MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED

MARCH 31, 2018 and 2017

ORYX PETROLEUM

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the consolidated financial statements of Oryx Petroleum Corporation Limited ("**OPCL**" or, the "**Company**") and its subsidiaries for the three months ended March 31, 2018 and 2017 (the "**Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").*

The date of this MD&A is May 8, 2018.

Unless otherwise noted, all amounts are in thousands of U.S. dollars.

Selected terms and abbreviations used in this MD&A are listed and described in the "Glossary and Abbreviations" section.

This MD&A contains non-IFRS measures. Please refer to the "Non-IFRS Measures" section for further information.

Readers should refer to the "Forward-Looking Information" advisory on page 21. Additional information relating to OPCL, including OPCL's Annual Information Form dated March 23, 2018, is on SEDAR at www.sedar.com.

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Company Overview

The Company is a public company incorporated in Canada under the Canada Business Corporations Act and is the holding company for the Oryx Petroleum group of companies (together, the "**Group**" or "**Oryx Petroleum**").

Oryx Petroleum is an upstream oil and gas entity with operating activities focused on the Middle East and West Africa. The Group holds interests in the following License Areas:

License Area	Location	Participating Interest	Working Interest	Role
Hawler	Iraq – Kurdistan Region	65%	65%	Operator
AGC Central	Senegal and Guinea Bissau	85%	80%(1)	Operator
Haute Mer A(2)	Congo (Brazzaville)	20%	20%	Non-operator
Haute Mer B(3)	Congo (Brazzaville)	30%	30%	Non-operator

Notes:

(1) Assuming the AGC exercises back-in rights.

(2) During 2017, the Group determined to cease further investments in the Haute Mer A License Area.

(3) On April 23, 2018, the Group entered into a farmout agreement providing for the transfer of the Group's 30% participating interest in the Haute Mer B license to the operator of the license. The transaction is expected to close during the second quarter of 2018.

Operational Highlights

- Average gross (100%) oil production of 3,800 bbl/d (working interest 2,500 bbl/d) for the first quarter of 2018 versus 2,900 bbl/d (working interest 1,900 bbl/d) for the three months ended March 31, 2017.
  - 31% increase versus the first quarter of 2017 and unchanged versus the three months ended December 31, 2017;
  - Average gross (100%) oil production of 4,000 bbl/d in April 2018;
- The Zey Gawra-2 ("**ZEG-2**") appraisal well targeting the Cretaceous reservoir was spudded in January 2018, drilled to a measured depth of 2,120 metres, logged, completed, and is now producing on extended well test;
- New wells targeting the Cretaceous reservoir at the Zey Gawra field and the Tertiary reservoir at the Banan field are expected to spud in the second quarter of 2018. The well targeting the Zey Gawra Cretaceous will be drilled earlier than previously planned and will be the first well drilled in the Hawler License Area utilising a horizontal well design;
- Final interpretation of 3D seismic data covering the AGC Central License Area and prospect selection is ongoing with preparation for drilling in 2019 to follow;
- Farmout Agreement entered into with a subsidiary of Total SA ("**Total**"), operator of the Haute Mer B License Area offshore Congo (Brazzaville) ("**HMB License**"), providing for the transfer of the Group's 30% participating interest in the HMB License to the Total SA subsidiary or an affiliate.
  - Upon closing, Oryx Petroleum to receive cash consideration of $8.0 million plus $5.3 million reimbursement of costs incurred by Oryx Petroleum between January 1, 2018 and the date of the Farmout Agreement;
  - Total has agreed to carry the Group's share of costs from the date of the Farmout Agreement to the closing of the transaction;
  - The Farmout Agreement is subject to, among other conditions, (i) waiver of pre-emptive rights held by other partners in the HMB License, and (ii) the consent of such partners and the government of the Republic of Congo, to the transfer of the Oryx Petroleum interests;
  - Closing of the transaction is expected before the end of June 2018.

Financial Highlights and Outlook

Liquidity outlook

The Group expects cash on hand as of March 31, 2018 and cash receipts from net revenues and export sales exclusively through the KRG's international export pipeline, will allow it to fund its forecasted cash expenditures and operating and administrative costs and to meet its obligations through the end of 2018. Additional capital is likely required in the first half of 2019 to fund further development of the Hawler License Area, drilling in the AGC Central License Area and to meet its obligations.

Financial performance

The following table contains financial performance highlights for the three months ended March 31, 2018 and March 31, 2017.

($ thousands unless otherwise stated)	Three months ended March 31, 2018	Three months ended March 31, 2017
Revenue	13,930	7,904
Cash generated by / (used in) operating activities	(2,584)	2,191
Operating Cash Flow[(1)]	2,028	(2,350)
Operating Cash Flow[(1)] per basic and diluted share ($/share)	0.00	(0.01)
Profit / (Loss) for the period	(4,275)	4,137
Earnings / (Loss) per basic and diluted share ($/share)	(0.01)	0.02
Average sales price ($/bbl)	56.31	41.92
Field production costs[(2)] ($/bbl)	10.74	19.13
Operating expense ($/bbl)	14.04	25.02
Field Netback[(1)] ($/bbl)	16.76	1.35
Oryx Petroleum Netback[(1)] ($/bbl)	19.70	0.10
Capital expenditures	6,164	(5,911)[(3)]

Notes:

(1) Operating Cash Flow, Field Netback, and Oryx Petroleum Netback are non-IFRS measures. See the "Non-IFRS Measures" section of this MD&A.

(2) Field production costs represent Oryx Petroleum's Working Interest share of gross production costs and exclude partner share of production costs which are being carried by Oryx Petroleum. See the "Operating expense" section of this MD&A.

(3) Includes non-cash credits of $7.3 million relating to revisions in previously estimated costs recorded in the Hawler and OML 141 License Areas.

Revenue and cash receipts

Revenue of $13.9 million was recorded for the three months ended March 31, 2018. Included in revenue is $12.5 million ($56.31/bbl) realised on the sale of 222,700 bbl (WI) of crude oil and $1.4 million related to the recovery of costs carried on behalf of partners. Oil sales for the first quarter of 2018 increased by $5.4 million or 76% compared to the same period in 2017. The increase is attributable to a 34% increase in realised sales price combined with a 31% increase in sales volumes.

All sales during the first quarter of 2018 were made via the KRG's international export pipeline.

The Group has received payment in full for all crude oil delivered and sold through the KRG's international export pipeline up to and including January 31, 2018. At the date of the MD&A, the Group's entitlement share of amounts receivable totalling $5.4 million are due from the KRG for crude oil delivered to the pipeline during February-April 2018.

Field production costs and netbacks

During the three months ended March 31, 2018, on a per barrel basis, the Group realised its lowest quarterly Field production costs and highest quarterly Field Netback on record.

Field production costs during the first quarter of 2018 amounted to $2.4 million ($10.74/bbl) in comparison to $3.2 million ($19.13/bbl) during the first quarter of 2017 representing a 44% decrease on a per barrel basis. The decrease was primarily due to lower operating costs resulting from the implementation of a cost reduction program.

Field Netback of $16.76/bbl for the three months ended March 31, 2018 has improved from $1.35/bbl for the first quarter of 2017 and $11.39/bbl for the fourth quarter of 2017. Field Netback per barrel increased by 47% in comparison to the fourth quarter of 2017. The primary drivers for improved Field Netbacks have been lower Field production costs and higher oil prices.

Operating cash flow

Operating Cash Flow for the first quarter of 2018 was $2.0 million compared to negative $2.4 million for the three months ended March 31, 2017. The Group's highest ever quarterly Operating Cash Flow is primarily due to higher Oryx Petroleum Netbacks which have contributed cash in excess of cash general and administrative expenditures.

Cash used in operating activities during the quarter ended March 31, 2018 amounted to $2.6 million reflecting a $4.6 million increase in non-cash working capital which was primarily related to a decrease in accounts payable partially offset by positive Operating Cash Flow of $2.0 million.

Loss

Loss for the three months ended March 31, 2018 was $4.3 million compared to a $4.1 million profit during the first quarter of 2017. The change in loss / profit for the three months ended March 31, 2018 in comparison to the same period in 2017 is primarily attributable to i) a $7.6 million gain recorded on the settlement of the finance lease obligation related to Hawler production facilities during the first quarter of 2017, ii) a $3.0 million gain related to the change in fair value of contingent consideration during the first quarter of 2017 versus a $0.7 million charge during the first quarter of 2018, iii) a $1.4 million impairment reversal recorded during the three months ended March 31, 2017 primarily related to revisions in costs previously estimated on the OML 141 License Area, and iv) a $1.1 million increase in the depletion charge during the first quarter of 2018 mainly related to a decrease in estimated oil reserves base. These negative factors were partially offset by i) an increase in net revenue of $3.4 million, ii) a $1.1 million decrease in operating expense, and iii) a $0.7 million decrease in finance expense which was primarily related to the decrease in the Loan Facility's principal balance outstanding.

Capital expenditures

During the first quarter of 2018, the Group recorded net capital additions of $6.2 million. The Group invested $5.1 million primarily on facilities and drilling activities in the Zey Gawra field in the Hawler License Area, and $0.5 million to interpret and analyse 3D seismic data and to prepare for drilling activities in the AGC Central License Area. The Group also recorded $0.5 million in non-cash additions primarily relating to the additional well costs included to calculate the Hawler License Area decommissioning obligation.

Financial position

The following table contains highlights of the Group's financial position as at the dates indicated below.

($ thousands)	March 31, 2018	December 31, 2017
Total cash and cash equivalents	27,943	38,572
Working Capital	22,137	27,133
Total assets	743,358	744,798
Borrowings	78,018	75,854
Total long-term liabilities	151,269	147,837

The cash and cash equivalents balance of $38.6 million as at December 31, 2017 decreased to $27.9 million at March 31, 2018. This decrease is due to $2.6 million cash used in operating activities and $8.1 million used in investing activities.

Working capital decreased to $22.1 million at March 31, 2018 from $27.1 million at December 31, 2017. The decrease was mainly due to a $10.6 million decrease in cash and cash equivalents and a $0.9 million decrease in inventories, partially offset by a $5.3 million increase in assets held for disposal, a $0.9 million increase in the trade and other receivables balance and a $0.4 million decrease in trade and other payables.

The undiscounted balance owed under the Loan Facility as at March 31, 2018 was $79.1 million, including $3.1 million in accrued interest which will be settled through the issuance of Common Shares.

The undiscounted balance of principal and accrued interest potentially owed under the contingent consideration obligation to the vendor of the Hawler License Area as at March 31, 2018 was $73.0 million.

2018 re-forecast work program and capital expenditures

The Group's re-forecasted capital expenditures for 2018 amount to $52 million, increased from the previously announced forecast of $48 million. The increase reflects the decision to drill the second well targeting the Zey Gawra Cretaceous well earlier than planned and to employ a horizontal well design. The following table summarises the Corporation's 2018 re-forecasted cash capital expenditure program:

Location	License/Field/Activity	2018 Forecast
		$ millions
Kurdistan Region	Hawler	
	Zey Gawra-Drilling	13
	Demir Dagh-Drilling	4
	Demir Dagh-Facilities	2
	Banan-Drilling	11
	Banan-Facilities	6
	Other(1)	3
	Total Hawler(2)	**39**
West Africa	AGC Central – Drilling Preparation	6
	AGC Central – Other	7
	Capex Total(2)	**52**

Note:
(1) Other is comprised primarily of technical support, seismic acquisition, and license maintenance costs
(2) Totals may not add-up due to rounding.

Kurdistan Region of Iraq -- Hawler License Area

Demir Dagh drilling – consists of costs related to short radius sidetrack of the previously drilled Demir Dagh-5 well. Sidetrack operations are expected to be completed in the second half of 2018.

Zey Gawra drilling – consists of the drilling of two new wells targeting the Zey Gawra Cretaceous reservoir. One well was drilled and completed as a producer in early 2018 and another is planned to be spudded in Q2 2018.

Banan drilling – consists of i) the re-entry, completion and testing of the Banan-2 well targeting the Cretaceous reservoir, which was suspended in 2014 due to security developments, and ii) the drilling of three new wells targeting the Tertiary reservoir. The first new well targeting the Tertiary reservoir is planned to be spudded in Q2 2018 while the Banan-2 re-entry and a further two wells targeting the Tertiary reservoir are planned for the second half of the year subject to the success of the first well targeting the Tertiary reservoir.

Demir Dagh facilities – comprised of modifications to the Hawler truck loading station needed to accommodate increased production, and minor infrastructure works.

Banan facilities expenditures – comprised of site remediation, construction of a truck loading station at the Banan field, the construction of a new drilling pad, and flowlines.

AGC Central License Area

Activity consists of preparation for drilling which is planned in 2019, facilities studies, and a final payment for the acquisition of 3D seismic data contingent upon entering the first renewal of the exploration period under the PSC which is expected in September 2018.

Business Environment

On September 25, 2017, the KRG held an independence referendum. In the weeks following the referendum, the Government of Iraq initiated military movements to assert and establish control over geographic areas under dispute. Resolution of the resulting political tensions and disputes is uncertain. The Group understands that following these events, efforts are under way to resolve political disputes regarding control over geographic territory, border and transportation infrastructure including international airports, and to determine mechanisms to administer budget allocations, and internal and international trade including exports and sales of crude oil among other matters. During the first quarter of 2018, international flights into the Erbil International Airport resumed. The impact on the Group's operations may be significant and remains uncertain.

Uncertainty related to global, social, political, and economic conditions and the resulting changes in global oil supply chains and infrastructure investment contribute to volatility in the price of crude oil. The related uncertainty regarding returns on investments in upstream oil and gas exploration and development has impacted the availability and cost of capital resources. Furthermore, future oil prices, which directly impact the Group's expected cash inflows, are difficult to forecast. The Group's ability to fund its ongoing operations and its forecasted capital investments is consequently subject to significant uncertainty. See the "Liquidity and Capital Resources" section of this MD&A for further discussion.

The political instability in the regions in which Oryx Petroleum operates and other risk factors which are disclosed in OPCL's Annual Information Form could have an adverse effect on Oryx Petroleum's performance.

During 2014, militants engaged in armed conflict with government forces in various regions of Iraq. The Group implemented precautionary measures to protect employees and operations from the impacts of the conflict. Together with the successes of government forces, these precautionary measures have permitted the Group to continue appraisal and development activities.

On March 14, 2016, the Group initiated crude oil deliveries to international markets through the KRG's international export pipeline. Although management does not expect restrictions on its ability to access pipeline capacity, Oryx Petroleum is not aware of official allocations of export pipeline capacity and is uncertain of the extent to which its production will be sold through the export pipeline. The political tensions which have followed the KRG independence referendum contribute to an increase in the risk that arrangements currently in place to sell oil produced from the Hawler License Area may not continue to be in effect.

The market on which oil produced from the Hawler Licence Area is sold affects the price realised and, consequently, Oryx Petroleum's cash flows. Complexities in local, regional, and international market access dynamics may impact the Group's realised oil sales prices and its future ability to sell its produced oil.

Appraisal activities at the Banan and Ain Al Safra discoveries have been limited due to capital allocation priorities and also to security risks. Although the Group is in final preparations to resume activity on the Banan field, there is an ongoing risk that the regional security situation could have a material adverse effect on the operating and financial performance of the Group.

The Group's future revenues and cash flows from operating activities are dependent on the Group's ability to produce and deliver crude oil. Production rates are subject to fluctuation over time and are difficult to predict.

The timing and execution of the Group's capital expenditure program may also be affected by the availability of services from third party oil field contractors and the Group's ability to obtain, sustain or renew necessary government licenses and permits on a timely basis to conduct exploration and development activities. Timing and execution risks are amplified by the political tension arising following the KRG independence referendum described above.

With the exception of the items discussed above together with risks disclosed in the Group's Annual Information Form dated March 23, 2018, management has not identified trends or events that are expected to have a material adverse effect on the financial performance of Oryx Petroleum.

Operations Review

Kurdistan Region of Iraq

The following table summarises production and sales data for the three months ended March 31, 2018, December 31, 2017, and March 31, 2017:

	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Gross Production (bbl)	341,700	347,800	263,300
Gross Production per day (bbl/d)	3,800	3,800	2,900
WI Production (bbl)	222,100	226,100	171,200
WI Production per day (bbl/d)	2,500	2,500	1,900
WI sales (bbl)	222,700	225,000	169,800
WI sales per day (bbl/d)	2,500	2,400	1,900

Production and sales

Gross (100%) oil production for the three months ended March 31, 2018 was 341,700 bbl representing an average rate of 3,800 bbl/d. The Group's Working Interest share of oil production during this period was 222,100 bbl representing an average rate of 2,500 bbl/d.

The Group recognised revenue on the sale of 222,700 bbl (Working Interest) of crude oil during the three months ended March 31, 2018.

Crude oil sale prices

Commencing in March 2016, the Group began selling crude oil to the KRG's Ministry of Natural Resources via deliveries at the Hawler License Area through the KRG's international export pipeline. The realised sales prices on export sales through this pipeline are referenced to monthly average Brent crude oil prices, discounted by $12/bbl for crude oil quality and transport, and adjusted for actual API gravity and sulphur content outside of agreed quality specification ranges.

The following table indicates average Brent crude oil prices and the Group's realised crude oil sales prices for each quarter ended on the dates indicated below:

	2018	2017				2016		
	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30
Brent average price ($/bbl)	66.82	61.26	51.72	50.28	54.13	49.96	45.85	45.89
Realised sales price ($/bbl)	56.31	50.04	41.07	37.93	41.92	38.75	35.19	34.15

Netbacks

The following table summarises the Field Netback and Oryx Petroleum Netback for the three months ended March 31, 2018 and March 31, 2017:

	Three months ended March 31, 2018		Three months ended March 31, 2017	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	12,541	56.31	7,116	41.92
Royalties	(6,130)	(27.53)	(3,478)	(20.48)
Field production costs(1)	(2,392)	(10.74)	(3,249)	(19.13)
Current taxes	(284)	(1.28)	(161)	(0.95)
Field Netback(2)	**3,735**	**16.76**	**228**	**1.35**
Recovery of Carried Costs	1,389	6.24	788	4.64
Partner share of production costs	(736)	(3.30)	(1,000)	(5.89)
Oryx Petroleum Netback(2)	**4,388**	**19.70**	**16**	**0.10**

Notes:

(1) Field production costs represent Oryx Petroleum's Working Interest share of gross production costs and exclude partner share of production costs which are being carried by Oryx Petroleum.

(2) Field Netback and Oryx Petroleum Netback are non-IFRS measures. See the "Non-IFRS Measures" section of this MD&A.

Field Netback for the three months ended March 31, 2018 of $3.7 million incorporates field production costs of $2.4 million. On a per barrel basis, Field Netback has increased to $16.76/bbl for the three months ended March 31, 2018 from $1.35/bbl for the three months ended March 31, 2017. This variance is primarily attributable to an increase in the realised sales prices and to a decrease in field production costs.

Hawler license appraisal and early production

Zey Gawra field

The ZEG-2 appraisal well targeting the Cretaceous reservoir was spudded in January 2018, drilled to a measured depth of 2,120 metres, logged and, in recent weeks, successfully completed as a producer.

Banan field

Preparations for the resumption of operations at the Banan field are underway with drilling of a new well targeting the Tertiary reservoir expected in the coming weeks. The Group is also planning the re-entry of the Banan-2 well, targeting the Cretaceous reservoir for the third quarter of 2018.

West Africa

The Group has licensed approximately 2,000 km^2 of 3D seismic data acquired in December 2016 and January 2017 from the AGC Central License Area. The data has been processed and interpretation is positive. Finalisation of prospect identification and mapping is expected in the coming months with preparations for drilling to follow.

Other than the above, activities in West Africa during the year ended December 31, 2017 were limited to license maintenance and data analysis, and preparation for future drilling activity.

Divestment of Interest in the Haute Mer B License Area

On April 23, 2018, the Group entered into a farmout agreement providing for the transfer of the Group’s 30% participating interest in the HMB License to a subsidiary of Total S.A. (the “**Buyer**”) (the “**Farmout Agreement**”). Subject to closing, the Group’s interest in the HMB License will be transferred for cash consideration of $8 million, payable at closing. The transfer will be deemed to be made with effect from January 1, 2018. As a result, the Buyer has agreed to reimburse the Group for costs incurred by it in relation to the HMB License between January 1, 2018 and the date of the Farmout Agreement and to carry the Group’s share of costs from the date of the Farmout Agreement to the closing of the transaction. This is expected to result in a further payment to the Group, at closing, of approximately $5.3 million. Subject to completion of customary due diligence and closing conditions, the transaction is expected to close during the second quarter of 2018. The license interest is presented as an asset held for disposal as at March 31, 2018.

Capital Expenditures

The following table summarises the capital expenditures incurred by activity during the three months ended March 31, 2018 and March 31, 2017:

($ thousands)	Three months ended March 31, 2018	Three months ended March 31, 2017
Middle East		
Drilling	5,289[1]	(2,073)[2]
Facilities	313	(633)[3]
Studies, license, and support	81	(3,106)[4]
Sub-Total Middle East	**5,683**	**(5,812)**
West Africa		
Exploration drilling	39	(1,906)[5]
Facilities	26	-
Seismic	218	915
Studies, license, and support	198	892[6]
Sub-Total West Africa	**481**	**(99)**
Corporate	-	-
Total capital expenditures	**6,164**	**(5,911)**

Notes:

(1) Included in the drilling capital expenditures for the Middle East for the three months ended March 31, 2018 is a non-cash addition of $0.5 million primarily relating to the additional well costs included to calculate the Hawler License Area decommissioning obligation.

(2) Included in the drilling capital expenditures for the Middle East for the three months ended March 31, 2017 is a credit of $2.9 million related to revisions to estimates of costs incurred in prior periods.

(3) Facilities capital expenditures in the Middle East for the three months ended March 31, 2017 includes a $1.1 million credit related to revisions to estimates of costs incurred in prior periods.

(4) Included in studies, license and support costs for the Middle East for the three months ended March 31, 2017 is a credit of $3.2 million related to revisions to estimates of costs incurred in prior periods.

(5) West African exploration drilling costs for the three months ended March 31, 2017 includes a credit of $1.9 million due to revisions to estimates of costs incurred in prior periods.

(6) Included in West African studies, license and support costs for the three months ended March 31, 2017 is a non-cash addition of $0.7 million.

The following table summarises the capital expenditures incurred by License Area during the three months ended March 31, 2018 compared to the same period in 2017:

($ thousands)	Three months ended March 31, 2018	Three months ended March 31, 2017
Middle East		
Hawler	5,683[1]	(5,812)[2]
Sub-Total Middle East	5,683	(5,812)
West Africa		
AGC Shallow	-	92
AGC Central	481	940
OML 141	-	(1,233)[3]
Haute Mer B	-	101
Sub-Total West Africa	**481**	**(99)**
Total capital expenditures	**6,164**	**(5,911)**

Notes:

(1) Included in Hawler License Area capital expenditure for the three months ended March 31, 2018 is a non-cash addition of $0.5 million primarily relating to the additional well costs included to calculate the Hawler License Area decommissioning obligation.

(2) Included in Hawler License Area capital expenditure for the three months ended March 31, 2017 are credits totalling $6.0 million related to revisions to estimates of costs incurred in prior periods.

(3) *Capital expenditures recorded in the OML 141 License Area for the three months ended March 31, 2017 include a credit of $1.9 million related to revisions to estimates of costs recorded in prior periods and a $0.7 million non-cash addition.*

Middle East

During the three months ended March 31, 2018, the Group recorded capital additions of $5.7 million. The Group invested $5.4 million related to appraisal drilling activities primarily on the Zey Gawra field and directly attributable technical support costs, and $0.3 million relating to facilities in the Hawler License Area.

West Africa

Capital expenditures of $0.5 million for three months ended March 31, 2018 are primarily comprised of seismic interpretation and directly attributable technical support costs in the AGC Central License Area.

Cost Pools

Cost Pools for each License Area, which are available for recovery through future oil sales from such License Area, as at March 31, 2018, are detailed in the table below:

License Area	Location	Gross Cost Pool	Group Participating Interest Cost Pool	Costs carried by Oryx Petroleum	Costs recovered through cost oil	Group share of recoverable costs available[(1)(2)]
		($ million)	($ million)	($ million)	($ million)	($ million)
Hawler	Iraq – Kurdistan Region	789.4	497.6	176.2[(3)]	(50.0)	623.8
AGC Central	Senegal and Guinea Bissau	44.6	37.9	6.7	-	44.6
Haute Mer A[(4)]	Congo (Brazzaville)	246.3	-	-	-	-
Haute Mer B[(5)]	Congo (Brazzaville)	22.8	-	-	-	-
		1,103.1	**535.5**	**182.9**	**(50.0)**	**668.4**

Notes:

(1) Cost Pool balances are subject to audit by relevant government entities.

(2) Oryx Petroleum share of costs available for future recovery through the sale of cost oil.

(3) Carried costs include $104.9 million in expenditures related to a commitment to carry $300 million on behalf of a partner for the Hawler License Area development.

(4) During 2017, the Group determined to cease further investments in the Haute Mer A License Area. It is anticipated that the Group's interest in the Haute Mer A License Area will be assigned to the other partners in the License Area in the near future. Consequently, the Group has assumed its share of recoverable costs to be Nil.

(5) On April 23, 2018, the Group entered into a farmout agreement providing for the transfer of the Group's 30% participating interest in the Haute Mer B license to the operator of the license. The transaction is expected to close during the second quarter of 2018. Consequently, the Group has assumed its share of recoverable costs to be Nil.

Property, plant and equipment and intangible assets

The capital expenditures described in the sections above, net of depletion, depreciation and amortisation ("**DD&A**") and net impairment reversals, have resulted in the following movements in intangible asset and PP&E balances during the three months ended March 31, 2018:

($ thousands)	Exploration and Evaluation Assets	Other Intangible Assets	Total Intangible Assets
As at January 1, 2018	**92,180**	**27**	**92,207**
Capital additions	480	-	480
DD&A	-	(3)	(3)
As at March 31, 2018	**92,660**	**24**	**92,684**

($ thousands)	Oil & Gas assets	Furniture and fixtures	Total PP&E
As at January 1, 2018	**582,619**	**3**	**582,622**
Capital additions	5,683[(1)]	-	5,683
DD&A	(2,224)	-	(2,224)
As at March 31, 2018	**586,078**	**3**	**586,081**

Notes:

(1) Included in Hawler License Area capital expenditure for the three months ended March 31, 2018 is a non-cash addition of $0.5 million primarily relating to the additional well costs included to calculate the decommissioning obligation.

Financial Results

Revenue

The following table summarises Oryx Petroleum's revenue for the three months ended March 31, 2018 and March 31, 2017. All oil sold during each of the below periods was produced at the Hawler License Area.

	Three months ended March 31	
($ thousands)	2018	2017
Oil Sales	12,541	7,116
Recovery of Carried Costs	1,389	788
Revenue	**13,930**	**7,904**

The Group recognised revenue on the sale of 222,700 bbl (Working Interest) of oil during the three months ended March 31, 2018, compared to revenue on the sale of 169,800 bbl (Working Interest) of oil during the same period in the previous year. Oil sales of $12.5 million during the first quarter of 2018 increased by $5.4 million compared to the three months ended March 31, 2017. The increase in oil sales is attributable to a 34% increase in realised sales price and a 31% increase in sales volumes.

Sales volumes are determined by the timing of deliveries to customers and are not directly correlated with production volumes. The Group's Working Interest share of oil inventory amounted to 11,500 bbl.

The Group has received payment in full for all crude oil delivered and sold through the KRG's international export pipeline up to and including January 31, 2018. At the date of the MD&A, the Group's entitlement share of amounts receivable totalling $5.4 million are due from the KRG for crude oil delivered to the pipeline during February-April 2018.

Royalties

The following table summarises royalty expense during the three months ended March 31, 2018 and March 31, 2017:

	Three months ended March 31	
($ thousands)	2018	2017
Royalties	**6,130**	**3,478**

All remittances to governments that are directly attributable to the sale of oil during the reporting period, including the government share of Profit Oil but excluding income taxes, are reported as royalties. Royalties increased by $2.6 million during the three months ended March 31, 2018 compared to the same period in the previous year. The variances in royalties from period to period are attributable to the same factors as those applicable to revenues on oil sales as discussed above.

Operating expense

	Three months ended March 31	
($ thousands)	2018	2017
Field production costs(1)	2,392	3,249
Partner's share of production costs carried by Oryx Petroleum	736	1,000
Operating expense	**3,128**	**4,249**
Sales(2) (bbl)	222,700	169,800
Field production costs(1) ($/bbl)	**10.74**	**19.13**
Operating expense ($/bbl)	**14.04**	**25.02**

Notes:

(1) Field production costs represent Oryx Petroleum's Working Interest share of gross production costs and exclude partner share of production costs which are being carried by Oryx Petroleum.

(2) Oryx Petroleum's Working Interest share.

Operating expense of $3.1 million in the three months ended March 31, 2018 decreased by $1.1 million compared to the same period in the previous year. The decrease in operating expense is primarily attributable to lower security, HSE (health, safety, and environment), and facilities operation costs resulting from the implementation of a cost reduction program, together with lower allocations of technical support costs. In addition to the impact of gross reductions in costs, operating costs per barrel decreased further during the three months ended March 31, 2018 compared to the three months ended March 31, 2017, due to a 31% increase in sales volumes.

The following table indicates the impact of the variances in operating expense between the fourth quarter of 2017 and the first quarter of 2018:

($ thousands)	($000)	($/bbl)
Operating expense – three months ended December 31, 2017	**3,842**	**17.08**
Contribution of the following to variance:		
Personnel and camp costs	(290)	(1.29)
Well maintenance	(15)	(0.07)
Facilities lease and maintenance, diesel and operation	54	0.24
Security	(463)	(2.06)
Change in volume	-	0.14
Operating expense – three months ended March 31, 2018	**3,128**	**14.04**

General and administration

	Three months ended March 31	
($ thousands)	2018	2017
Total General and Administration	**2,712**	**2,584**

General and administration expenses of $2.7 million in the three months ended March 31, 2018 are consistent with expenses incurred during the comparable period during 2017.

Exploration expense

	Three months ended March 31	
($ thousands)	2018	2017
Total exploration expense	**(61)**	**127**

Exploration costs relate to expenses incurred on the OML 141, Haute Mer A and Haute Mer B License Areas subsequent to the impairment of these License Areas during 2016 and 2017. A credit of $0.1 million in the three months ended March 31, 2018 related to revisions to estimates of costs incurred in prior periods.

Impairment of oil and gas assets

	Three months ended March 31	
($ thousands)	2018	2017
Impairment reversal of intangibles	-	(1,132)
Total impairment (reversal) / expense	**-**	**(1,132)**

During 2015, the Group fully impaired capitalised expenditures relating to its interest in the OML 141 License Area. An impairment reversal of $1.2 million was recorded during the first quarter of 2017 based on revised estimates of previously impaired costs.

Depletion, depreciation and amortisation

The following table summarises the component parts of depletion, depreciation and amortisation for the three months ended March 31, 2018 and March 31, 2017:

	Three months ended March 31	
($ thousands)	2018	2017
Intangible assets: Amortisation	3	39
PP&E assets: Depreciation	-	8
Depletion	2,230	1,108
Total DD&A	**2,233**	**1,155**

Depletion is calculated on a unit of production basis, which is the ratio of oil production volume during the period to the estimated quantities of proved plus probable oil reserves at the beginning of the period.

Primarily as a result of reductions to estimated proved plus probable oil reserves from the Hawler License Area, the rate of depletion has increased during the first quarter of 2018.

Other income / expense

The following table summarises the components of other income / expense for the three months ended March 31, 2018 compared to the same period in 2017:

	Three months ended March 31	
($ thousands)	2018	2017
Settlement of finance lease liability	-	7,605
Reduction to impairment of materials inventory	82	-
Restructuring charge	-	-
Other	17	44
Other income	**99**	**7,649**

Other income for the three months ended March 31, 2018 relate primarily to a $0.1 million reduction in inventory impairment provision.

The $7.6 million other income for the three months ended March 31, 2017 is primarily comprised of a $7.6 million gain related to the settlement of the finance lease obligation related to Hawler production facilities.

Finance expense

	Three months ended March 31	
($ thousands)	2018	2017
Interest expense on Loan Facility	1,969	2,341
Accretion of deferred financing costs on Loan Facility	196	546
Change in fair value of contingent consideration	685	(3,039)
Interest expense on finance lease obligation	-	443
Interest on contingent costs	878	393
Accretion of decommissioning liability	96	74
Finance expense	**3,824**	**758**

Finance expense for the three months ended March 31, 2018 primarily relates to accrued interest and accretion of deferred financing costs associated with the Loan Facility and to accrued interest associated with the contingent consideration described above.

Finance expense for the three months ended March 31, 2018 also includes a $0.7 million charge relating to the increase in the fair value of previously recognised contingent consideration compared to a $3.0 million gain recorded during the first quarter of 2017.

The contingent consideration referenced above relates to a 2011 agreement for acquisition of OP Hawler Kurdistan Limited, which holds the Group's interest in the Hawler License Area. Under this agreement, Oryx Petroleum was scheduled to provide additional consideration upon declaration of each of the first two commercial discoveries.

During the second quarter of 2017, the Group reached an agreement with the vendor of OP Hawler Kurdistan Limited to restructure the contingent consideration related to a potential second declaration of commercial discovery. The Group has recorded the contingent liability at management's estimate of fair value which, as at December 31, 2017, amounts to $64.8 million. For the specific purpose of estimating the fair value of the contingent liability, management's estimate assumes that the Group will achieve a second declaration of commercial discovery in the Hawler License Area, that the contingent consideration will consequently become payable, and that the timing and amount of resulting cash outflows will be consistent with the terms contained in the agreement with the vendor.

Oryx Petroleum paid $20.0 million plus interest during 2014 in satisfaction of the obligation arising upon the first commercial discovery and $5 million plus interest during the third quarter of 2017 as a non-refundable prepayment against the contingent obligation arising upon a possible second commercial discovery.

Income tax expense

The following table summarises the component parts of income tax expense for the three months ended March 31, 2018 and March 31, 2017.

	Three months ended March 31	
($ thousands)	2018	2017
Current income tax expense	385	265
Deferred tax (benefit) / expense	1	(66)
Total income tax expense	**386**	**199**

The current income tax expense includes amounts deemed to be collected by the KRG through its allocation of Profit Oil under the Hawler PSC.

Liquidity and Capital Resources

During the three months ended March 31, 2018, the Group met its day-to-day working capital requirements primarily through funding received through the cash receipts from oil sales and the issuance of Common Shares.

Loan Facility

On March 11, 2015, the Group entered into a committed and unsecured term loan facility agreement (the "**Loan Facility**") with a subsidiary of its indirect controlling shareholder AOG (the "**Lender**"). The $100 million Loan Facility has been fully drawn and had an initial maturity of March 10, 2018 (the "**Maturity Date**").

On March 18, 2016, the Group extinguished $8.2 million of the principal and accrued interest under the Loan Facility, in consideration for 20,581,247 Common Shares.

On October 24, 2016, OPCL issued 23,032,871 Common Shares to the Lender as consideration to extinguish a further $9.1 million of principal and accrued interest under the Loan Facility.

On April 28, 2017, the Loan Facility was amended to extend the Maturity Date from March 10, 2018 to July 1, 2019 and to amend interest payment terms (the "**Loan Amendment**"). Under the terms of the Loan Amendment, interest, which up to and including May 11, 2017 accrued at an annual compound rate of 10.5%, and principal amounts owing to the Lender up to and including May 11, 2017, which includes interest accrued up to that date (the "**Loan Amount**"), are payable at the Maturity Date or earlier, at the option of the borrower. Interest accrued on the Loan Amount after May 11, 2017 is to be determined on each of November 11, 2017, May 11, 2018, November 11, 2018, and July 1, 2019 (each, an "**Interest Calculation Date**") and paid to the Lender by way of issuance of Common Shares with the number of Common Shares issuable to be determined using the issue price per share equal to the volume weighted average trading price for the five trading days immediately preceding the Interest Calculation Date. The Loan Amendment was accepted by the Toronto Stock Exchange and on June 7, 2017 was approved by disinterested shareholders.

On June 20, 2017, OPCL issued 131,933,226 Common Shares to a subsidiary of AOG for consideration of $44.1 million. $24.1 million of the proceeds from the issue and sale of Common Shares has been applied to extinguish principal and accrued interest under the Loan Facility.

On December 8, 2017, OPCL issued 24,481,049 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility between May 11, 2107 and November 10, 2017.

As at March 31, 2018, the carrying value of the balance owed under the Loan Facility was $78.0 million, including $3.1 million in accrued interest which will be settled through the issuance of Common Shares in due course. The total undiscounted principal plus accrued interest owed at March 31, 2018 was $79.1 million.

Contingent consideration

During the second quarter of 2017, the Group reached an agreement with the vendor of OP Hawler Kurdistan Limited to restructure contingent consideration related to a potential second declaration of commercial discovery.

Under the terms of the agreement, the Group paid $5.0 million plus accrued interest on August 1, 2017. Contingent upon declaration of a second commercial discovery in the Hawler License Area, the agreement provides for fixed payments of principal plus interest scheduled as follows: $10.0 million plus accrued interest in September 2018, $20.0 million plus accrued interest in September 2019, $25.0 million plus accrued interest in September 2020, and $11.0 million plus accrued interest in September 2021. The estimated fair value of the contingent consideration as at March 31, 2018 was $66.3 million. The total undiscounted balance of principal and accrued interest potentially owed under the contingent consideration obligation was $73.0 million as at March 31, 2018.

Liquidity outlook

The Group expects cash on hand as of March 31, 2018 and cash receipts from net revenues and export sales exclusively through the KRG's international export pipeline, will allow it to fund its forecasted cash expenditures and operating and administrative costs and to meet its obligations through the end of 2018. Additional capital is likely required in the first half of 2019 to fund further development of the Hawler License Area, drilling in the AGC Central License Area and to meet its obligations.

See the "New Accounting Pronouncements, Policies, and Critical Estimates – Going Concern" section of this MD&A for discussion regarding uncertainties and risks associated with the Group's ability to continue as a going concern.

The following table summarises the components of Oryx Petroleum's consolidated cash flows for the periods indicated:

	Three months ended March 31	
($ thousands)	2018	2017
Operating Cash Flow[1]	2,028	(2,350)
Change in non-cash assets and liabilities relating to operating activities	(4,612)	4,541
Net cash generated by / (used in) operating activities	**(2,584)**	**2,191**
Additions to E&E and PP&E	(5,593)	(9,270)
Additions to Assets held for disposal	(5,266)	-
Purchase of shares - increase in ownership of KPAWDE	(731)	
Change in non-cash working capital	3,505	5,910
Net cash used in investing activities	**(8,045)**	**(3,360)**
Total change in cash	**(10,629)**	**(1,169)**
Cash and cash equivalents at beginning of the period	38,572	40,732
Cash and cash equivalents at end of the period	**27,943**	**39,563**

Note:

(1) Operating Cash Flow is a non-IFRS measure. See the "Non-IFRS Measures" section of this MD&A.

During the three months ended March 31, 2018, the Group invested $5.6 million in exploration, appraisal, and development in the Hawler and AGC Central License Areas. The Group invested $5.1 million primarily on facilities and drilling activities in the Zey Gawra field in the Hawler License Area, and $0.5 million to interpret and analyse 3D seismic data and to prepare for drilling activities in the AGC Central License Area. Investing activities during the quarter ended March 31, 2018 also consumed $0.7 million in cash resources used to purchase the remaining minority shares in KPA Western Desert Energy Limited ("KPAWDE") and $5.2 million to fund Haute Mer B License Area related cash calls, which is expected to be recovered as part of the cash consideration for disposing of Group's interest in this License Area. Operating activities during the quarter ended March 31, 2018 consumed $2.6 million in cash resources reflecting a $4.6 million increase in non-cash working capital which was primarily related to a decrease in accounts payable partially offset by positive Operating Cash Flow of $2.0 million.

Risks and uncertainties

The Group's ability to realise cash inflows from crude oil sales is subject to significant uncertainty related to the future performance and productivity of individual wells and production facilities, future crude oil prices, and customer credit risk. In particular, credit risk is impacted by the uncertainty associated with political tensions between the governments of Iraq and the Kurdistan Region of Iraq as discussed in the Business Environment section of this MD&A. The Group's ability to secure external financing, if and when required, is also subject to significant uncertainty and is dependent on the Group's performance and on market conditions. Furthermore, the execution of capital investment plans requires significant capital expenditures. Long lead times between initiation of commitments to capital projects and completion thereof are common in the industry. During these lead times, Oryx Petroleum expects to incur significant costs at a level which may be difficult to predict. Through late 2018, the Group plans to fulfil financing requirements through current cash reserves, proceeds from the sale of assets held for disposal, and Operating Cash Flow. Beyond the late 2018, additional capital is likely required to fund further development of the Hawler License Area and for planned drilling in the AGC Central License Area. Prevailing market conditions, together with Oryx Petroleum's business performance, will impact the Group's ability to realise required Operating Cash Flows and to arrange further financing as needed. While the Group retains the flexibility to defer certain budgeted expenditures and to adjust the timing of its expenditures on the development of the Hawler License Area, slowing the rate of development expenditures related to the Hawler License Area would be likely to impede the Group's ability to achieve expected production and sales levels. Refer to the "Critical estimates" section of this MD&A for additional discussion regarding management's going concern assumption which contemplates that the Group will realise its assets and settle its liabilities and commitments in the normal course of business for the foreseeable future.

Economic Sensitivities

The following table shows the estimated effect that changes to crude oil prices, Gross (100%) oil sale volumes, operating costs and interest rates would have had on the Group's profit for the three months ended March 31, 2018, had these changes occurred on January 1, 2018. These calculations are based on business conditions, production and sales volumes existing during the three months ended March 31, 2018. The 1,000 bbl/d increase assumes the increase is to Gross (100%) sale volumes and the Group's entitlement is calculated according to the provisions of the Hawler PSC and Joint Operating Agreement.

	Change	Loss impact ($000s)	Loss impact ($ per basic share)
Change in average realised price	$10.00/bbl	1,519	-
Change in crude oil sales volumes	1,000 bbl/d	2,248	-
Change in operating expenses	$1.00/bbl	223	-
Change in interest rate	1%	120	-

The impact of the above changes may be compounded or offset by changes to other business conditions. In addition, the table does not reflect any inter-relationships between the above factors. Changes in foreign exchange rates have not been considered in this analysis as they do not have a significant impact on the Group's operations.

Non-IFRS Measures

Field Netback

Field Netback is a non-IFRS measure that represents the Group's Working Interest share of oil sales net of the Group's Working Interest share of Royalties, the Group's Working Interest share of operating expense and the Group's Working Interest share of taxes.

Management believes that Field Netback is a useful supplemental measure to analyse operating performance and provides an indication of the results generated by the Group's principal business activities prior to the consideration of PSC and Joint Operating Agreement financing characteristics, and other income and expenses. Field Netback does not have a standard meaning under IFRS and may not be comparable to similar measures used by other companies. See the "Operations Review" section of this MD&A for a reconciliation of Field Netback.

Oryx Petroleum Netback

Oryx Petroleum Netback is a non-IFRS measure that represents Field Netback adjusted to reflect the impact of Carried Costs incurred and recovered through the sale of Cost Oil during the reporting period. Management believes that Oryx Petroleum Netback is a useful supplemental measure to analyse the net cash impact of the Group's principal business activities prior to the consideration of other income and expenses. Oryx Petroleum Netback does not have a standard meaning under IFRS and may not be comparable to similar measures used by other companies. See the "Operations Review" section of this MD&A for a reconciliation of Oryx Petroleum Netback.

Operating Cash Flow

Operating Cash Flow is a non-IFRS measure that represents cash generated from operating activities before changes in non-cash working capital and changes in the retirement benefit obligation balance. The term Operating Cash Flow should not be considered an alternative to or more meaningful than "net cash used in operating activities" as determined in accordance with IFRS.

Management considers Operating Cash Flow to be a key measure as it demonstrates the Group's ability to generate the cash flow necessary to fund future growth through capital investment. Operating Cash Flow does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to similar measures used by other companies.

The following table reconciles Operating Cash Flow to the IFRS measure of 'Net cash used in operating activities':

	Three months ended March 31	
($ thousands)	2018	2017
Net cash generated by / (used in) operating activities	(2,584)	2,191
Changes in non-cash assets and liabilities	4,612	(4,541)
Operating Cash Flow	**2,028**	**(2,350)**

Outstanding Share Data

In January 2017, the directors of OPCL were awarded 248,755 Common Shares ($0.1 million) for services provided in the third and fourth quarters of 2016.

On March 15, 2017 the Company issued 15.5 million Common Shares to settle a $4.8 million trade payable.

On June 20, 2017, OPCL issued 131,933,226 Common Shares to a subsidiary of AOG for consideration of $44.1 million. $24.1 million of the proceeds from the issue and sale of Common Shares has been applied to extinguish principal and accrued interest under the Loan Facility. On June 20, 2017, the Company also issued 29,916,831 Common Shares to Zeg Oil and Gas for consideration of $10.0 million.

In July 2017, the directors of OPCL were awarded 163,073 Common Shares ($0.1 million) for services provided in the first and second quarters of 2017.

On July 3, 2017, the Group issued 62,173 Common Shares to an employee under the Group's Long Term Incentive Plan ("**LTIP**"). On September 1, 2017, the Group issued 2,248,616 Common Shares to employees under the LTIP. Upon vesting, OPCL LTIP share awards granted to the date of this MD&A will result in the issuance of up to an additional 9,496,149 Common Shares in 2018 and 2019.

On December 4, 2017, the Group issued 147,103 Common Shares to an employee under the LTIP.

On December 8, 2017, OPCL issued 24,481,049 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility between May 11, 2107 and November 10, 2017.

In January 2018, the directors of OPCL were awarded 360,372 Common Shares ($0.1 million) for services provided in the third and fourth quarters of 2017.

At the date of this M&DA, a total of 458,422,779 Common Shares are issued and outstanding.

The following table summarises warrants which were issued in conjunction with the Loan Facility and are outstanding and exercisable at March 31, 2018.

	Warrants	Exercise price USD	Expiry date
Issued May 11, 2015	7,000,000	3.56	May 11, 2018
Issued December 15, 2015	4,000,000	0.50	December 15, 2018
Total outstanding and exercisable	**11,000,000**		

At the date of this MD&A, other than the warrants and unvested LTIP shares described above, there are no securities convertible into or exercisable or exchangeable for voting shares.

There were no repurchases of OPCL's equity securities by the Company during the three months ended March 31, 2018.

Commitments and Contractual Obligations

The table below sets forth information relating to Oryx Petroleum's commitments and contractual obligations as at March 31, 2018.

($ thousands)	Within One Year	From 1 to 5 Years	More than 5 Years	Total
Operating leases(1)	174	36	-	**210**
Other obligations(2)(3)	6,700	38,900	16,100	**61,700**
Total	**6,874**	**38,936**	**16,100**	**61,910**

(1) Operating leases primarily relate to office rent.
(2) Consists principally of obligations related to PSC commitments and capital expenditure commitments. The main purpose of these commitments is to develop the Group's oil and gas assets.

Summary of Quarterly Results

The following table sets forth a summary of Oryx Petroleum's results for the indicated quarterly periods.

($ thousands, unless otherwise stated)	2016			2017				2018
	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31
Revenue, net of royalties	3,949	3,766	4,386	4,426	3,982	5,512	7,004	7,800
Operating expense	(3,230)	(2,839)	(3,066)	(4,249)	(4,032)	(3,364)	(3,840)	(3,128)
Depletion	(1,746)	(1,616)	(1,204)	(1,108)	(1,101)	(1,409)	(2,276)	(2,224)
G&A	(2,058)	(2,150)	(2,628)	(2,584)	(2,512)	(2,183)	(3,404)	(2,712)
Profit / (Loss)	(11,354)	(8,738)	(26,205)	4,137	(9,199)	(5,860)	(28,128)	(4,275)
Earnings / (Loss) per share (basic and diluted) ($/share)	(0.05)	(0.04)	(0.10)	0.02	(0.03)	(0.01)	(0.06)	(0.01)
Operating cash flow	(1,222)	(645)	(1,676)	(2,350)	(2,101)	(646)	(331)	2,028
Gross Production (bbl)	284,700	264,500	286,000	263,300	260,200	330,900	347,800	341,700
WI Production (bbl)	185,100	172,000	186,000	171,200	169,100	215,100	226,100	222,100
Gross Sales (bbl)	286,100	264,800	279,900	261,100	259,600	332,000	346,100	342,600
WI Sales (bbl)	186,000	172,100	182,000	169,800	168,800	215,800	225,000	222,700
Field production costs(1)	(2,470)	(2,171)	(2,345)	(3,249)	(3,083)	(2,572)	(2,937)	(2,392)
Field Netback(2)	631	788	1,099	228	44	1,757	2,564	3,735
Oryx Petroleum Netback(2)	574	790	1,160	16	(196)	1,947	2,908	4,388
Brent price ($/bbl)	45.89	45.85	49.96	54.13	50.28	51.72	61.26	66.82
Sales price ($/bbl)	34.15	35.19	38.75	41.92	37.93	41.07	50.04	56.31
Royalties ($/bbl)	(16.70)	(17.20)	(18.93)	(20.48)	(18.55)	(20.08)	(24.46)	(27.53)
Field production costs(1) ($/bbl)	(13.28)	(12.61)	(12.88)	(19.13)	(18.25)	(11.92)	(13.06)	(10.74)
Current taxes ($/bbl)	(0.78)	(0.80)	(0.88)	(0.95)	(0.86)	(0.93)	(1.13)	(1.28)
Field Netback(2) ($/bbl)	3.39	4.58	6.04	1.35	0.27	8.14	11.39	16.76
Oryx Petroleum Netback(2) ($/bbl)	3.09	4.59	6.37	0.10	(1.15)	9.02	12.92	19.70
Capital expenditures(3)	17,243	4,227	10,513	(5,911)	814	3,823	4,611	6,164

Notes:

(1) Field production costs represent Oryx Petroleum's Working Interest share of gross production costs and exclude partner share of production costs which are being carried by Oryx Petroleum. See the "Operating expense" section of this MD&A.

(2) Operating Cash Flow, Field Netback and Oryx Petroleum Netback are non-IFRS measures. See the "Non-IFRS Measures" section of this MD&A.

Variations in revenue are attributable to changes in realised sales prices which have been broadly referenced to Brent crude oil prices and sales volumes which have fluctuated due to the variations in production from the Hawler License Area. There were no significant interruptions in production during the three months ended March 31, 2018.

Variations in Field Netback and Oryx Petroleum Netback reflect changes in revenue discussed above and the impact of changes in field production costs. Field production costs were initially subject to significant fluctuation as management aligned operating procedures and the related expenditures with fluctuating actual and expected production volumes. Following revised and lowered production forecasts during the second quarter of 2015, field production costs incurred during the years ended December 31, 2016 and 2017 and the three months ended March 31, 2018 reflect management's consequent efforts to reduce costs.

Total capital expenditures for the three months ended March 31, 2017 include $7.3 million in non-cash credits relating to revised estimates of previously recorded costs.

Loss for the three months ended March 31, 2018 was $4.3 million compared to $4.1 million profit during the first quarter of 2017. The resulting loss for the period is primarily attributable to i) a $7.6 million gain recorded on the settlement of the finance lease obligation related to Hawler production facilities during the first quarter of 2017, ii) a $3.0 million gain recorded in fair value of contingent consideration recorded during the first quarter of 2017 versus a $0.7 million charge during the first quarter of 2018, iii) a $1.4 million impairment recovery recorded during the three months ended March 31, 2017 primarily related to revisions in costs previously estimated on the OML 141 License Area and iv) a $1.1 million increase in the depletion charge mainly related to the decrease in estimated oil reserves base. These negative factors were partially offset by i) an increase in net revenue of $3.4 million, ii) a $1.1 million decrease in operating expense mainly attributable to lower operating costs at the Demir Dagh field resulting from the implementation of a cost reduction program, and iii) a $0.7 million decrease in finance expense which was primarily related to the decrease in the Loan Facility's principal balance outstanding.

Operating expense of $3.1 million in the three months ended March 31, 2018 decreased by $1.1 million compared to the same period in the previous year. The decrease in operating expense is primarily attributable to lower operating costs at the Demir Dagh field resulting from the implementation of a cost reduction program.

Financial and Other Instruments and Off Balance Sheet Arrangements

Oryx Petroleum operates internationally and has foreign exchange risk arising from various currency exposures, notably the Swiss Franc. In January 2017, the Group entered into five foreign exchange contracts. The Group entered into these contracts to sell $0.3 million and to receive Swiss Francs at various rates for each of the five months from February to June 2017 in order to hedge its exposure to foreign exchange risk for each of the subsequent five months. In July 2017, the Group entered into five foreign exchange contracts. The Group committed to sell $0.2 million and to receive Swiss Francs during each of the five months from August to December 2017.The group has recorded an unrealised foreign exchange loss of Nil during the three months ended March 31, 2018.

Other than the above, Oryx Petroleum was not party to any off-balance sheet arrangements during the three months ended March 31, 2018 that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of Oryx Petroleum. Further, on the date of this MD&A, Oryx Petroleum is not party to any such off-balance sheet arrangements.

Refer to the Financial Statements for further information on significant assumptions made in determining the fair value and classification of financial instruments recognised during the period.

Transactions with Related Parties

On March 11, 2015, the Group entered into a committed and unsecured term loan facility agreement with a subsidiary of its indirect controlling shareholder AOG. Interest expense of $8.8 million relating to this transaction has been recorded for the year ended December 31, 2017 (2016 - $10.1 million). On June 20, 2017, OPCL issued 131,933,226 Common Shares to a subsidiary of AOG for consideration of $44.1 million. $24.1 million of the proceeds from the issue and sale of Common Shares has been applied to extinguish principal and accrued interest under the Loan Facility. On June 20, 2017, the Company also issued 29,916,831 Common Shares to Zeg Oil and Gas for consideration of $10.0 million. On December 8, 2017, OPCL issued 24,481,049 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility between May 11, 2107 and November 10, 2017. Management has estimated the terms and conditions to be materially comparable to terms applicable to similar market transactions.

On October 19, 2016, the Group entered into an office lease agreement with a subsidiary of its indirect controlling shareholder. Rental expense of $50 thousand and $183 thousand relating to this agreement was recorded for the three and twelve months ended December 31, 2017, respectively. An operating lease commitment of $0.2 million has been included in commitments as at December 31, 2017.

For the three months ended March 31, 2018, the Group incurred costs of $0.6 million for goods and services provided by related parties, all of which are subsidiaries of AOG (2017: $0.4 million). Costs related to trademark license fees, parent company guarantees, and management services have been incurred under agreements between the Group and AOG. Additional information relating to such agreements is available in OPCL's Annual Information Form dated March 23, 2017 available on SEDAR at www.sedar.com. Management exercised judgment, which was based on its industry specific knowledge and experience, to determine that i) the transactions described above did not contain any unusual commercial terms, and ii) the fees charged under the agreements were reasonable and not materially inconsistent with fees which would normally be associated with broadly comparable agreements.

In January 2018, directors of OPCL were awarded 360,372 Common Shares ($0.1 million) and $0.2 million in cash as remuneration for services provided in the third and fourth quarters of 2017. In July 2017, the directors of OPCL were awarded 163,073 Common Shares ($0.1 million) and $0.1 million in cash remuneration for services provided in the first and second quarters of 2017. In January 2017, directors of OPCL were awarded 248,755 Common Shares ($0.1 million) and $0.1 million in cash as remuneration for services provided in the third and fourth quarters of 2016.

The Loan Amendment as discussed in the "Liquidity and Capital Resources" section of this MD&A are transactions involving related parties.

New Accounting Pronouncements, Policies, and Critical Estimates

New Pronouncements

Oryx Petroleum has adopted the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee that are relevant to its operations and effective for accounting periods beginning on or after January 1, 2017 as described in Note 2 of the Financial Statements. The adoption of these standards and interpretations has not had a material effect on OPCL.

Critical estimates

In the process of applying the Group's accounting policies management makes estimates, judgments and assumptions concerning the future. These accounting estimates, judgments and assumptions may differ from actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Such estimates, judgments and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. The critical estimates discussed in the Group's MD&A for the year ended December 31, 2017 remain applicable to the three month period ended March 31, 2018 and, with the exception of the estimates discussed below, there have been no material changes in estimates.

Going Concern

The Financial Statements have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of liabilities and commitments in the normal course of business for the foreseeable future. The Group has met its day to day working capital requirements, and funded its capital and operating expenditures through funding received from the proceeds of share issuances (note 15 of the Financial Statements) and its share of oil sales revenues from the Hawler License Area.

Management expects that the cash resources on hand as at March 31, 2018, proceeds from the sale of assets held for disposal (note 11 of the Financial Statements), and future cash receipts from sales of its share of oil production from the Hawler license area will be sufficient to fund the Group's capital and operating expenditures and to meet obligations as they fall due in the 15 months following March 31, 2018.

The Group's ability to continue as a going concern in accordance with management's estimates and forecasts is primarily dependent on realisation of forecasted revenues during the 15 months ending on June 30, 2019 and beyond, and on the Group's ability to restructure cash outflows related to Borrowings (notes 13 of the Financial Statements) which are due during the second half of 2019. These estimates are subject to uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

In preparing forecasts supporting the going concern assumption, management has applied the following significant judgments and assumptions:

i) Oil sales volume assumptions are based on historical production volumes adjusted to recognise the impact of production increases expected to result from planned drilling activities. Crude oil price assumptions are based on Brent forward contract prices adjusted for transportation costs and quality differentials. Management's forecast assumes net cash receipts from sales of its share of oil production from the Hawler License Area of $72.7 million during the 15 months ending June 30, 2019.

ii) The timing and extent of forecast capital and operating expenditures is based on the Group's 2018 reforecast budget adjusted to exclude discretionary activities and related expenditures, and on management's estimate of expenditures expected to be incurred beyond 2018. The Group retains a high degree of control and flexibility over both the extent and timing of expenditure under its future capital investment program.

iii) Management has developed specific plans to address longer term corporate funding requirements which are under discussion and consideration by parties including the Lender (note 13 of the Financial Statements). Consequent on these discussions, management has assumed that Borrowings maturing in July 2019 will be rescheduled or restructured, such that no related cash outflows occur during 2019.

Should the Group be unable to meet its obligations as they fall due and to fund its anticipated capital investments and operating expenditures, the preparation the Financial Statements on a going concern basis may not be appropriate. The Financial Statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Such adjustments may be material.

The directors have considered the judgments, estimates, and related uncertainties discussed above and have concluded that there is a reasonable expectation that the Group will have adequate resources to continue operations for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing these Financial Statements.

Financial Controls

Disclosure Controls and Procedures

Disclosure Controls and Procedures have been designed under the supervision of the Chief Executive Officer ("**CEO**") and the Head of Corporate Finance and Planning (acting as CFO), with the participation of other management, to provide reasonable assurance that information required to be disclosed is recorded, processed, summarised and reported within the time periods specified in applicable securities legislation, and include controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to management, including the CEO and Head of Corporate Finance and Planning (acting as CFO), as appropriate to allow timely decisions regarding required disclosure.

Internal Controls over Financial Reporting

Internal Controls over Financial Reporting ("**ICFR**") have been designed under the supervision of the CEO and the Head of Corporate Finance and Planning (acting as CFO), with the participation of other management, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements in accordance with IFRS. ICFR can only provide reasonable assurance and may not prevent or detect misstatements. Projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

There were no changes in Oryx Petroleum's ICFR during the three months ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, Oryx Petroleum's ICFR.

Forward-Looking Information

Certain statements in this MD&A constitute "forward-looking information" within the meaning of applicable Canadian securities legislation, including statements related to the nature, timing and effect of Oryx Petroleum's forecast capital expenditure for 2018, financing and capital activities, the additional liquidity required to fund future expenditures, expectations that cash on hand, and cash receipts from net revenues and exports sales exclusively through the pipeline will allow the Group to fund forecasted cash expenditures needed to sustain the Group's operations and meet license commitments through the end of 2018, business and acquisition strategy and goals, opportunities, drilling and well workover plans, development plans and schedules and chance of success, results of exploration activities, declarations of commercial discovery, contingent liabilities and government approvals, the ability to consistently access the export pipeline or other exterior facilities to sell oil production, sales channels for future sales, future drilling of new wells and the reservoirs to be targeted, costs and drilling times for new wells, ultimate recoverability of current and long-term assets, estimates of oil reserves and resources, future royalties and tax levels, access to and sources of future financing and liquidity, future debt levels, availability of committed credit facilities, possible commerciality of our projects, expected operating capacity, expected operating costs, guidance regarding operating expenses on a per barrel basis, plans to continue interpreting 3D seismic data from the AGC Central License Area and identifying prospects, estimates on a per share basis, future foreign currency exchange rates, the issuance of shares as a result of the vesting of LTIP awards, exercise of outstanding warrants, and in lieu of interest under the Loan Facility, estimates for the fair value of the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, the expected timing for settlement of liabilities including the Loan Facility and the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, changes in any of the foregoing, and statements that contain words such as "may", "will", "would", "could", "should", "anticipate", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook", "propose", "potentially", "project", "forecast" or the negative of such expressions and statements relating to matters that are not historical fact.

Although Oryx Petroleum believes these statements to be reasonable, the assumptions upon which they are based may prove to be incorrect. In making certain statements in this MD&A, Oryx Petroleum has made assumptions with respect to the following: the general continuance of the current or, where applicable, assumed industry conditions, the continuation of assumed tax, royalties and regulatory regimes, forecasts of capital expenditures and the sources of financing thereof, timing and results of exploration activities, access to local and international markets for future crude oil production and future crude oil prices, Oryx Petroleum's ability to obtain and retain qualified staff, contractors and personnel and equipment in a timely and cost-efficient manner, the political situation and stability in jurisdictions in which Oryx Petroleum has licenses, the ability to renew its licenses on attractive terms, Oryx Petroleum's future production levels, the applicability of technologies for the recovery and production of Oryx Petroleum's oil reserves and resources, the amount, nature, timing and effects of capital expenditures, geological and engineering estimates in respect of Oryx Petroleum's reserves and resources, the geography of the areas in which Oryx Petroleum is conducting exploration and development activities, operating and other costs, the extent of Oryx Petroleum's liabilities, and business strategies and plans of management and Oryx Petroleum's business partners. For more information about these assumptions and risks facing the

Group, refer to the Group's Annual Information Form dated March 23, 2018, available at www.sedar.com and the Group's website at www.oryxpetroleum.com.

Any forward-looking information concerning prospective exploration, results of operations, financial position, production, expectations of capital expenditures, cash flows and future cash flows or other information described above that is based upon assumptions about future results, economic conditions and courses of action are presented for the purpose of providing readers with a more complete perspective on Oryx Petroleum's present and planned future operations and such information may not be appropriate for other purposes and actual results may differ materially from those anticipated in such forward-looking information. In addition, included herein is information that may be considered financial outlook and/or future-oriented financial information. Its purpose is to indicate the potential results of Oryx Petroleum's intentions and may not be appropriate for other purposes.

Readers are strongly cautioned that the above list of factors affecting forward-looking information is not exhaustive. Although OPCL believes that the expectations conveyed by the forward-looking information are reasonable based on information available to it on the date such forward-looking information was made, no assurances can be given as to future results, levels of activity and achievements. Readers should not place undue importance or reliance on the forward-looking information and should not rely on the forward-looking information as of any date other than the date hereof. Further, statements including forward-looking information are made as at the date they are given and, except as required by applicable law, Oryx Petroleum does not intend, and does not assume any obligation, to update any forward-looking information, whether as a result of new information or otherwise. If OPCL does update one or more statements containing forward-looking information, it is not obligated to, and no inference should be drawn that it will make additional updates with respect thereto or with respect to other forward-looking information. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Glossary and Abbreviations

The following abbreviations and definitions are used in this MD&A:

AGC
Agence de Gestion et de Cooporation, an inter-governmental agency established in 1993 to manage and administer petroleum and fishing activities in the maritime zone between Senegal and Guinea Bissau

AOG
The Addax and Oryx Group PLC

bbl
Barrel(s) of oil

bbl/d
Barrel(s) of oil per day

Carried Cost
Costs related to the Group's funding another party's share of costs, by agreement, in excess of the Group's Participating Interest. Carried Costs are typically recovered through Cost Oil

Common Shares
Common shares of the Company

Company
Oryx Petroleum Corporation Limited

Contractor
An oil company operating in a country under a PSC on behalf of the host government, for which it receives either a share of production or a fee

Cost Oil
The portion of oil sold used to reimburse the Contractor for exploration, development, and operating costs

Cost Pool
Costs incurred to explore and/or develop a License Area to be recovered as Cost Oil through future oil sales

Farm-in
To acquire an interest in a license from another party

G&A
General and administration

Gross
In respect of reserves, resources, future net revenue, production, sales, area, capital expenditures or operating expenses, the total reserves, resources, future net revenue, production, sales, area, capital expenditures or operating expenses, as applicable, attributable to either (i) 100% of the License Area or field; or (ii) the Group's working interest in the License Area or field, as indicated, prior to the deductions specified in the applicable PSC, REC or fiscal regime for each License Area.

IAS
International Accounting Standards

IFRS
International Financial Reporting Standards

KRG
Kurdistan Regional Government of Iraq

License Area
Area of specified size, which is licensed to a company by a government for the production of oil and gas

Loan Facility
A committed and unsecured term loan facility agreement that the Group entered into with a subsidiary of its indirect controlling shareholder AOG. Refer to Liquidity and Capital Resources section

Operator
A company that organises the exploration and productions programs in a License Area on behalf of all the interest holdings in the license

Participating Interest
The Group's current interest in an applicable License Area

PP&E
Property, plant and equipment

Profit Oil
Production remaining after contractual Royalties and Cost Oil, which is split between the government and the Contractors according to the prevailing contract terms in the PSC

Production Sharing Agreement (PSA) / Production Sharing Contract (PSC)
A contractual agreement between a Contractor and a host government, whereby the Contractor bears certain defined exploration costs, risks, and development and production costs in return for a stipulated share of the production resulting from this effort

Reserves
Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology;
- specified economic conditions, which are generally accepted as being reasonable

Royalty
All remittances to governments who are party to the applicable PSCs/PSAs that are directly attributable to the sale of oil and natural gas products during the reporting period including the government share of Profit Oil described above, except for income taxes

Working Interest or WI
The Group's interest in an applicable License Area, assuming the exercise of back-in rights or options