects and outcomes of proceeding with fracking operations in unconventional

formations. In its published report, the Commission recommended that three tightly controlled pilot projects, with Ecopetrol being designated operator and holding participation interests, be approved.

In June 2019, the Council of State, Colombia's senior court tasked with ruling on administrative matters, commenced hearings on the use of fracking in the exploration for and production of hydrocarbons in unconventional formations.

In September 2019, the Council of State announced that three yet to be designated pilot projects will be authorized to test the use of fracking in unconventional formations under the close supervision of the ANH, ANLA and other regulatory bodies. Close monitoring and in-depth documentation of environmental social, economic and other impacts will be required.

To date, the specific blocks to be included in the pilots, the designation of Ecopetrol as operator, the amount of the participation interests that must be held by Ecopetrol and the consideration to be exchanged to obtain the participation interests have not been announced.

As summarized in its recent Investor Presentations (available on its website), Ecopetrol expects to invest up to US\$500 million and participate in more than 20 wells in the pilots over the next three years. An estimated timeline for this activity is also included in the Investor Presentation.

Major Pilot Project Deliverables for 2020-2022:

- Select pilot blocks.
- Designate Ecopetrol as Operator of each selected block and renegotiate the terms of Joint Operating Agreements to incorporate adjustments to participation interests as well as other requirements set forth by the Council of State and various regulatory bodies.
- Complete initial community socialization activities and establish local project update communications programs.
- Design pilots; develop monitoring routines; implement reporting requirements.
- Obtain environmental permits.
- Execute approved exploration, fracking and production test programs.

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 2015 business combination with Sintana Resources Corp.

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company at December 31, 2019, December 31, 2018 and December 31, 2017 and for the years then ended:

	Year Ended December 31, 2019 \$	Year Ended December 31, 2018 \$	Year Ended December 31, 2017 \$
Income (Loss)			
Total revenues	nil	nil	nil
Total loss ⁽¹⁾⁽²⁾	(1,323,698)	(1,905,354)	(864,373)
Net loss per share – basic ⁽³⁾⁽⁴⁾	(0.01)	(0.02)	(0.01)
Net loss per share – diluted ⁽³⁾⁽⁴⁾	(0.01)	(0.02)	(0.01)
	As at December 31, 2019 \$	As at December 31, 2018 \$	As at December 31, 2017 \$
Assets / Liabilities			
Total assets	204,127	560,532	381,908
Total non-current financial liabilities	74,385	396,203	nil
Distribution or cash dividends ⁽⁵⁾	nil	nil	nil

(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 shares.

- The net loss for the year ended December 31, 2019, consisted primarily of (i) exploration and evaluation expenditures of \$61,863; (ii) general and administrative expenses of \$1,555,349; (iii) foreign exchange gain of \$256,782; (iv) finance interest expense of \$53,099; (v) gain of accounts payable of \$89,831.
- The net loss for the year ended December 31, 2018, consisted primarily of (i) exploration and evaluation expenditures of \$109,948; (ii) general and administrative expenses of \$1,548,481; (iii) foreign exchange loss of \$277,453; (iv) finance interest expense of \$33,122; (v) gain of accounts payable of \$63,650.
- The net loss for the year ended December 31, 2017, consisted primarily of (i) exploration and evaluation expenditures recovery of \$158,025; (ii) general and administrative expenses of \$1,475,219; (iii) foreign exchange gain of \$151,207; (iv) gain on sale of subsidiary of \$254,005; (v) write-down of accounts payable of \$60,154; and (vi) write-off of accounts receivable of \$12,545.
- The Company's ability to fund its operations is dependent on securing financing by issuing equity and / or debt instruments, selling assets, proceeds from sales of produced hydrocarbons, and / or royalty income. The value of any hydrocarbons 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 the disposition of successful hydrocarbon projects. 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⁾ (\$)	
2019-December 31	Nil	(143,401) ⁽¹⁾	(0.00)	204,127
2019-September 30	Nil	(516,881) ⁽²⁾	(0.00)	246,500
2019-June 30	Nil	(291,195) ⁽³⁾	(0.00)	340,960
2019-March 31	Nil	(372,221) ⁽⁴⁾	(0.00)	446,149
2018-December 31	Nil	(611,275) ⁽⁵⁾	(0.01)	560,532
2018-September 30	Nil	(331,066) ⁽⁶⁾	(0.00)	631,496
2018-June 30	Nil	(536,698) ⁽⁷⁾	(0.00)	171,372
2018-March 31	Nil	(426,315) ⁽⁸⁾	(0.00)	301,842

Notes:

- (1) Net loss of \$143,401 consisted primarily of: exploration and evaluation expenditures of \$13,984, general and administrative expenses of \$387,817, finance interest expense of \$3,575, which was offset by foreign exchange gain of \$130,664 and gain of accounts payable of \$47,745.
- (2) Net loss of \$516,881 consisted primarily of: exploration and evaluation expenditures of \$14,713, general and administrative expenses of \$372,943, finance interest expense of \$8,291, foreign exchange loss of \$51,397 and loss on conversion of \$83,566, which was offset by gain of accounts payable of \$14,029.
- (3) Net loss of \$291,195 consisted primarily of: exploration and evaluation expenditures of \$15,502, general and administrative expenses of \$363,307, finance interest expense of \$21,141, which was offset by foreign exchange gain of \$94,727 and gain of accounts payable of \$14,028.
- (4) Net loss of \$372,221 consisted primarily of: exploration and evaluation expenditures of \$17,664, general and administrative expenses of \$431,282, finance interest expense of \$20,092, which was offset by foreign exchange gain of \$82,788 and gain of accounts payable of \$14,029.
- (5) Net loss of \$611,275 consisted primarily of: exploration and evaluation expenditures of \$14,671, general and administrative expenses of \$454,993, finance interest expense of \$14,300, foreign exchange loss of \$190,961 which was offset by gain of accounts payable of \$63,650.
- (6) Net loss of \$331,066 consisted primarily of: exploration and evaluation expenditures of \$53,053, general and administrative expenses of \$331,743, finance interest expense of \$18,822 which was offset by foreign exchange gain of \$72,552.
- (7) Net loss of \$536,698 consisted primarily of: exploration and evaluation expenditures of \$16,324, general and administrative expenses of \$442,510 and foreign exchange loss of \$77,864.

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- (8) Net loss of \$426,315 consisted primarily of: exploration and evaluation expenditures of \$25,900, general and administrative expenses of \$319,235 and foreign exchange loss of \$81,180.
- (9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

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

Related Party Transactions

Related parties include directors, 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 standard commercial terms.

The below noted transactions occurred 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:

Salaries and Benefits ⁽¹⁾ (Includes deferred)	Year Ended December 31, 2019 \$	Year Ended December 31, 2018 \$
Deferred salaries and benefits		
Keith D. Spickelmier - Director / Executive Chairman	265,380	259,140
Douglas G. Manner - Director / Chief Executive Officer	265,380	259,140
David L. Cherry - President & Chief Operating Officer	265,380	259,140
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	238,842	233,226
Bruno C. Maruzzo – Director	20,000	20,000
Dean Gendron - Director	20,000	20,000
Robert Bose – Director	20,000	nil
Total deferred salaries and benefits	1,094,982	1,050,646
Total	1,094,982	1,050,646

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(1) Salaries and benefits include director fees. Balances for deferred compensation due to directors and key management personnel of \$4,672,712 are included in deferred compensation as at December 31, 2019 (December 31, 2018 - \$3,777,189) and include the retiring allowance payable to Lee A. Pettigrew.

(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\$305,584 (\$396,893)) as a retiring allowance. This amount is included as deferred compensation.

Share-based expense (Stock options and RSUs)	Year Ended December 31, 2019 \$	Year Ended December 31, 2018 \$
Keith D. Spickelmier - Director / Executive Chairman	35,889	15,849
Douglas G. Manner - Director / Chief Executive Officer	35,889	15,849
David L. Cherry - President & Chief Operating Officer	35,889	15,849
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	35,889	15,849
Bruno C. Maruzzo – Director	7,751	10,492
Dean Gendron - Director	4,952	8,306
Robert Bose – Director	7,107	5,094
Carmelo Marrelli, Chief Financial Officer	2,370	1,982
Total	165,736	89,270

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

For the year ended December 31, 2019, the Company paid professional fees and disbursements of \$70,109 (year ended December 31, 2018 - \$72,755) 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 \$14,629 is included in accounts payable and other liabilities as at December 31, 2019 (December 31, 2018 - \$9,458).

For the year ended December 31, 2019, the Company paid professional fees and disbursements of \$514 (year ended December 31, 2018 - \$9,476) 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, 2019, DSA was owed \$nil (December 31, 2018 - \$2,246) and this amount is included in accounts payable and other liabilities.

For the year ended December 31, 2019, the Company paid professional fees and disbursements of \$2,813 (year ended December 31, 2018 - \$nil) to DSA Filing Services Inc. ("DSA Filing"), an organization which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of DSA Filing. 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, 2019, DSA Filing was owed \$170 (December 31, 2018 - \$nil) and this amount is included in accounts payable and accrued liabilities.

Discussion of Operations

Year ended December 31, 2019, compared with the year ended December 31, 2018

Sintana's net loss totalled \$1,323,698 for the year ended December 31, 2019, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$1,905,354 for the year ended December 31, 2018, with basic and diluted loss per share of \$0.02. The decrease of \$581,656 in net loss was principally due to:

- Exploration and evaluation expenditures decreased to \$61,863 for the year ended December 31, 2019 compared to \$109,948 for the comparative period. See "Petroleum and Natural Gas Update", above for a description of current exploration activities.
- General and administrative expenses increased by \$6,868. General and administrative expenses totalled \$1,555,349 for the year ended December 31, 2019 (year ended December 31, 2018 - \$1,548,481) and consisted of administrative and general expenses of \$49,996 (year ended December 31, 2018 - \$58,451), professional fees of \$210,749 (year ended December 31, 2018 - \$276,819), reporting issuer costs of \$14,614 (year ended December 31, 2018 - \$31,489), travel expenses of \$2,470 (year ended December 31, 2018 - \$16,786), salaries and benefits of \$1,277,520 (year ended December 31, 2018 - \$1,165,013) and interest and other income of \$nil (year ended December 31, 2018 - \$77).
 - The Company incurred an increase in salaries and benefits of \$112,507 for the year ended December 31, 2019, compared to the year ended December 31, 2018. The increase can also be attributed to the vesting over time of options and RSUs granted.
 - During the year ended December 31, 2019, the Company granted 800,000 RSUs to four officers of the Company. These RSUs vest as follows: one-half vest immediately and one-half vest on the first anniversary. In relation to this grant, compensation for the year ended December 31, 2019 was \$67,734 (year ended December 31, 2018 - \$nil).
 - Share-based compensation included in salaries and benefits expense includes \$nil (year ended December 31, 2018 - \$11,951) relating to stock options granted before 2018 in accordance with their respective vesting terms, during the year ended December 31, 2019.
 - On June 8, 2018, the Company granted a total of 450,000 stock options to directors 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 June 8, 2023. 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 125.78%; risk-free interest rate of 2.15%; and an expected average life of 5 years. The options were valued at \$21,780. \$6,784 (year ended December 31, 2018 - \$13,422) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during the year ended December 31, 2019.

- On December 18, 2018, the Company granted a total of 3,850,000 stock options to officers and directors 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 December 18, 2023. 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 127.32%; risk-free interest rate of 1.94%; and an expected average life of 5 years. The options were valued at \$186,189. \$91,217 (year ended December 31, 2018 - \$65,617) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during the year ended December 31, 2019.

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 \$66,070 for the year ended December 31, 2019, compared to the year ended December 31, 2018. The decrease can be attributed to lower corporate activity requiring legal assistance during year ended December 31, 2019 compared to the year ended December 31, 2018.

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- Administrative and general expenses include corporate office expenses. The decrease in administrative and general expenses of \$8,455 can be attributed to marginally lower level of activity.
- The Company incurred a decrease in travel expenses of \$14,316 for the year ended December 31, 2019, compared to the year ended December 31, 2018. The decrease can be attributed to lower business development, operations monitoring and investor relations activities.
- The Company incurred a foreign exchange gain of \$256,782 up from a loss of \$277,453 in the previous period, which was primarily attributable to US dollar and Colombian peso exchange rate fluctuations.
- Finance interest expense was \$53,099 for the year ended December 31, 2019 compared to \$33,122 for the year ended December 31, 2018. The increase is due to interest expense and accretion expense on the Debentures issued on July 24, 2018.
- Gain of accounts payable increased to \$89,831 (payables accrued decreased) for the year ended December 31, 2019 compared to \$63,650 for the year ended December 31, 2018. The gain is due to management's reassessment of certain previously recorded liabilities.

Three months ended December 31, 2019 compared with three months ended December 31, 2018

Sintana's net loss totalled \$143,401 for the three months ended December 31, 2019, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$611,275 for the three months ended December 31, 2018, with basic and diluted loss per share of \$0.01. The decrease of \$467,874 in net loss was principally due to:

- Exploration and evaluation expenditures decreased to \$13,984 for the three months ended December 31, 2019 compared to \$14,671 for the comparative period. See "Petroleum and Natural Gas Update", under the subheading "Operational Highlights", above for a description of current exploration activities.
- General and administrative expenses decreased by \$67,176. General and administrative expenses totalled \$387,817 for the three months ended December 31, 2019 (three months ended December 31, 2018 - \$454,993) and consisted of administrative and general expenses of \$11,794 (three months ended December 31, 2018 - \$19,503), professional fees of \$70,840 (three months ended December 31, 2018 - \$80,924), reporting issuer costs of \$150 (three months ended December 31, 2018 - \$6,452), travel expenses of \$2,470 (three months ended December 31, 2018 - \$6,434) and salaries and benefits of \$302,563 (three months ended December 31, 2018 - \$341,680).
 - The Company incurred a decrease in salaries and benefits of \$39,117 for the three months ended December 31, 2019, compared to the three months ended December 31, 2018. The decrease can also be attributed to the vesting over time of options and RSUs granted.
 - During the year ended December 31, 2019, the Company granted 800,000 RSUs to four officers of the Company. These RSUs vest as follows: one-half of the RSU vest immediately and one-half vest on the first anniversary. In relation to this grant, compensation for the three months ended December 31, 2019 was \$9,000 (three months ended December 31, 2018 - \$nil).

- Share-based compensation included in salaries and benefits expense includes \$nil (three months ended December 31, 2018 - \$11,951) relating to stock options granted before 2018 in accordance with their respective vesting terms, during the year ended December 31, 2019.
- On June 8, 2018, the Company granted a total of 450,000 stock options to directors 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 June 8, 2023. 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 125.78%; risk-free interest rate of 2.15%; and an expected average life of 5 years. The options were valued at \$21,780. \$908 (three months ended December 31, 2018 - \$2,723) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during three months ended December 31, 2019.
- On December 18, 2018, the Company granted a total of 3,850,000 stock options to officers and directors 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 December 18, 2023. 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 127.32%; risk-free interest rate of 1.94%; and an expected average life of 5 years. The options were valued at \$186,189. \$21,140 (three months ended December 31, 2018 - \$65,617) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during the three months ended December 31, 2019.

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 14.

- The Company incurred a decrease in professional fees of \$10,084 for the three months ended December 31, 2019, compared to the three months ended December 31, 2018. The decrease can be attributed to lower corporate activity requiring legal assistance during the three months ended December 31, 2019 compared to the three months ended December 31, 2018.
- Administrative and general expenses include corporate office expenses. The decrease in administrative and general expenses of \$7,709 can be attributed to marginally lower corporate support costs.
- The Company incurred a decrease in travel expenses of \$6,302 for the three months ended December 31, 2019, compared to the three months ended December 31, 2018. The decrease can be attributed to lower business development, operations monitoring and investor relations activities.
- The Company incurred a foreign exchange gain of \$130,664 up from a loss of \$190,961 in the previous period, which was primarily attributable to US dollar and Colombian peso exchange rate fluctuations.

- Finance interest expense was \$3,575 for the three months ended December 31, 2019 compared to \$14,300 for the three months ended December 31, 2018. The decrease is due to the partial conversion of \$550,000 of the principal amount of the Debenture.
- Gain of accounts payable decreased to \$47,745 for the three months ended December 31, 2019 compared to \$63,650 for the three months ended December 31, 2018. The decrease is due to management's reassessment of certain previously recorded liabilities.

Cash Flow

At December 31, 2019, the Company had cash of \$173,975. The decrease in cash of \$343,404 from the December 31, 2018 cash balance of \$517,379 was a result of net cash outflows for operating activities of \$343,404. Operating activities were mainly affected by a net loss of \$1,323,698, offset by non-cash activities in share-based compensation of \$165,735, accretion on convertible debentures of \$18,706, accrued interest on convertible debentures of \$34,393, gain of accounts payable of \$89,831 and net change in non-cash working capital balances of \$851,291. The change in working capital balances was due to a decrease in accounts receivable and other assets of \$13,001, a decrease in accounts payable and other liabilities of \$57,233 and an increase of \$895,523 in deferred compensation.

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, convertible debentures and sales of non-core assets. As the Company does not expect to generate positive cash flows from operations in the near future, it will continue to rely primarily on additional financings to raise capital.

At the date of this MD&A, the Company estimates that it has sufficient cash on hand to remain a going concern for the next 12 months. However, it will need to secure additional financing to carry on business activities in 2021 and thereafter unless it commences producing hydrocarbons in sufficient quantities to meet the Company's ongoing need for additional working capital. The major variables are expected to be the size, timing and results of the Company's compliance requirements and its ability to continue to access capital to fund its ongoing activities. Although the Company has been successful in raising funds to date, there is no assurance that future equity capital or debt will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risk Factors" below. In addition, the Company will defer payment of certain liabilities, primarily compensation, until it is in a financial position to discontinue this practice.

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 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 hydrocarbons, could materially and adversely impact Sintana's ability to continue as a going concern.

Capital Risk Management

Sintana manages its capital with the following objectives:

- ensure sufficient financial flexibility to achieve its ongoing business objectives;
- maintain its private participation interests in the potential conventional and unconventional opportunities in Block VMM-37 in Colombia's Magdalena Basin; 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 on an ongoing basis.

Sintana considers its financial capital to be shareholders' deficiency, which comprises share capital, warrants, contributed surplus (which includes stock options), the conversion feature of convertible debentures and deficit, which at December 31, 2019 totaled to a shareholders' deficiency of \$5,198,705 (December 31, 2018 – shareholders' deficiency of \$4,415,659).

Sintana monitors its sources and uses of capital through its financial and operational forecasting processes. The Company 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 hydrocarbon participation interests. Forecast summaries are provided to the Board.

Sintana's capital management objectives, policies and processes remained unchanged during the year ended December 31, 2019. 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, 2019, the Company was compliant with Policy 2.5.

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 130,398,297 common shares outstanding.

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

Warrants	Expiry Date	Exercise Price
2,395,000	July 24, 2021	\$0.10
2,395,000		

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

Options	Expiry Date	Exercise Price
3,550,000	November 5, 2020	\$0.18
2,150,000	July 19, 2021	\$0.10
450,000	June 4, 2023	\$0.10
3,850,000	December 18, 2023	\$0.10
10,000,000		

Financial Risk Management

Financial risk

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

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 accounts receivable excluding HST. 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. The Company's convertible debentures are at fixed interest rates. Accordingly, the Company has no material interest rate risk.

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- Foreign currency risk

As of December 31, 2019, the Company funds certain operations, exploration and administrative expenses in Colombia on a cash call basis using US dollar currency and Colombian Peso. The Company maintains US dollar bank accounts in Canada, Colombia, Panama and the United States. The Company maintains one Colombian Peso bank account in Colombia. Sintana is subject to gains and losses from fluctuations in the Canadian dollar, Colombian Peso and US 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, 2019 (\$)	December 31, 2018 (\$)
Cash	87,814	479,780
Provision (included in accounts payable and other liabilities)	(424,197)	(673,002)
Deferred compensation	(4,555,779)	(3,703,371)

Sensitivity analysis

Based on management's knowledge of and experience with 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, 2019, 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 income and comprehensive income by approximately \$491,000 (December 31, 2018 - \$390,000).

Outlook

The Company routinely evaluates various business development opportunities.

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.

New Standard Adopted During the Year

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistent with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. At January 1, 2019, the Company adopted this standard and there was no material impact on the Company's consolidated financial statements.

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 Sintana 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 one property

The principal property interest of Sintana is currently the VMM-37 Block. 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.

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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.

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 3, 2020, the Company announced that its Board of Directors approved grants of a total of 2,025,000 stock options to several directors and officers of the Company and one consultant. The stock options have an exercise price of \$0.145, vest in three equal tranches over the next 24 months and will expire on January 30, 2025.

The Company also approved grants to four officers of an aggregate of 200,000 RSUs that vested on February 11, 2020.

(ii) On February 13, 2020, 3,325,000 warrants with an exercise price of \$0.10 and an expiration date of July 24, 2021 were exercised for cash proceeds of \$332,500. As a result, 2,395,000 warrants remain outstanding and will expire on July 24, 2021.

Additional Disclosure for Venture Issuers Without Significant Revenue

	Year Ended December 31, 2019	Year Ended December 31, 2018
General and administrative	\$	\$
Salaries and benefits	1,277,520	1,165,013
Professional fees	210,749	276,819
Administrative and general	49,996	58,451
Travel expenses	2,470	16,786
Reporting issuer costs	14,614	31,489
Interest and other income	nil	(77)
Total	1,555,349	1,548,481