



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2022 and 2021**

November 29, 2022

Introduction

This Management's Discussion and Analysis ("MD&A") is a review of the results of the consolidated operations of Jura Energy Corporation ("JEC", "Jura" or the "Company") and its subsidiaries Spud Energy Pty Limited ("SEPL"), PetExPro Ltd. ("PEPL"), Frontier Oil and Gas Holdings Limited ("FOGHL") and Frontier Holdings Limited ("FHL") for the three and nine months ended September 30, 2022 and 2021 and the Company's financial position as at September 30, 2022. This MD&A is approved by the Board of Directors (the "Board") on November 29, 2022 and should be read in conjunction with the condensed consolidated interim financial statements of the Company for three and nine months ended September 30, 2022 and 2021, Company's annual audited consolidated financial statements for the years ended December 31, 2021 and 2020 and the Company's annual MD&A for the years ended December 31, 2021 and 2020.

The condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2022 and 2021 have been prepared by management in accordance with the International Financial Reporting Standards ("IFRS") as applicable to the interim financial reports including IAS 34 - Interim Financial Reporting, and should be read in conjunction with the annual audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

The Company uses the United States Dollar ("US\$" or "\$") as its measurement and reporting currency. All amounts reported in this MD&A are stated in United States Dollars unless otherwise indicated.

JEC is listed on the Toronto Stock Exchange Venture Exchange ("TSX-V") and trades under the symbol of "JEC". Additional information relating to JEC is available on SEDAR at www.sedar.com and the Company's website at www.juraenergy.com.

Non IFRS Financial Measures

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. The terms net revenue per Barrel of Oil Equivalent ("Boe"), production cost per Boe, depletion per Boe and operating netback per Boe are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. Management considers these to be important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies operating in similar industries.

Operating netback is used by research analysts to compare operating performance and the Company's ability to maintain current operations and meet the forecasted capital program. The Company's operating netback is the net result of the Company's revenue (consisting of petroleum and natural gas) net of production costs, excluding depletion of oil and gas properties, as found in the condensed consolidated interim financial statements of the Company, divided by production for the period.

Readers are encouraged to evaluate each adjustment and the reasons the Company considers appropriate for the supplemental analysis. Readers are cautioned, however, that these measures should not be construed as an alternative to net income/(loss) determined in accordance with IFRS as an indication of the Company's performance.

Boe conversions

The use of the Boe unit of measurement may be misleading, particularly if used in isolation. A Boe conversion ratio of 5.8 thousand cubic feet ("Mcf") equals to 1 Barrel ("Bbl") is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Forward-Looking Information

Certain information and statements contained in this MD&A that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, operational information, anticipated capital and operating budgets and expenditures, anticipated working capital, estimated costs, sources of financing, the Company's future outlook, expectations regarding the

commencement and timing of anticipated commercial production from Zainab-1 gas and condensate discovery in Badin IV North exploration license; expected pricing under Pakistan Petroleum (Exploration and Production) Policy, 2012 and other pricing policies; timing for and drilling results of exploration wells in the Badin IV South, Badin IV North, Guddu and Nareli exploration licenses, expectations regarding the grant of or extension applied in terms of expired exploration licenses and leases by the Government of Pakistan ("GoP") and expectations regarding the anticipated timeline for completion of repair work of Zarghun South pipeline and timing of resumption of production therefrom. All statements other than statements of present or historical facts are forward-looking statements. Forward-looking statements typically, but not always, contain words such as "anticipate", "believe", "estimate", "expect", "potential", "could", "forecast", "guidance", "intend", "may", "plan", "predict", "project", "should", "target", "will" or other similar words suggesting future outcomes.

Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Forward-looking statements contained in this MD&A are based on management's current expectations and assumptions regarding future capital and other expenditures (including the amount, nature and sources of funding thereof), future economic conditions, future currency, and exchange rates, future international oil prices, continued political stability, timely receipt of any necessary regulatory approvals, timing of the implementation of applicable petroleum exploration and production policies and the Company's continued ability to employ a qualified team to execute work program in a timely and cost efficient manner, the continued participation of the Company's joint venture partners ("JV Partners") in exploration and development activities, the impact of Company's response to COVID-19 global pandemic, the severity and duration of the COVID-19 pandemic, the potential for a temporary suspension of operations impacted by an outbreak of COVID-19, continued weakness and volatility of crude oil and other petroleum products due to decreased global demand as a result of COVID-19 pandemic, changes in general economic, market and business conditions. In addition, budgets are based upon the Company's current exploration plans and anticipated costs, both of which are subject to changes based on unexpected delays and changes in market conditions.

Although management of the Company believes that the expectations and assumptions reflected in such forward-looking statements are reasonable, the Company cautions readers and prospective investors in the Company's securities not to place undue reliance on forward-looking statements as, by their nature, they are based on current expectations regarding future events that involve a number of assumptions, inherent risks, and uncertainties which could cause actual results to differ materially from those anticipated by the Company including, but not limited to, those risks as set forth under the heading "Risk Factors". Accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or if any of them do so, what benefits the Company will derive therefrom. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated, or expected.

The information contained, herein, is made as of the date of this MD&A, and, except as required by applicable securities law, the Company does not undertake any obligation to update or to revise any of the included forward-looking statements whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Highlights

The key highlights for the three and nine months period ended September 30, 2022 and up to the date of this MD&A are as follows:

- The Company reported a net profit of \$1.11 million and \$3.68 million for the three and nine months period ended September 30, 2022 respectively compared to a net loss of \$2.78 million and a net profit of \$0.08 million in the comparative period. The significant increase in net profit for the three and nine months period ended September 30, 2022 is mainly due to recognition of an impairment and a higher depletion charge in the comparative period as a result of reduction in recoverable reserves of the Zarghun South lease, partially offset by an unrealized exchange gain on retranslation of Pakistan Rupee ("PKR") denominated liabilities due to

weakening of PKR against US Dollar and a reversal of deferred tax liability due to reduction in carrying amount of Company's oil and gas properties;

- Gross profit for the three and nine months period ended September 30, 2022 was \$1.00 million and \$4.13 million compared to \$0.84 million and \$6.95 million in the comparative period. The decrease in gross profit in the current period is due to decrease in net revenue on account of suspension of production from Zarghun South Lease;
- Net revenue decreased by approximately 53% and 35% respectively during the three and nine months period ended September 30, 2022. The decrease in the current period is mainly due to decrease in production from Zarghun South and Aminah leases, offset by a slight increase in average realized price due to improvement in international crude oil prices;
- Production during the three and nine months period ended September 30, 2022 decreased by approximately 57% and 45% respectively compared to the three and nine months period ended September 30, 2021. The decrease is mainly due to reduction in production from Zarghun South lease due to water breakthrough in the Dunghan reservoir, natural decline in production from Guddu block, suspension of production from Aminah well due to excessive water production and suspension in production from Zarghun South lease during September 2022 due to damage to sales gas pipeline;
- The drilling of exploration well Umair SE-01 commenced on May 13, 2022. The projected depth of the well is 785 meters, which will target the Pirkoh and Habib Rahi Limestone formations of Eocene age;
- In September 2022, SEPL entered into a supplemental running finance facility with JS Bank Limited, a related party, pursuant to the which the amount of facility was increased from PKR 425 million to PKR 625 million; and
- In September 2022, flash floods caused by unusually heavy monsoon rains in Pakistan damaged approximately 10km of Zarghun South's sales gas pipeline. As a result of which, the production from the Zarghun South Lease has been suspended.

Overview of the Company and Operations

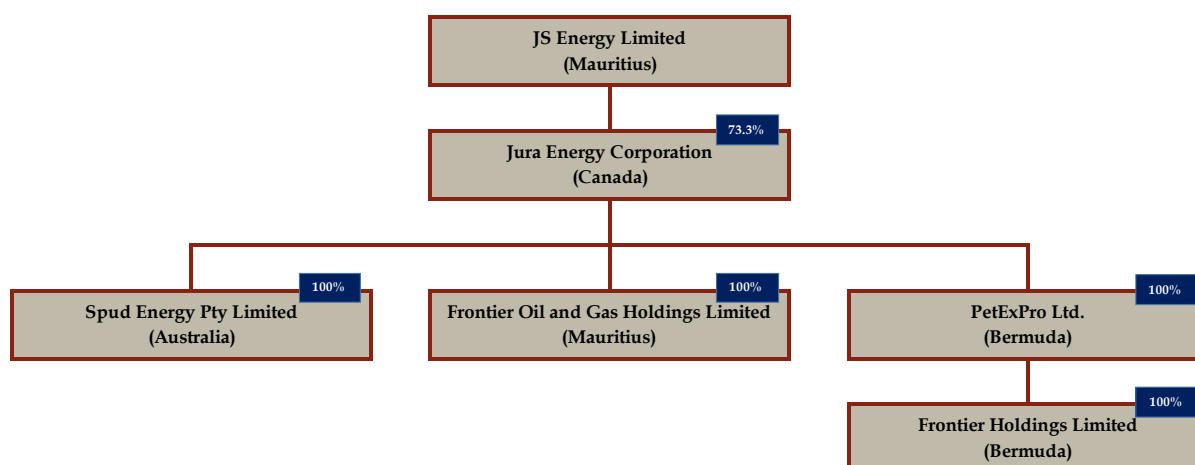
JEC is an international upstream oil and gas exploration and production company. The Company's activities are currently conducted in Pakistan, where it has working interests in the following exploration licenses/leases through its wholly owned subsidiaries Spud Energy Pty Limited ("SEPL") and Frontier Holdings Limited ("FHL"):

Exploration licenses/leases	Working Interest		Operator
	Owner	(%)	
<u>Producing</u>			
Zarghun South lease	SEPL	40.00%	Mari Petroleum Company Limited
Reti lease	SEPL	10.66%	Oil and Gas Development Company Limited
Maru lease	SEPL	10.66%	Oil and Gas Development Company Limited
Maru South lease	SEPL	10.66%	Oil and Gas Development Company Limited
Sara lease	SEPL	60.00%	Spud Energy Pty Limited
Suri lease	SEPL	60.00%	Spud Energy Pty Limited
Badar lease*	SEPL	7.89%	Petroleum Exploration (Private) Limited
Ayesha lease	FHL	27.50%	Petroleum Exploration (Private) Limited
Aminah lease	FHL	27.50%	Petroleum Exploration (Private) Limited
Ayesha North lease	FHL	27.50%	Petroleum Exploration (Private) Limited
<u>Development</u>			
Zainab lease	FHL	27.50%	Petroleum Exploration (Private) Limited
Kandra lease*	FHL	37.50%	Petroleum Exploration (Private) Limited
<u>Exploration</u>			
Guddu exploration license	SEPL	13.50%	Oil and Gas Development Company Limited
Nareli exploration license	SEPL	27.55%	Mari Petroleum Company Limited

Zamzama North exploration license	SEPL	24.00%	Heritage Oil and Gas Limited
Badin IV South exploration license	FHL	27.50%	Petroleum Exploration (Private) Limited
Badin IV North exploration license	FHL	27.50%	Petroleum Exploration (Private) Limited
Kandra exploration rights	FHL	35.00%	Petroleum Exploration (Private) Limited

*Pursuant to the terms of Settlement Agreement entered into between SEPL, FHL and Petroleum Exploration (Private) Limited ("PEL"), effective August 12, 2016, SEPL and FHL has agreed to assign SEPL's 7.89% working interest in Badar and FHL's 37.5% working interest in Kandra lease to PEL. The applications for the assignment of 7.89% working interest in Badar and 37.5% working interest in Kandra lease have been submitted to Government of Pakistan, the approval of which is expected in due course.

The group structure of the Company is as indicated below:



Background of Oil and Gas Properties

SEPL has operated working interest in two leases and non-operated working interests in four leases (excluding Badar lease) and three exploration licenses. The working interest ranges from 10.66% to 60%.

FHL has non-operated working interests in two exploration licenses, four leases (excluding Kandra lease) and exploration rights within the Kandra lease. The working interest ranges from 27.5% to 35%.

There has been no significant change in the status of activities in the exploration licenses and development leases since the filling of annual MD&A for the year ended December 31, 2021, except for the following:

Guddu Exploration License

SEPL holds a 13.5% working interest in the Guddu exploration license (subject to reduction to 10.66% upon declaration of commerciality).

The drilling of exploration well Umair SE-01 commenced on May 13, 2022. The projected depth of the well is 785 meters, which will target the Pirkoh and Habib Rahi Limestone formations of Eocene age. The well achieved target depth on May 23, 2022 and testing is in progress.

Zarghun South Lease

SEPL holds a 40% working interest in the Zarghun South lease.

Flash floods caused by unusually heavy monsoon rains in Pakistan, during August and September 2022, have damaged approximately 10km of Zarghun South's sales gas pipeline. As a result thereof, the production from the Zarghun South Lease has been suspended. There is no damage to the production facilities installed at field and all the field personnel have been safely evacuated from the field location.

The Zarghun South Joint Venture Partners and the buyer of the sales gas are evaluating how to repair the pipeline as quickly as possible. Jura believes the pipeline repair work may take another 4-8 weeks from the date of filing of this MD&A. The production from the Zarghun South Lease is expected to resume in the fourth week of January 2023.

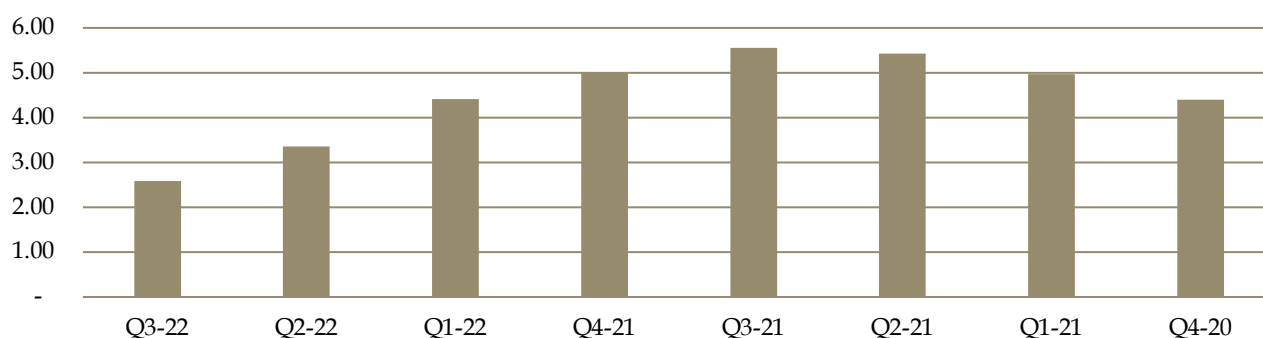
Performance Overview and Financial Analysis

Summary of Quarterly Results

Description	2022			2021			2020	
	Q-3	Q-2	Q-1	Q-4	Q-3	Q-2	Q-1	
	-----\$-----							
Net revenue	2,588,746	3,358,496	4,409,487	4,991,465	5,561,455	5,426,516	4,974,496	
Net profit / (loss)	1,112,592	994,246	1,574,497	(6,891,178)	(2,779,275)	2,213,495	647,414	
Weighted no. of outstanding share	69,076,328	69,076,328	69,076,328	69,076,328	69,076,328	69,076,328	69,076,328	
EPS (basic and diluted)	0.02	0.01	0.02	(0.10)	(0.04)	0.03	0.01	
Capital expenditure	292,109	404,622	113,057	175,298	1,741,048	382,076	821,419	
Assets	39,114,216	41,515,592	46,380,467	43,445,576	54,253,818	63,810,850	63,389,257	
Long-term liabilities	7,817,904	8,551,953	9,471,382	10,184,931	14,547,836	19,391,183	21,822,199	

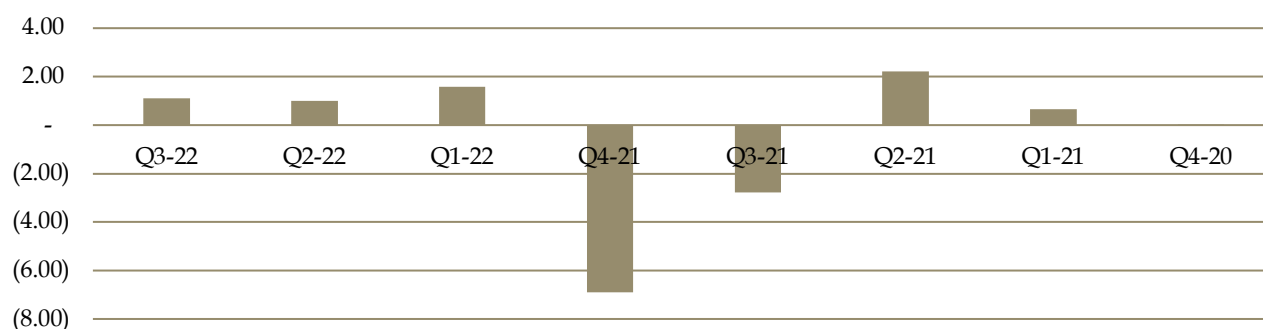
Trend analysis of quarterly information

Net Revenue - (\$ million)



The increase in net revenue during Q1, Q2 and Q3 2021 is due to increase in production from Ayesha, Aminah and Ayesha North leases after installation and commissioning of amine sweetening unit in February 2021. The decrease in net revenue in Q4 2021, Q1 and Q2 2022 is due to consistent decline in production from Zarghun South lease caused by a water breakthrough in the Dunghan reservoir. The decline in net revenue during Q3 2022 is due to suspension of production from Zarghun South lease as a result of damage of approximately 10km sales gas pipeline.

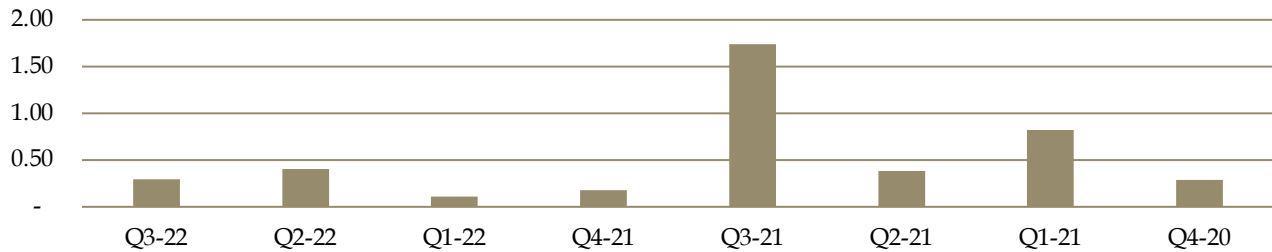
Net profit / (loss) - (\$ million)



The increase in net profit during Q1 and Q2 2021 is due to increase in production from Ayesha, Aminah and Ayesha North leases after installation of amine sweetening unit. The net loss during Q3 and Q4 2021 is due to recognition of an impairment and a higher depletion charge as a result of reduction in recoverable reserves of Zarghun South lease partially offset by unrealized exchange gain on retranslation of PKR denominated liabilities due to weakening of PKR against US Dollar and a reversal of deferred tax charge due to reduction in carrying

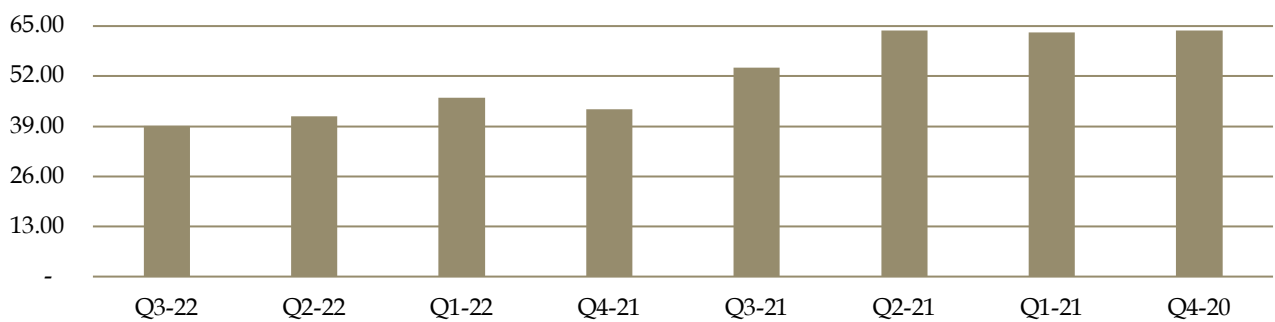
amount of Company's oil and gas properties. The net profit during Q1, Q2 and Q3 2022 is mainly due to reduction in finance costs and unrealized exchange gain on retranslation of PKR denominated liabilities due to weakening of PKR against US Dollar.

Capital expenditure - (\$ million)



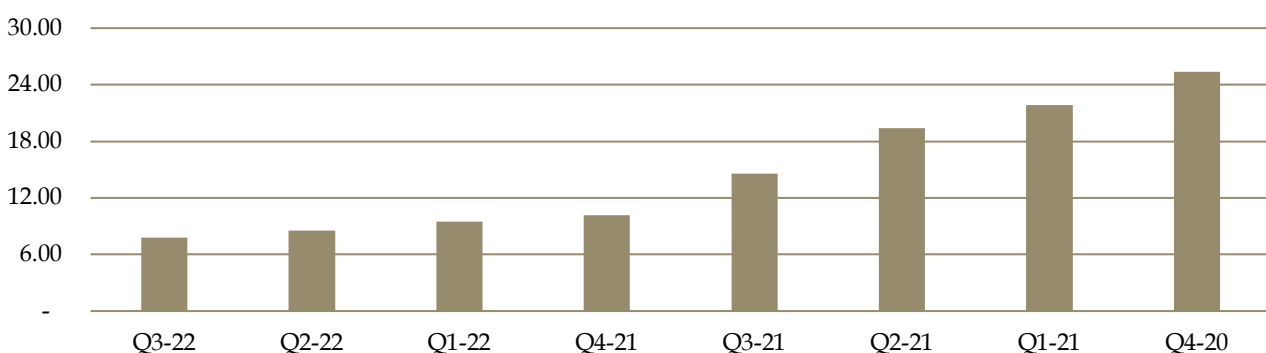
The Company continued to incur significant capital expenditure for the development of its oil and gas properties, and exploration and evaluation assets. Capital expenditure in 2020 and 2021 mainly relates to drilling of exploration wells in Guddu, development expenditure related to gas and condensate discoveries in Badin IV South block, drilling of ZS-4 development well in Zarghun South lease and installation of amine sweetening unit in Badin IV South Block.

Assets - (\$ million)



There is no significant change in total assets upto Q2 2021. The reduction in total assets during Q3 and Q4 2021 is due to recognition of impairment of Zarghun South lease as a result of reduction in recoverable reserves.

Long term liabilities - (\$ million)



The significant reduction in long term liabilities is mainly due to repayment of shareholder loan and Askari Bank syndicated term finance facilities. Further, during Q3 and Q4 2021, there is a significant reduction in deferred tax liability due to reduction of carrying value of oil and gas properties as a result of impairment charge.

Financial and Overall Performance Review and Analysis

Review of Financial Results

1. Net profit/(loss)

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Net profit/(loss)	1,112,592	(2,779,275)	3,891,867	3,681,335	81,634	3,599,701

The Company reported a net profit of \$1,112,592 and \$3,681,335 for the three and nine months period ended September 30, 2022, compared to a net loss of \$2,779,275 and a net profit of \$81,634 in the comparative period.

The significant increase in net profit for the three and nine months period ended September 30, 2022 is mainly due to recognition of an impairment and a higher depletion charge in the comparative period as a result of reduction in recoverable reserves of Zarghun South lease partially offset by an unrealized exchange gain on retranslation of PKR denominated liabilities due to weakening of PKR against US Dollar and a reversal of deferred tax charge due to reduction in carrying amount of Company's oil and gas properties.

Segment breakdown of net profit/(loss) for the three and nine months period ended September 30, 2022 is as follows:

	Three months ended September 30, 2022	Nine months ended September 30, 2022
	\$	\$
Canada	(73,276)	(446,802)
Pakistan	1,185,868	4,128,137

The segment-wise profit/(loss) for the period is mainly attributable to the following:

- Canada segment is non-revenue generative. The loss in Canada mainly represents corporate and regulatory expenses.
- Net profit of the Pakistan segment represents revenue from sale of gas and condensate, offset by production costs, general and administrative expenses, finance costs and unrealized exchange gain on foreign currency denominated liabilities due to weakening of PKR exchange rate parity against US Dollar.

2. Net revenue

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Sales	2,984,151	6,383,909	(3,399,758)	11,904,007	18,265,497	(6,361,490)
Royalty	(395,405)	(822,454)	427,049	(1,547,278)	(2,303,030)	755,752
Net revenue	2,588,746	5,561,455	(2,972,709)	10,356,729	15,962,467	(5,605,738)

Net revenue represents the sale of gaseous hydrocarbons from Reti, Maru, Maru South, Maru East, Khamiso and Umair (together "Reti-Maru leases"), Ayesha, Aminah and Ayesha North (together "Badin IV South leases"), Sara, Suri and Zarghun South leases net of royalty. The decrease in gross revenue is to decrease in production offset by a slight increase in average realized price due to improvement in international crude oil prices.

A comparison of weighted average daily sale gas volume for the periods presented is as follows:

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Reti-Marú leases	8.10	9.63	(1.53)	8.31	10.26	(1.95)
Zarghun South lease	3.86	15.46	(11.60)	6.63	19.16	(12.53)
Badin IV South leases	11.66	20.64	(8.98)	13.91	17.85	(3.94)
Sara and Suri leases	0.17	-	0.17	0.31	0.25	0.06

Gross production volume and price trends for the periods presented are as follows:

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Production in Boe	88,256	204,411	(116,155)	355,326	645,689	(290,363)
Price (\$ / Boe) ¹	33.81	31.23	2.58	33.50	28.29	5.21

¹Refer to non IFRS financial measures.

The royalty is calculated at 12.5% of revenue. A comparison of royalty cost per Boe for the periods presented is as follows:

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Production in Boe	88,256	204,411	(116,155)	355,326	645,689	(290,363)
Royalty (\$ / Boe) ¹	(4.48)	(4.02)	(0.46)	(4.35)	(3.57)	(0.78)

¹Refer to non IFRS financial measures.

3. Cost of production

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Production costs	765,952	1,145,060	(379,108)	2,787,159	2,784,351	2,808
Depletion of oil and gas properties	819,026	3,572,549	(2,753,523)	3,440,491	6,223,304	(2,782,813)
	1,584,978	4,717,609	(3,132,631)	6,227,650	9,007,655	(2,780,005)

A comparison of production costs per Boe for the periods presented is as follows:

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Production in Boe	88,256	204,411	(116,155)	355,326	645,689	(290,363)
Production costs (\$ / Boe) ¹	8.68	5.60	3.08	7.84	4.31	3.53

¹Refer to non IFRS financial measures.

The increase in production cost per Boe is due to the fact that a large component of production costs is fixed in nature and decrease in production during the current period resulted in higher production cost per Boe.

Comparative depletion cost per Boe for the periods presented are as follows:

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Production in Boe	88,256	204,411	(116,155)	355,326	645,689	(290,363)
Depletion of oil and gas properties (\$ / Boe) ¹	9.28	17.48	(8.20)	9.68	9.64	0.04

¹Refer to non IFRS financial measures.

The significantly increased depletion per Boe during the three months period ended September 30, 2021 was due to additional depletion charge as a result of reduction in recoverable reserves of Zarghun South lease.

4. General and administrative expenses

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
General and administrative expenses	613,060	389,509	223,551	2,203,140	1,418,105	785,035

The increase in general and administrative expenses is due to salary increments granted to the operational team and increase in legal and professional costs. Segment breakdown of general and administrative expenses for three and nine months ended September 30, 2022 are as follows:

	Three months ended September 30, 2022	Nine months ended September 30, 2022
	\$	\$
Canada	70,874	435,176
Pakistan	542,186	1,767,964

5. Exchange gain - net

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Exchange gain - net	1,363,333	1,652,213	(288,880)	3,322,400	1,264,576	2,057,824

The currency translation exchange gain is due to weakening of PKR exchange rate parity against US Dollar.

6. Finance costs

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Interest on amount due to related parties	99,810	120,338	(20,528)	256,403	583,918	(327,515)
Interest on borrowings	364,052	308,748	55,304	1,041,399	999,942	41,457
Accretion on asset retirement obligation	-	11,656	(11,656)	-	34,967	(34,967)
	463,862	440,742	23,120	1,297,802	1,618,827	(321,025)

The decrease in interest on amounts due to related parties is due to reduction in carrying amount, and increase in interest on borrowings is due to additional interest on running musharaka facility closed during the current period.

7. Operating netback

Description	For the three months period ended September 30,			For the nine months period ended September 30,		
	2022	2021	Difference	2022	2021	Difference
	-----\$-----					
Net revenue	2,588,746	5,561,455	(2,972,709)	10,356,729	15,962,467	(5,605,738)
Production costs	(765,952)	(1,145,060)	379,108	(2,787,159)	(2,784,351)	(2,808)
Operating netback	1,822,794	4,416,395	(2,593,601)	7,569,570	13,178,116	(5,608,546)
Production in Boe	88,256	204,411	(116,155)	355,326	645,689	(290,363)
Operating Netback (\$ / Boe) ¹	20.65	21.61	(0.96)	21.30	20.41	0.89

¹Refer to non IFRS financial measures.

Provisions, Contingencies and Commitments

Contingencies and Commitments

There has been no material change in contingencies as disclosed in the latest consolidated annual audited financial statements of the Company for the year ended December 31, 2021, except for the following:

From time to time, the Company may become involved in legal or administrative proceedings in the normal conduct of business. During the current period, PEL has attempted to invoke the forfeiture of FHL's 27.5% working interest in the Badin IV North block for alleged non-payment of a cash call, which FHL maintains was improper, that was raised under the Badin IV North Joint Operating Agreement. FHL disputes PEL's actions and the cash call, and is evaluating all legal and other options and will take all necessary measures against PEL's conduct and the forfeiture attempt.

Financial Commitments

The Company's financial commitments mainly consist of minimum work commitments related to its exploration licenses and approved authorities for expenditure. The following table summarizes the financial commitments of the Company as at September 30, 2022 and December 31, 2021. These financial commitments are expected to be funded through internal cash generation and debt and/or equity financing.

Description	September 30, 2022	December 31, 2021
	-----\$-----	
Minimum capital commitments related to exploration licenses	6,594,114	6,594,114
Commitments under approved authority for expenditures	115,658	115,658
Commitment under sale and purchase agreement for the acquisition of Energy Exploration Limited, a related party	1,000	1,000
Total	6,710,772	6,710,772

Going Concern and Liquidity

At September 30, 2022, the Company had current assets of \$14.25 million comprising accounts and other receivables of \$9.43 million, restricted cash of \$2.25 million and cash and cash equivalents of \$2.57 million. Total current liabilities were \$16.71 million comprising accounts payable and accrued liabilities of \$9.35 million and current portion of borrowings and amounts due to related parties of \$7.36 million. During the nine months period ended September 30, 2022 the Company reported a net profit of \$3.68 million (September 30, 2021: \$0.08 million). As at September 30, 2022, the Company has an accumulated deficit of \$50.98 million (December 31, 2021: \$54.67 million). In addition to its ongoing working capital requirements, the Company also has financial commitments

as at September 30, 2022 that amounted to \$6.71 million. Additional cash resources will be required to exploit the Company's petroleum and natural gas properties.

Further, flash floods caused by unusually heavy monsoon rains in Pakistan have damaged approximately 10km of Zarghun South's sales gas pipeline, as a result of which, the production from the Zarghun South Lease has been suspended. Furthermore, there could be uncertainties related to economic dependence on joint venture partners and the current economic and political conditions in Pakistan. These events and conditions create material uncertainties that raise significant doubt as to the ability of the Company to continue as a going concern and, accordingly, the appropriateness of the use of the accounting principles applicable to a going concern.

The condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2022 do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenues and expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Results of Operations

The following table summarizes the working capital of the Company as at September 30, 2022 as compared to December 31, 2021:

Description	As at September 30, 2022	As at December 31, 2021
	-----\$-----	
Current assets	14,250,177	15,945,047
Current liabilities	(16,711,839)	(22,083,448)
Working capital deficiency	(2,461,662)	(6,138,401)

Contractual Obligations

The following table sets forth the contractual obligations of the Company as at September 30, 2022:

Description	Payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
	-----\$-----				
Minimum capital commitments related to exploration licenses ⁽¹⁾	6,594,114	4,179,429	2,414,685	-	-
Commitments under approved AFEs	115,658	115,658	-	-	-
Purchase obligations ⁽²⁾	1,000	1,000	-	-	-
Other obligations ⁽³⁾	24,529,743	16,711,839	3,271,147	-	4,546,757
Total contractual obligations	31,240,515	21,007,926	5,685,832	-	4,546,757

Notes:

- (1) "Obligations related to exploration licenses" means the obligations which are legally binding on the Company pursuant to the terms of the relevant Petroleum Concession Agreement.
- (2) "Purchase obligation" means a binding sale and purchase agreement entered into by the Company with respect to the acquisition of EEL that specifies all significant terms related thereto, and the timing of the transaction.
- (3) "Other obligations" means other financial liabilities reflected in the Company's statement of financial position.

Off-Balance Sheet Arrangements

JEC did not have any off-balance sheet arrangements as at September 30, 2022.

Transactions with Related Parties

The Company's related parties with significant transactions during the year include its majority shareholder, JS Energy Limited, JS Bank Limited, an associated entity, and key management personnel. Details of transactions with related parties are as follows:

Transactions with majority shareholder

JS Energy Limited, which is the majority shareholder of JEC, has provided financial support to SEPL in the form of an interest-bearing bridge loan and a short-term loan. The loans carry interest at the rate of 11% per annum compounded quarterly. The changes in loan balances during the applicable periods and balances outstanding as at September 30, 2022 and December 31, 2021 are as follows:

Description	September 30, 2022	December 31, 2021
	-----\$-----	
Bridge loan		
Balance payable at beginning of the period	143,184	7,489,109
Interest accrued during the period	2,579	354,075
Principal repaid during the period	(97,324)	(7,350,270)
Interest paid during the period	(42,418)	(349,730)
Balance payable at end of the period	6,021	143,184

Transactions with associated entity - JS Bank Limited

JS Bank is a participant in Askari Bank syndicated term finance facilities with a participation of PKR 550 million (equivalent \$2.39 million). Further, JS Bank has also provided a running finance facility of PKR 625 million (equivalent \$2.72 million).

The changes in loan balances during the applicable periods and balances outstanding as at September 30, 2022 and December 31, 2021 are as follows:

Description	September 30, 2022	December 31, 2021
	-----\$-----	
AKBL Syndicated term finance facilities		
Balance payable at beginning of the period	2,506,039	3,385,343
Interest accrued during the period	245,706	350,875
Principal repaid during the period	(552,389)	(642,971)
Interest paid during the period	(220,501)	(322,270)
Exchange gain on retranslation	(463,694)	(264,938)
Balance payable at end of the period	1,515,161	2,506,039
Running finance facilities		
Balance payable at beginning of the period	2,435,566	3,968,181
Facility (settled)/utilized during the period	915,033	(1,189,381)
Interest accrued during the period	253,824	350,520
Interest paid during the period	(210,847)	(350,447)
Exchange gain on retranslation	(582,538)	(343,308)
Balance payable at end of the period	2,811,038	2,435,566

Key management personnel

Description	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	-----\$-----			
Management salaries and benefits	129,813	140,962	389,105	370,875
Directors' fees and compensation	32,897	23,021	160,859	116,318
Total	162,710	163,983	549,964	487,193

Future Outlook

The Company's capital expenditure program for 2022 includes:

- development of Zainab gas and condensate discovery in Badin IV North block;
- drilling of one exploration well in the Badin IV South exploration license; and
- drilling of one exploration well in the Guddu exploration license.

This capital expenditure program is expected to be funded through available cash and internal cash generation. In the near future, the Company expects the commencement of commercial production from Zainab gas and condensate discovery in Badin IV North block.

The Company's future outlook is also dependent on the expected extension in the terms of expired licenses and leases. The management believes that these extensions will be granted in the ordinary course of business.

Impact of change in international oil prices on wellhead gas prices in Pakistan

In early March 2020 and upto February 2021, the global crude oil prices experienced multi-decade lows coupled with extreme levels of volatility driven primarily by the unprecedented demand shock due to COVID-19. The crude oil prices have recovered significantly since March 2021.

In Pakistan, the price for gas purchased by the GoP is based on a formula and linked to the international prices for a basket of imported Arabian and Persian Gulf crude oil ("Basket of Crude"). Prices are based upon a baseline of 1,000 Btu/Scf. If the gas which is sold has a Btu content which is less than or greater than 1,000 Btu/Scf, the price is proportionately decreased or increased, respectively.

The wellhead gas price in Pakistan is determined by applying step up discounting using various slabs under the different applicable petroleum policies to the C&F price of the Basket of Crude. The basket will reflect the actual mix of imported crude oils in the previous six months (January to June and July to December) in Pakistan as notified by the Ministry of Petroleum and Natural Resources, Government of Pakistan. Each discounting table under a policy has a predetermined C&F floor and ceiling price. The discount table is designed to provide maximum benefit to the seller for a lower C&F price. As the C&F price increases the applicable discount also increases until the C&F price reaches the ceiling price. The discounts applicable to the C&F price under various slabs range from 0% to 90%. No benefit is provided to the seller if the C&F price is higher than the ceiling price. The applicable floor and ceiling prices vary for each petroleum policy.

As a result of the formula used for calculating the price for gas purchased by the GoP, decreases in international oil prices do not proportionately reduce the price for gas purchased by the GoP. For example, a 40% reduction in international crude oil pricing from \$50/Bbl to \$30/Bbl will result in a 5 - 25% decrease in the price for gas purchased by the GoP under various applicable petroleum policies. Petroleum Policy, 2012 has the highest ceiling price and, accordingly, gas prices under this policy are the most impacted by a reduction in international oil prices. The applicability of particular petroleum policy to wellhead gas pricing for a discovery depends upon timing of drilling and commencement of production from the discovery area.

Significant Accounting Policies

The accounting policies adopted in the preparation of Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended December 31, 2021.

Critical Accounting Estimates and Judgments

The preparation of Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience including the expectation of future events that are believed to be reasonable under the circumstances. Estimates and judgments made by the management in the preparation of Company's condensed consolidated interim financial statements are the same as those used in the preparation of Company's consolidated annual audited financial statements for the year ended December 31, 2021.

Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the Board. The Board provides risk management guidance covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have any financial instrument exposed to other price risk.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(iv) Credit risk

Credit risk is the risk of financial loss to JEC, if a counterparty to a product sales contract or financial instrument fails to meet its contractual obligations. JEC is exposed to credit risk with respect to its cash and cash equivalents, restricted cash and accounts and other receivables. However, the default risk is considered very low for all of the Company's financial instruments due to the external credit ratings of its counterparties. Majority of the Company's trade receivables relate to the sale of natural gas to Sui Southern Gas Company Limited ("SSGCL"), a state-owned gas transmission company.

(v) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company follows an effective cash management and planning protocol to ensure availability of funds, and to take appropriate measures for new requirements.

This interim MD&A does not include all financial risk management information and disclosures required in the annual MD&A and should be read in conjunction with the Company's consolidated annual audited financial statements and annual MD&A for the years ended December 31, 2021 and 2020.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is determined using different levels defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The fair value of cash and cash equivalents, restricted cash, accounts and other receivables and accounts payable and accrued liabilities approximate their carrying amount due to the short-term nature of the instruments.

The fair value of borrowings and amounts due to related parties approximates their carrying value as the interest rates charged on these instruments is comparable to the prevailing interest rates.

Risk Factors

The business of exploring for, developing and producing oil and gas reserves is inherently risky. The Company will face numerous and varied risks which may prevent it from achieving its goals. The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A. Also, see "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2021 for a further description of the risks and uncertainties associated with the Company's business and recovery of its oil and gas reserves and resources.

Volatility of Crude oil prices

In Pakistan, the price for gas purchased by the GoP is based on a formula linked to the international prices for a basket of Arabian and Persian Gulf crude oil imported into Pakistan. Crude oil prices are affected by, among other things, global economic health and global economic growth, pipeline constraints, regional and international supply and demand imbalances, political developments, compliance or non-compliance with quotas agreed upon by OPEC members, decisions by OPEC not to impose quotas on its members, access to markets for crude oil, and weather.

Through the latter half of 2014 and into the latter half of 2016 and in the first half of 2020, world oil prices have declined significantly. A prolonged period of low and/or volatile prices could affect the value of Company's oil and gas properties and the level of spending on growth projects and could result in the curtailment of production from some properties and/or the impairment of that property's carrying value. Accordingly, low crude oil, could have a material adverse effect on Company's business, financial condition, reserves, and may also lead to further impairment of assets.

Obtaining financing

The Company is in the growth phase of its oil and gas operations with limited revenues from three properties and the majority of its properties are in exploration and development stage. There can be no assurance of its ability to develop and operate its projects profitably. The Company has been historically dependent upon the financial support from its shareholders to provide the finance needed to fund its operations, but the Company cannot assure that the shareholders will continue to do so. The Company's ability to continue in business depends upon its continued ability to obtain significant financing from internal as well as external sources and

the success of its exploration efforts and any production efforts resulting therefrom. Any reduction in its ability to raise finance in the future would force the Company to reallocate funds from other planned uses and could have a significant negative effect on its business plans and operations, including its ability to continue its current development and exploration activities.

Commercial Risk

In order to assign recoverable resources of oil and gas, the Company must establish a development plan consisting of one or more projects. In-place quantities for which a feasible project cannot be defined using established technology or technology under development are classified as unrecoverable. In this context, "technology under development" refers to technology that has been developed and verified by testing as feasible for future commercial applications to the subject reservoir. In the early stage of exploration or development, as is the case for the Company, project definition will not be of the detail expected in the later stages of maturity. In most cases, recovery efficiency will be largely based on analogous projects.

Estimates of recoverable quantities are stated in terms of the sales products derived from a development program, assuming commercial development. It must be recognized that reserves, contingent resources and prospective resources involve different risks associated with achieving commerciality. The likelihood that a project will achieve commerciality is referred to as the "chance of commerciality." The chance of commerciality varies in different categories of recoverable resources as follows:

Reserves: To be classified as reserves, estimated recoverable quantities must be associated with a project(s) that has demonstrated commercial viability. Under the fiscal conditions applied in the estimation of reserves, the chance of commerciality is effectively 100%.

Contingent Resources: Not all technically feasible development plans will be commercial. The commercial viability of a development project is dependent on the forecast of fiscal conditions over the life of the project. For contingent resources, the risk component relating to the likelihood that an accumulation will be commercially developed is referred to as the "chance of development." For contingent resources, the chance of commerciality is equal to the chance of development.

Prospective Resources: Not all exploration projects will result in discoveries. The chance that an exploration project will result in the discovery of petroleum is referred to as the "chance of discovery." Thus, for an undiscovered accumulation, the chance of commerciality is the product of two risk components -- the chance of discovery and the chance of development.

Exploration Risk

Oil and gas exploration involves a high degree of risk. These risks are more acute in the early stages of exploration. The Company's exploration expenditures may not result in new discoveries of oil or gas in commercially viable quantities. It is difficult to project the costs of implementing an exploratory drilling 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. If exploration costs exceed estimates, or if exploration efforts do not produce results that meet expectations, exploration efforts may not be commercially successful, which could adversely impact the ability to generate revenues from operations.

Operational Risk

If the Company's operations are disrupted and/or the economic integrity of its projects is threatened for unexpected reasons, business may experience a setback. These unexpected events may be due to technical difficulties, operational difficulties including floods which impact the production, transport or sale of products, geographic and weather conditions, the extent of the outbreak of COVID-19 in Pakistan and related responses by governmental authorities, business reasons or otherwise. Because the Company is in its early stages of development, it is particularly vulnerable to these events. Prolonged problems may threaten the commercial viability of operations.

Development Risk

To the extent that the Company succeeds in discovering oil and/or gas, reserves may not be capable of production levels projected or in sufficient quantities to be commercially viable. On a long-term basis, the Company's viability depends on the ability to find or acquire, develop and commercially produce additional oil and gas reserves. Without the addition of reserves through exploration, acquisition or development activities, reserves and production will decline over time as reserves are produced. Future reserves will depend not only on the ability to develop then-existing properties, but also on the ability to identify and acquire additional suitable producing properties or prospects, to find markets for the oil and natural gas developed and to effectively distribute production into markets. Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-downs of connected wells resulting from extreme weather conditions, problems in storage and distribution and adverse geological and mechanical conditions. While the Company will endeavor to effectively manage these conditions, it may not be able to do so optimally, and will not be able to eliminate them completely in any case. Therefore, these conditions could diminish revenue and cash flow levels and result in the impairment of oil and gas interests.

Drilling Risks

There are risks associated with the drilling of oil and gas wells, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, craterings, sour gas releases, fires, spills or natural disasters. The occurrence of any of these and other events could significantly reduce revenues or cause substantial losses, impairing future operating results. The Company may become subject to liability for pollution, blow-outs or other hazards. The Company obtains insurance with respect to these hazards, but such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. The payment of such liabilities could reduce the funds available to the Company or could, in an extreme case, result in a total loss of properties and assets. Moreover, the Company may not be able to maintain adequate insurance in the future at rates that are considered reasonable. Oil and gas production operations are also subject to all the risks typically associated with such operations, including the premature decline of reservoirs and the invasion of water into producing formations.

Environmental Risks

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner that may result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. The application of environmental laws to the Company's business may cause it to curtail production or increase the costs of production, development or exploration activities.

Operations

Operations are subject to all of the risks frequently encountered in the development of any business, including control of expenses, the business disruption due to COVID-19 pandemic and other difficulties, complications and delays, as well as those risks that are specific to the oil and gas industry.

Reserve Estimates

The Company makes estimates of oil and gas reserves, upon which it bases financial projections. The Company makes these reserve estimates using various assumptions, including assumptions as to oil and gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. Some of these assumptions are inherently subjective, and the accuracy of reserve estimates relies in part on the ability of the management team, engineers and other advisers to make accurate assumptions. Economic factors beyond the Company's control, such as interest rates and exchange rates, will also impact the value of reserves. The process of estimating oil and gas reserves is complex and requires the Company to make significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each property. As a result, reserve estimates will be inherently imprecise. Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil and gas reserves may vary substantially from those estimated. If actual production results vary substantially from reserve estimates, this could materially reduce revenues and result in the impairment of oil and gas interests.

Facilities

Oil and gas exploration and development activities are dependent on the availability of drilling and related equipment, transportation, power and technical support in the particular areas where these activities will be conducted, and access to these facilities may be limited. To the extent that operations are conducted in remote areas, needed facilities may not be proximate to operations, which will increase expenses. Demand for such limited equipment and other facilities or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities. The quality and reliability of necessary facilities may also be unpredictable and the Company may be required to make efforts to standardize facilities, which may entail unanticipated costs and delays. Shortages and/or the unavailability of necessary equipment or other facilities will impair activities, either by delaying activities, increasing costs or otherwise.

Operating Expenses

Exploration, development, production, marketing (including distribution costs) and regulatory compliance costs (including taxes) substantially impact the net revenues derived from oil and gas produced. These costs are subject to fluctuations and variation in different locales in which the Company will operate, and the Company may not be able to predict or control these costs. If these costs exceed expectations, this may adversely affect results of operations. In addition, the Company may not be able to earn net revenue at predicted levels, which may impact the ability to satisfy any obligations.

Fluctuations in Operating Results can cause Share Price Decline

The Company's operating results will likely vary in the future primarily from fluctuations in revenues and operating expenses, including the ability to produce the oil and gas reserves that are developed, expenses that are incurred, the prices of oil and gas in the commodities markets and other factors. If the results of operations do not meet the expectations of current or potential investors, the price of the Company's shares may decline.

Decommissioning Costs

The Company may become responsible for costs associated with abandoning and reclaiming wells, facilities and pipelines which are used for the production of oil and gas reserves. Abandonment and reclamation of these facilities and the costs associated therewith are often referred to as "decommissioning." If decommissioning is required before economic depletion of the properties or if estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time to cover such decommissioning costs, the Company may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could impair the ability to focus capital investment in other areas of the business.

Foreign Operations

The oil and gas industry in Pakistan is not as efficient or developed as the oil and gas industry in Canada. As a result, exploration and development activities may take longer to complete and may be more expensive than similar operations in Canada. The availability of technical expertise, specific equipment and supplies may be

more limited and such factors may subject international operations to economic and operating risks that may not be experienced in Canadian operations.

Risk to Information Technologies Systems and Cyber Security

The Company may be negatively affected by cybersecurity incidents or other IT systems disruption. The Company relies heavily on its information technology systems including, without limitation, its networks, equipment, hardware, software, telecommunications, and other information technology (collectively "IT systems"), and the IT systems of its vendors and third-party service providers, to operate its business as a whole. Although the Company has not experienced any material losses to date relating to cybersecurity, or other IT systems disruptions, there can be no assurance that the Company will not incur such losses in the future. Despite the Company's efforts to mitigate IT systems security risks, the risk and exposure to these threats cannot be fully mitigated because of, among other things, the evolving nature of cybersecurity threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect IT systems from cybersecurity threats remain a priority. As these threats continue to evolve, the Company may be required to spend additional resources to continue to modify or enhance protective measures or to investigate and remediate any cybersecurity vulnerabilities. Any cybersecurity incidents or other IT systems disruption could result in operational delays, destruction or corruption of data, security breaches, financial losses from remedial actions, the theft or other compromising of confidential or otherwise protected information, fines and lawsuits, or damage to the Company's reputation. Any such occurrence could have an adverse impact on the Company's financial condition and operations.

Local Legal, Political and Economic Factors

Currently, the Company is undertaking its oil and gas activities exclusively in Pakistan. Exploration and production operations in foreign countries are subject to legal, political and economic uncertainties, including interference with private contract rights (such as privatization), extreme fluctuations in currency exchange rates, high rates of inflation, exchange controls, changes in tax rates and other laws or policies affecting environmental issues (including land use and water use), workplace safety, foreign investment, foreign trade, investment or taxation, as well as restrictions imposed on the oil and gas industry, such as restrictions on production, price controls and export controls. Political and economic instability could result in new governments or the adoption of new policies, laws or regulations that might assume a substantially more hostile attitude toward foreign investment, including imposing additional taxes. In an extreme case, such a change could result in termination of contract rights and expropriation of foreign-owned assets. Any changes in oil and gas or investment regulations and policies or a shift in political attitudes in Pakistan will be beyond the Company's control and may significantly hamper the ability to expand operations or operate the business at a profit.

Litigation Risk

The Company may involve in disputes, litigation or arbitration proceedings in the future. The results of these proceedings cannot be predicted with certainty. Further, the Company may be required to incur significant expenses or devote significant resources in defence against such proceedings. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the Company's assets, business, financial condition and results of operations.

Enforcement of Civil Liabilities

Certain of the directors of the Company reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon directors not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors' judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Penalties

The Company's exploration, development, production and marketing operations are regulated under foreign federal, state and local laws and regulations. Under these laws and regulations, the Company could be held liable for personal injuries, property damage, site clean-up and restoration obligations or costs and other damages and

liabilities. The Company may also be required to take corrective actions, such as installing additional safety or environmental equipment, which could require significant capital expenditures. Failure to comply with these laws and regulations may also result in the suspension or termination of operations and subject the Company to administrative, civil and criminal penalties, including the assessment of natural resource damages. The Company could be required to indemnify employees in connection with any expenses or liabilities that they may incur individually in connection with regulatory action against them. As a result of these laws and regulations, future business prospects could deteriorate and profitability could be impaired by costs of compliance, remedy or indemnification of employees, thus reducing profitability.

Competition for Exploration and Development Rights

The oil and gas industry is highly competitive. This competition is increasingly intense as prices of oil and gas on the commodities markets have reduced significantly in recent years. Additionally, other companies engaged in the same line of business may compete with the Company from time to time in obtaining capital from investors. Competitors include larger, more established companies, which may have access to greater resources than the Company, may be more successful in the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests.

Technology

The Company relies on technology, including geographic and seismic analysis techniques and economic models, to develop reserve estimates and to guide exploration and development and production activities. The Company will be required to continually enhance and update its technology to maintain its efficacy and to avoid obsolescence. The costs of doing so may be substantial and may be higher than the costs that are anticipated for technology maintenance and development. If the Company is unable to maintain the efficacy of the technology, the ability to manage the business and to compete may be impaired. Further, even if technical effectiveness is maintained, the technology may not be the most efficient means of reaching objectives, in which case higher operating costs may be incurred than if the technology was more efficient.

Foreign Currency Exchange Rate Fluctuation

The Company may sell oil and gas production under agreements that may be denominated in United States dollars or other foreign currencies. Many of the operational and other expenses incurred will be paid in the local currency of the country containing the operations. As a result, the Company will be exposed to currency exchange rate fluctuation and translation risk when local currency (Pakistan Rupee or Canadian Dollar) financial transactions are translated to United States dollars. This may have a significant effect on profitability between periods.

Exchange Controls

Foreign operations may require funding if their cash requirements exceed operating cash flow. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. In addition, taxes and exchange controls may affect the dividends received from foreign subsidiaries. Exchange controls may prevent transferring funds abroad.

Insurance

Involvement in the exploration for and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Any insurance that the Company may obtain may have limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, the Company may choose not to obtain insurance to protect against specific risks due to the high premiums associated with such insurance or for other reasons. The payment of such uninsured liabilities would reduce funds available. If the Company suffers a significant event or occurrence that is not fully insured, or if the insurer of such event is not solvent, the Company could be required to divert funds from capital investment or other uses towards covering the liability for such events.

Attracting and Retaining Talented Personnel

The Company's success depends in large measure on the abilities, expertise, judgement, discretion, integrity and good faith of management and other personnel in conducting the business of the Company. The Company has a small management team and the loss of any of these individuals or the inability to attract suitably qualified staff could materially adversely impact the business. The Company may also experience difficulties in certain jurisdictions in efforts to obtain suitably qualified staff and in retaining staff who are willing to work in that jurisdiction. The Company's success will depend on the ability of management and employees to interpret market and geological data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. Further, key personnel may not continue their association or employment with the Company, which may not be able to find replacement personnel with comparable skills. The Company has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If the Company is unable to attract and retain key personnel, business may be adversely affected.

Growth Management

The Company's strategy envisions expanding the business. If the Company fails to effectively manage growth, financial results could be adversely affected. Growth may place a strain on management systems and resources. The Company will need to continue to refine and expand business development capabilities, systems and processes and access to financing sources. As the Company grows, it will need to continue to hire, train, supervise and manage new employees. The Company may not be able to:

- (i) Expand systems effectively or efficiently or in a timely manner;
- (ii) Allocate human resources optimally;
- (iii) Identify and hire qualified employees or retain valued employees; or
- (iv) Incorporate effectively the components of any business that may be acquired in the effort to achieve growth.

If the Company is unable to manage growth and operations, the financial results could be adversely affected by inefficiency, which could diminish profitability.

Outstanding Share Capital

The Company has 69,076,328 common shares outstanding as of the date of this MD&A.

Disclosure Controls and Procedures, and Internal Controls over Financial Reporting

Based on the evaluation of the design and operating effectiveness of the Company's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), the Chief Executive Officer and the Chief Financial Officer concluded that the Company's DC&P and ICFR were effective as at September 30, 2022.

During the three months ended September 30, 2022, there have been no changes made to the Company's ICFR that materially affected or are reasonably likely to materially affect, its ICFR.

Approval

The Company's Audit Committee has approved the disclosure contained within this MD&A. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.