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

FOR THE THREE AND NINE MONTHS ENDED

September 30, 2017 and 2016

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

ORYX PETROLEUM

*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 and nine months ended September 30, 2017 and 2016 (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 November 8, 2017.

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 24. Additional information relating to OPCL, including OPCL's Annual Information Form dated March 23, 2017, is on SEDAR at www.sedar.com.

Table of Contents

Company Overview	1	Outstanding Share Data	20
Operational Highlights	2	Commitments and Contractual Obligations	20
Financial Highlights and Outlook	2	Summary of Quarterly Results	21
Business Environment	6	Financial and Other Instruments and Off Balance Sheet Arrangements	22
Operations Review	7	Transactions with Related Parties	22
Capital Expenditures	10	New Accounting Pronouncements, Policies, and Critical Estimates	23
Financial Results	13	Financial Controls	24
Liquidity and Capital Resources	16	Forward-Looking Information	24
Economic Sensitivities	19	Glossary and Abbreviations	26
Non-IFRS Measures	19		

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	Congo (Brazzaville)	20%	20%	Non-operator
Haute Mer B	Congo (Brazzaville)	30%	30%	Non-operator

Notes:

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

(2) Subsequent to September 30, 2017 the Group relinquished its participating interest in the AGC Shallow License Area.

Operational Highlights

- Average gross (100%) oil production of 3,600 bbl/d in Q3 2017 vs 2,900 bbl/d in Q2 2017.
  - Commencement of production from the ZAB-1 sidetrack well ("ZAB-1ST well") in August 2017.
  - Average gross (100%) oil production of 3,800 bbl/d in October 2017.
- Drilling of the ZAB-1ST well was completed in July 2017 in the Cretaceous reservoir of the Zey Gawra field. After an acid stimulation treatment in August 2017 daily oil production from the well has been increased to approximately 700 bbl/d.
  - Based on the well performance of the ZAB-1ST well and the Zey Gawra-1 sidetrack well ("ZEG-1 ST"), the Group plans to proceed with the drilling of another appraisal well targeting the Zey Gawra Cretaceous reservoir. The mobilisation of a rig to drill this well has been delayed due to post-independence referendum tensions between the government of the Kurdistan Region and the federal government of Iraq and is now expected to occur in early Q1 2018 or as soon as conditions permit.
- Workovers of the Demir Dagh-8 and Demir Dagh-7 wells in the Cretaceous reservoir are ongoing.
  - Initial efforts to bring these wells on production have not succeeded with additional efforts planned in the coming weeks.
- Preparations for the resumption of operations at the Banan field are underway with the re-entry of the Banan-2 well targeting the Cretaceous reservoir and the drilling of a new well targeting the Tertiary reservoir planned in the first half of 2018. Resumption of operations at the Banan field requires authorisation from the KRG.
- Full processing and interpretation of 1,921 km^2 of 3D seismic data covering the AGC Central License Area is ongoing
  - Finalisation of prospect identification and mapping is expected before the end of 2017 with exploration drilling planned in 2019.
- On November 2, 2017 the Group relinquished its 80% interest in the AGC Shallow License Area and in connection with such relinquishment has agreed to transfer the outstanding well commitment to the AGC Central License Area.
- Oryx Petroleum has commenced efforts to divest its interests in the Haute Mer A and Haute Mer B License Areas in Congo (Brazzaville).

Financial Highlights and Outlook

Liquidity outlook

Management expects that the cash resources on hand as at September 30, 2017 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 planned capital expenditures, its operating and administrative costs, and to meet obligations as they fall due through late 2018.

Financial performance

The following table contains financial performance highlights for the three and nine months ended September 30, 2017 and September 30, 2016.

	Three months ended		Nine months ended	
($ thousands unless otherwise stated)	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Revenue	9,844	6,726	24,860	14,977
Cash used in operating activities	(4,624)	(2,121)	(3,594)	(10,873)
Operating Cash Flow[1]	(646)	(645)	(5,097)	(7,558)
Operating Cash Flow[1] per basic and diluted share ($/share)	(0.00)	(0.00)	(0.02)	(0.04)
Loss for the period	(5,860)	(8,738)	(10,922)	(39,520)
Loss per basic and diluted share ($/share)	(0.01)	(0.04)	(0.03)	(0.19)
Average sales price ($/bbl)	41.07	35.19	40.38	32.78

($ thousands unless otherwise stated)	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Field production costs[2] ($/bbl)	11.92	12.61	16.07	17.78
Operating expense ($/bbl)	15.59	16.50	21.02	23.25
Field Netback[1] ($/bbl)	8.14	4.58	3.65	(1.76)
Oryx Petroleum Netback[1] ($/bbl)	9.02	4.59	3.17	(3.60)
Capital expenditures	3,823	4,227	(1,274)[3]	25,788[4]

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 and $2.4 million in non-cash credits relating to revisions to estimates associated with decommissioning obligations.

(4) Includes non-cash items totalling $13.8 million reflecting changes in assumptions used in calculating decommissioning obligations and finance lease assets related to the Hawler License Area, and a non-cash revision to previous costs incurred in the OML 141 License Area.

Field Production costs and netbacks

Field production costs during the third quarter of 2017 amounted to $11.92/bbl in comparison to $12.61/bbl during the third quarter of 2016 and to $18.25/bbl during the second quarter of 2017. Higher costs associated with operating at the Zey Gawra field have been more than offset by an increase in sales volumes.

Field Netback of $8.14/bbl for the three months ended September 30, 2017 has improved from $4.58/bbl for the third quarter of 2016 and from $0.27/bbl for the second quarter of 2017. Field Netback has been impacted by the factors described above in relation to Field production costs and have also increased as a result of higher oil prices.

Revenue and cash receipts

All sales during the nine months ended September 30, 2017 were made via the KRG's international export pipeline. The average sales price for oil sold during the three and nine months ended September 30, 2017 was $41.07/bbl and $40.38/bbl, respectively. Pursuant to an agreement with the KRG's Ministry of Natural Resources, the sales price for oil sold through the international export pipeline is referenced to monthly average Brent crude oil prices, discounted $12/bbl for crude oil quality and transport, and adjusted for actual API gravity and sulphur content outside of agreed quality specification ranges.

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 the end of the July 2017. Receivables totalling $4.8 million due from the KRG for crude oil delivered to the pipeline in August and September 2017 remain outstanding at the date of this MD&A.

Revenue of $24.9 million was recorded for the nine months ended September 30, 2017. Included in revenue is $22.4 million ($40.38/bbl) realised on the sale of 555,400 bbl (WI) of crude oil and $2.5 million related to the recovery of costs carried on behalf of partners.

Loss

Loss for the three months ended September 30, 2017 was $5.9 million compared to $8.7 million during the third quarter of 2016. The decrease in loss for the period is primarily attributable to i) an increase in net revenue of $1.7 million during the three months ended September 30, 2017, and ii) a $1.6 million decrease in finance expense recorded during the three months ended September 30, 2017 primarily related to the decrease in the Loan Facility's principal balance outstanding. These positive factors were partially offset by a $0.5 million increase in operating expense for the three months ended September 30, 2017 compared to the same period in 2016. The increase in operating expense during 2017 is primarily related to costs associated with production from the Zey Gawra field in the Hawler License Area which commenced in December 2016.

Net loss of $10.9 million for the nine months ended September 30, 2017 decreased by $28.6 million compared to the nine months ended September 30, 2016. The change in loss for the period is primarily attributable to i) an increase in net revenue of $5.5 million during the nine months ended September 30, 2017, ii) a $7.6 million gain recorded on the settlement of the finance lease obligation during the first quarter of 2017, iii) an $8.3 million materials inventory impairment charge and a $2.2 million restructuring charge recorded during the nine months ended September 30, 2016, iv) a $1.1 million impairment recovery recorded during the nine months ended September 30, 2017 primarily related to revisions in costs previously estimated on the OML 141 License Area compared to a $2.5 million impairment expense

recorded during the same period in 2016, and v) a $1.7 million decrease in finance expense recorded during the nine months ended September 30, 2017 primarily related to the decrease in the Loan Facility’s principal balance outstanding. These positive factors were partially offset by a $2.1 million increase in operating expense for the nine months ended September 30, 2017 compared to the same period in 2016. The increase in operating expense during 2017 is primarily related to costs associated with production from the Zey Gawra field in the Hawler License Area from December 2016 onward.

Capital expenditures

During the three months ended September 30, 2017, the Group recorded capital additions in the amount of $3.8 million. The Group invested $3.4 million related to appraisal activities on the Demir Dagh and Zey Gawra fields in the Hawler License Area. An additional $0.4 million in capital expenditures were incurred relating to directly attributable support activities in the AGC Central License Area.

During the nine months ended September 30, 2017, the Group recorded a net reversal to capital additions in the amount of $1.3 million. The Group invested $6.5 million related to appraisal activities on the Demir Dagh and Zey Gawra fields in the Hawler License Area, $1.1 million related to sponsoring the acquisition of 3D seismic data in the AGC Central License Area, and $0.7 million in directly attributable capital support costs. These capital investments were offset primarily by $7.3 million in non-cash revisions to previous estimates of costs recorded related to the Hawler and OML 141 License Areas and $2.4 million in non-cash credits relating to the revision of the discount and inflation rates used 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)	September 30, 2017	December 31, 2016
Total cash and cash equivalents	46,264	40,732
Working Capital	24,089	(2,149)
Total assets	768,585	766,445
Borrowings	77,665	93,103
Total long-term liabilities	147,948	174,942

The cash and cash equivalents balance of $40.7 million as at December 31, 2016 increased to $46.3 million at September 30, 2017. This increase is due to the receipt of $30.0 million in funds received upon the issuance of Common Shares partially offset by $3.6 million cash used in operating activities and $20.8 million used in investing activities.

Working capital increased to positive $24.1 million at September 30, 2017 from a negative working capital balance of $2.1 million as at December 31, 2016. The increase was mainly due to a $5.5 million increase in cash and cash equivalents, a $14.0 million decrease in trade and other payables, a $1.7 million increase in the trade and other receivables balance, and the elimination of the $6.4 million finance lease obligation balance upon the settlement of this liability. These positive factors were partially offset by a $1.4 million decrease in the inventory balance.

Capital expenditures - 2017 forecast and 2018 Budget

2017 – Fourth quarter

The Group’s re-forecasted capital expenditures for the fourth quarter of 2017 are expected to amount to $8 million and include continued efforts to bring the Demir Dagh-7 and Demir Dagh-8 wells online and mobilisation/site remediation at the Banan field in the Hawler License Area, the AGC Shallow License relinquishment settlement, license maintenance and technical support.

Location	License/Field/Activity	Q4 2017 Forecast
		$ millions
Kurdistan Region	Hawler	
	Drilling	1
	Facilities	2
	Other	2
	Total Hawler	**5**
West Africa	AGC Central	3
	Capex Total	**8**

2018 Budgeted Capital Expenditures

The Group's budgeted capital expenditures for 2018 amount to $55 million. The following table summarises the Group's 2018 budgeted capital expenditure program:

Location	License/Field	Drilling	Facilities	Seismic& Studies and Other(2)	Total 2018 Budget
		$ millions	$ millions	$ millions	$ millions
Kurdistan Region	Hawler				
	Demir Dagh	5	2	-	7
	Zey Gawra	11	-	-	11
	Banan	14	6	-	20
	Other(2)	-	-	2	2
	Total Hawler	**30**	**8**	**2**	**40**
W. Africa & Corp	AGC Central	8	1	6	15
	Capex Total	**38**	**9**	**8**	**55**

Note:

(1) Totals in rows and columns may not add-up due to rounding

(2) Other is comprised primarily of license maintenance costs

Kurdistan Region of Iraq -- Hawler License Area

Demir Dagh drilling – consists of costs related to short radius sidetracks of the previously drilled Demir Dagh-5 and Demir Dagh-9 wells. Sidetrack operations are expected to be completed in the first half of 2018.

Zey Gawra drilling – consists of the drilling of two new wells targeting the Zey Gawra Cretaceous reservoir. One well will be drilled in early 2018 and the other in late 2018 subject to performance of existing wells.

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. The Banan-2 re-entry and the drilling of the first new well targeting the Tertiary are planned in the first half of 2018 while a further two wells targeting the Tertiary reservoir are planned for the second half of the year subject to the success/performance of the first well.

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 Banan, the construction of a new drilling pad needed to drill wells planned in the second half of the year, 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 and ongoing processing of 3D seismic data, which is contingent upon entering the first renewal of the exploration period under the PSC contract and 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 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. 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 have contributed to reductions and volatility to 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 recent successes of government forces, these precautionary measures have permitted the Group to continue appraisal and development activities at the Demir Dagh and Zey Gawra fields.

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 significantly 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. 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 in the weeks 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, 2017, 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 September 30, 2017, June 30, 2017, and September 30, 2016, and for the nine months ended September 30, 2017 and September 30, 2016:

	Three months ended			Nine months ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Gross Production (bbl)	330,900	260,200	264,500	854,400	618,400
Gross Production per day (bbl/d)	3,600	2,900	2,900	3,100	2,300
WI Production (bbl)	215,100	169,100	172,000	555,400	402,000
WI Production per day (bbl/d)	2,300	1,900	1,900	2,000	1,500
WI sales (bbl)	215,800	168,800	172,100	554,200	411,300
WI sales per day (bbl/d)	2,300	1,900	1,900	2,000	1,500

Production and sales

Gross (100%) oil production for the three months ended September 30, 2017 was 330,900 bbl representing an average rate of 3,600 bbl/d. The Group's Working Interest share of oil production during this period was 215,100 bbl representing an average rate of 2,300 bbl/d.

Gross (100%) oil production for the nine months ended September 30, 2017 was 854,400 bbl representing an average rate of 3,100 bbl/d. The Group's Working Interest share of oil production during this period was 555,400 bbl representing an average rate of 2,000 bbl/d.

The Group recognised revenue on the sale of 215,800 bbl (Working Interest) and 554,200 bbl (Working Interest) of crude oil during the three and nine months ended September 30, 2017, respectively.

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:

	2017			2016				2015
	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31
Brent average price ($/bbl)	51.72	50.28	54.13	49.96	45.85	45.89	34.54	43.42
Realised sales price ($/bbl)	41.07	37.93	41.92	38.75	35.19	34.15	20.25	19.37

Netbacks

The following table summarises the Field Netback and Oryx Petroleum Netback for the three months ended September 30, 2017 and September 30, 2016:

	Three months ended September 30, 2017		Three months ended September 30, 2016	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	8,862	41.07	6,056	35.19
Royalties	(4,332)	(20.08)	(2,960)	(17.20)
Field production costs[(1)]	(2,572)	(11.92)	(2,171)	(12.61)
Current taxes	(201)	(0.93)	(137)	(0.80)
Field Netback[(2)]	**1,757**	**8.14**	**788**	**4.58**
Recovery of Carried Costs	982	4.55	670	3.89
Partner share of production costs	(792)	(3.67)	(668)	(3.88)
Oryx Petroleum Netback[(2)]	**1,947**	**9.02**	**790**	**4.59**

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 September 30, 2017 of $1.8 million ($8.14/bbl) incorporates field production costs of $2.6 million ($11.92/bbl). On a per barrel basis, Field Netback has increased to $8.14/bbl for the three months ended September 30, 2017 from $4.58/bbl for the three months ended September 30, 2016. This variance is primarily attributable to an increase in the realised sales prices and to an increase in barrels produced and sold during the third quarter of 2017 compared to the third quarter of 2016.

The following table summarises the Field Netback and Oryx Petroleum Netback for the nine months ended September 30, 2017 and September 30, 2016:

	Nine months ended September 30, 2017		Nine months ended September 30, 2016	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	22,381	40.38	13,484	32.78
Royalties	(10,940)	(19.74)	(6,591)	(16.02)
Field production costs[(1)]	(8,904)	(16.07)	(7,312)	(17.78)
Current taxes	(508)	(0.92)	(306)	(0.74)
Field Netback[(2)]	**2,029**	**3.65**	**(725)**	**(1.76)**
Recovery of Carried Costs	2,479	4.47	1,493	3.63
Partner share of production costs	(2,742)	(4.95)	(2,250)	(5.47)
Oryx Petroleum Netback[(2)]	**1,766**	**3.17**	**(1,482)**	**(3.60)**

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 nine months ended September 30, 2017 of $2.0 million ($3.65/bbl) incorporates field production costs of $8.9 million ($16.07/bbl). On a per barrel basis, Field Netback has improved to $3.65/bbl for the nine months ended September 30, 2017 from a negative Field Netback of $1.76/bbl for the nine months ended September 30, 2016. This variance is primarily attributable to an increase in the realised sales prices and an increase in barrels produced and sold during the nine months ended September 30, 2017 compared to the same period in 2016, partially offset by an increase in field production costs during 2017. The increase in production costs is primarily related to costs associated with production from the Zey Gawra field in the Hawler License Area which commenced in December 2016.

Hawler license appraisal and early production

Zey Gawra field

During the second quarter of 2017, the ZAB-1ST was drilled to a measured depth of 2,069 metres and completed in the Cretaceous reservoir in the Zey Gawra field of the Hawler License Area. After an acid stimulation treatment in August 2017 daily oil production from the well has been increased to approximately 700 bbl/d.

Based on the well performance of the ZAB-1ST well and the ZEG-1ST well, the Group plans to proceed with the drilling of another appraisal well targeting the Zey Gawra Cretaceous reservoir. The planned mobilisation of a rig to drill this well has been delayed due to post independence referendum tensions between the KRG and the federal government of Iraq and is now expected to occur early during the first quarter of 2018 or as soon as conditions permit.

Banan

Preparations for the resumption of operations at the Banan field are underway with the re-entry of the Banan-2 well, targeting the Cretaceous reservoir, and the drilling of a new well targeting the Tertiary reservoir both planned for the first half of 2018. Resumption of operations at the Banan field will require authorisation from the KRG and is subject to the timely and satisfactory resolution of disputes between the KRG and the federal government of Iraq.

Demir Dagh

Workovers of the Demir Dagh-8 and Demir Dagh-7 wells in the Cretaceous reservoir are ongoing. Initial efforts to bring these wells on production have not succeeded with additional efforts planned in the coming weeks.

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 before the end of 2017 with exploration drilling expected to commence in late 2018 or early 2019, subject to availability of funding.

Relinquishment of the AGC Shallow License Area

On November 2, 2017, Oryx Petroleum concluded an agreement with the Agence de Gestion et de Coopération entre le Sénégal et la Guinée – Bissau ("AGC") to relinquish its 80% interest in the AGC Shallow License Area. In consideration of the relinquishment, Oryx Petroleum has agreed to amend the production sharing contract applicable to the AGC Central License Area (the "AGC Central PSC") to add a commitment to drill a second exploration well during the first extension to the exploration period, which is expected to be entered in October 2018. The additional well commitment is intended to be in lieu of the unfulfilled commitment to drill an exploration well in the AGC Shallow License Area. In addition, Oryx Petroleum has agreed to pay the AGC a fee of $1.5 million and to accelerate payment of a $1 million renewal fee that is otherwise due under the AGC Central PSC upon entry into the first extension to the exploration period.

If the Group determines to not enter into the first extension to the exploration period under the AGC Central PSC, Oryx Petroleum will be required to pay the AGC a financial indemnity of $13.5 million, representing the $15 million financial penalty that would have otherwise applied under the production sharing contract applicable to the AGC Shallow License Area (the "AGC Shallow PSC"), reduced by the $1.5 million fee described above.

Recoverable costs in the amount of $33.5 million incurred under the AGC Shallow PSC have been transferred to the AGC Central PSC and will be recoverable from potential future oil sales under the terms of the AGC Central PSC.

Other than as provided above, the AGC has released Oryx Petroleum from all obligations and liabilities under the AGC Shallow PSC and otherwise related to the AGC Shallow License Area.

Other than the above, activities in West Africa during the nine months ended September 30, 2017 were limited to license maintenance and data analysis, and preparation for future drilling activity.

Capital Expenditures

The following table summarises the capital expenditures incurred by activity during the three and nine months ended September 30, 2017 and September 30, 2016:

	Three months ended		Nine months ended	
($ thousands)	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Middle East				
Drilling	3,164	1,326	1,278[(1)]	11,268[(6)]
Facilities	349	660	(40)[(2)]	6,134[(7)]
Seismic acquisition	-	-	-	246
Studies, license, and support	(86)	1,745	(3,213)[(3)]	4,357
Sub-Total Middle East	**3,427**	**3,731**	**(1,975)**	**22,005**
West Africa				
Exploration drilling	27	39	(1,852)[(4)]	2,276[(8)]
Seismic acquisition	131	-	1,149	1
Studies, license, and support	237	457	1,398[(5)]	1,487
Sub-Total West Africa	**395**	**496**	**695**	**3,764**
Corporate	**1**	**-**	**6**	**19**
Total capital expenditures	**3,823**	**4,227**	**(1,274)**	**25,788**

Notes:

(1) *Included in the drilling capital expenditures for the Middle East for the nine months ended September 30, 2017 is a non-cash credit of $2.9 million related to revisions to estimates of costs incurred in prior periods and a non-cash credit of $2.4 million primarily related to the change in discount and inflation rates used to calculate the decommissioning obligation.*

(2) *Facilities capital expenditures in the Middle East for the nine months ended September 30, 2017 includes a credit related to revisions to estimates of costs incurred in prior periods.*

(3) *Included in studies, license and support costs for the Middle East for the nine months ended September 30, 2017 is a non-cash credit of $3.2 million related to revisions to estimates of costs incurred in prior periods.*

(4) *West African exploration drilling costs for the nine months ended September 30, 2017 includes a non-cash credit of $1.9 million due to revisions to estimates of costs incurred in prior periods.*

(5) *Included in West African studies, license and support costs for the nine months ended September 30, 2017 is a non-cash addition of $0.7 million.*

(6) *Included in the drilling capital expenditures for the Middle East for the nine months ended September 30, 2016 is a $6.9 million non-cash addition relating to the change in discount and inflation rates used to calculate the decommissioning obligation.*

(7) *Included in the facilities capital expenditures for the Middle East for the nine months ended September 30, 2016 is a $4.7 million non-cash addition relating to the change in the purchase date assumption used to calculate the finance lease asset.*

(8) *During 2015, the Group fully impaired capitalized expenditures relating to its interest in the OML 141 License Area. During the second quarter of 2016, the Group recorded a $2.2 million non-cash addition to exploration and evaluation assets ("**E&E assets**") relating to revisions to previous cost estimates. As the OML 141 License Area had been previously impaired a concurrent impairment charge of $2.2 million was also recorded during the second quarter of 2016. A $0.1 million adjustment to this figure was recorded during the third quarter of 2016 which related to actual expenditures incurred at values below those estimated in prior periods.*

The following table summarises the capital expenditures incurred by License Area during the three and nine months ended September 30, 2017 compared to the same periods in 2016:

($ thousands)	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Middle East				
Hawler	3,427	3,731	(1,974)[(1)]	22,709[(3)]
Sindi Amedi	-	-	-	(704)[(4)]
Sub-Total Middle East	**3,427**	**3,731**	**(1,974)**	**22,005**
West Africa				
AGC Shallow	86	306	241	502
AGC Central	309	133	1,585	561
OML 141	-	(76)[(5)]	(1,233)[(2)]	2,124[(5)]
Haute Mer B	-	133	101	577
Sub-Total West Africa	**395**	**496**	**694**	**3,764**
Corporate	**1**	**-**	**6**	**19**
Total capital expenditures	**3,823**	**4,227**	**(1,274)**	**25,788**

Notes:

(1) Included in Hawler License Area capital expenditure for the nine months ended September 30, 2017 are non-cash credits totalling $6.0 million related to revisions to estimates of costs incurred in prior periods and a non-cash credit of $2.4 million primarily related to the change in discount and inflation rates used to calculate the decommissioning obligation.

(2) Capital expenditures recorded in the OML 141 License Area for the nine months ended September 30, 2017 include a non-cash credit of $1.9 million related to revisions to estimates of costs recorded in prior periods and a $0.7 million non-cash addition.

(3) Included in Hawler License Area capital expenditure for the nine months ended September 30, 2016 is a $6.9 million non-cash addition relating to the change in discount and inflation rates used to calculate the decommissioning obligation and a $4.7 million non-cash addition relating to the change in the purchase date assumption used to calculate the finance lease asset.

(4) Non-cash credits relate to updated information received from the Operator which indicated a reduction in estimates of expenditures incurred in prior periods.

(5) During 2015, the Group fully impaired capitalized expenditures relating to its interest in the OML 141 License Area. During the second quarter of 2016, the Group recorded a $2.2 million non-cash addition to E&E assets relating to revisions to previous cost estimates. As the OML 141 License Area had been previously impaired a concurrent impairment charge of $2.2 million was also recorded during the second quarter of 2016. A $0.1 million adjustment to this figure was recorded during the third quarter of 2016 which related to actual expenditures incurred at values below those estimated in prior periods.

Middle East

During the three months ended September 30, 2017, the Group recorded capital additions in the amount of $3.4 million. The Group invested $3.1 million related to appraisal drilling activities on the Zey Gawra field and $0.3 million relating to facilities in the Hawler License Area.

During the nine months ended September 30, 2017, the Group recorded a net reversal to capital additions in the amount of $2.0 million. The Group invested $6.5 million related to appraisal activities on the Demir Dagh and Zey Gawra fields in the Hawler License Area. These capital investments were offset primarily by $6.0 million in revisions to previous estimates of costs recorded related to the Hawler License Area and $2.4 million in non-cash credits relating to the revision of the discount and inflation rates used to calculate the Hawler License Area decommissioning obligation.

West Africa

Capital expenditures for West Africa for three and nine months ended September 30, 2017 are primarily comprised of $0.1 million and $1.1 million, respectively, in seismic acquisition, processing and interpretation costs in the AGC Central License Area. Remaining capital expenditures relate to investments in planning for drilling activities in the AGC Central License Area and directly attributable technical support costs.

Cost Pools

Cost Pools for each License Area, which are available for recovery through future oil sales from such License Area, as at September 30, 2017, are detailed in the table below:

License Area	Location	Gross Cost Pool	Oryx Petroleum Participating Interest Cost Pool	Costs carried by Oryx Petroleum	Costs recovered through cost oil	Oryx Petroleum share of recoverable costs available(1)(2)
		($ million)	($ million)	($ million)	($ million)	($ million)
Hawler	Iraq – Kurdistan Region	769.7	484.9	172.3(3)	(38.8)	618.4
AGC Central	Senegal and Guinea Bissau	8.1	6.9	1.2	-	8.1
AGC Shallow(4)	Senegal and Guinea Bissau	33.5	28.5	5.0	-	33.5
Haute Mer A	Congo (Brazzaville)	246.2	57.9	-	-	57.9
Haute Mer B	Congo (Brazzaville)	22.8	8.0	-	-	8.0
		1,080.3	**586.2**	**178.5**	**(38.8)**	**725.9**

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 or deduction for tax purposes.

(3) Carried costs include $100.9 million in expenditures related to a commitment to carry $300 million on behalf of a partner for the Hawler License Area development.

(4) Subsequent to September 30, 2017 the Group relinquished its participating interest in the AGC Shallow License Area.

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 recovery, have resulted in the following movements in intangible asset and PP&E balances during the three months ended March 31, 2017, June 30, 2017 and September 30, 2017:

($ thousands)	Exploration and Evaluation Assets	Other Intangible Assets	Total Intangible Assets
As at January 1, 2017	**89,829**	**102**	**89,931**
Capital additions	(1,722)(1)	-	(1,722)
Impairment recovery	1,132(1)(2)	-	1,132
DD&A	-	(39)	(39)
As at March 31, 2017	**89,239**	**63**	**89,302**
Capital additions	235	5	240
DD&A	-	(19)	(19)
As at June 30, 2017	**89,474**	**49**	**89,523**
Capital additions	292	-	292
DD&A	-	(16)	(16)
As at September 30, 2017	**89,766**	**33**	**89,799**

Notes:

(1) Included in capital additions is a $1.9 million non-cash credit relating to revisions in cost estimates recorded in prior periods related to the OML 141 License Area. During 2015, the Group fully impaired capitalised expenditures related to its interest in the OML 141 License Area. An impairment recovery of $1.2 million has been recorded during the first quarter of 2017.

(2) During 2016, the Group fully impaired capitalised expenditures related to its interest in the Congo Haute Mer B License Area. An impairment charge of $0.1 million has been recorded during the first quarter of 2017 based on updated estimates of costs previously recorded.

($ thousands)	Oil & Gas assets	Finance lease asset	Furniture and fixtures	Total PP&E
As at January 1, 2017	**566,687**	**47,157**	**6**	**613,850**
Capital additions	(4,189)(1)	-	-	(4,189)
Transfers	47,157(2)	(47,157)(2)	-	-
DD&A	(1,119)	-	(6)	(1,125)
As at March 31, 2017	**608,536**	**-**	**-**	**608,536**
Capital additions	574(3)	-	-	574
DD&A	(1,102)	-	2	(1,100)
As at June 30, 2017	**608,008**	**-**	**2**	**608,010**
Capital additions	3,531	-	-	3,531
DD&A	(1,404)	-	1	(1,403)
As at September 30, 2017	**610,135**	**-**	**3**	**610,138**

Notes:

(1) Included in Hawler License Area capital expenditure for the three months ended March 31, 2017 are non-cash credits totalling $8.3 million relating to revisions in costs previously estimated.

(2) The Group entered into a leasing arrangement for production facilities in the Hawler License Area in September 2015. During the first quarter of 2017, an agreement to settle the finance lease was concluded and the production facilities previously classified as Finance lease assets were reclassified to Oil & Gas assets.

(3) Included in Hawler License Area capital expenditure for the three months ended June 30, 2017 is a non-cash credit of $2.8 million primarily related to the change in discount and inflation rates used to calculate the decommissioning obligation.

Financial Results

Revenue

The following table summarises Oryx Petroleum's revenue for the three and nine months ended September 30, 2017 and September 30, 2016. All oil sold during each of the below periods was produced at the Hawler License Area.

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Oil Sales	8,862	6,056	22,381	13,484
Recovery of Carried Costs	982	670	2,479	1,493
Revenue	**9,844**	**6,726**	**24,860**	**14,977**

The Group recognised revenue on the sale of 215,800 bbl (Working Interest) of oil during the three months ended September 30, 2017, compared to revenue on the sale of 172,100 bbl (Working Interest) of oil during the same period in the previous year. Oil sales of $8.9 million during the third quarter of 2017 increased by $2.8 million compared to the three months ended September 30, 2016. The increase in oil sales is attributable to a 17% increase in realised sales price and a 25% increase in sales volumes.

The Group recognised revenue on the sale of 554,200 bbl (Working Interest) of oil during the nine months ended September 30, 2017, compared to revenue on the sale of 411,300 bbl (Working Interest) of oil during the same period in the previous year. Oil sales of $22.4 million during the nine months ended September 30, 2017 increased by $8.9 million compared to the nine months ended September 30, 2016. The increase in oil sales is attributable to a 23% increase in realised sales price combined with a 35% increase in sales volumes.

Production and sales were suspended for a total of 48 days during the first quarter of 2016 due primarily to the closure of the international land border crossing to Turkey.

Sales volumes are determined by the timing of deliveries to customers and are not directly correlated with production volumes in the same period. Sales exclude oil produced and held in oil inventory at the end of the reporting period. As at September 30, 2017, the Group's Working Interest share of oil inventory amounted to 11,000 bbl.

The Group has received full payment in accordance with PSC entitlements for all oil deliveries into the KRG's export pipeline through the end of July 2017. Receivables totalling $4.8 million due from the KRG for crude oil delivered to the pipeline in August and September 2017 remain outstanding at the date of this MD&A.

Royalties

The following table summarises royalty expense during the three and nine months ended September 30, 2017 and September 30, 2016:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Royalties	**4,332**	**2,960**	**10,940**	**6,591**

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 $1.4 million during the three months ended September 30, 2017, and increased by $4.3 million during the nine months ended September 30, 2017, compared to the same periods 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 September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Field production costs[1]	2,572	2,171	8,904	7,312
Partner's share of production costs carried by Oryx Petroleum	792	668	2,741	2,250
Operating expense	**3,364**	**2,839**	**11,645**	**9,562**
Sales[2] (bbl)	215,800	172,100	554,200	411,300
Field production costs[1] ($/bbl)	**11.92**	**12.61**	**16.07**	**17.78**
Operating expense ($/bbl)	**15.59**	**16.50**	**21.02**	**23.25**

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 $3.4 million in the three months ended September 30, 2017 increased by $0.5 million compared to the same period in the previous year. The increase in operating expense is primarily attributable to the costs associated with the operation of the Zey Gawra field that commenced production in December 2016, partially offset by lower operating costs at the Demir Dagh field resulting from the implementation of a cost reduction program.

The variance between operating expenses for the nine month periods ended September 30, 2016 and 2017 is due to the same factors as those applicable to the three month period as discussed above.

General and administration

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Total General and Administration	**2,183**	**2,150**	**7,279**	**6,798**

General and administration expenses incurred during the three and nine months ended September 30, 2017 include $0.8 million and $2.6 million, respectively, in support costs which were allocated to capital expenditures in prior periods. The increase in support costs allocated to general and administration expenditures has been mitigated by structural cost containment measures undertaken by the Group.

Exploration expense

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Total exploration expense	**403**	**287**	**803**	**640**

Exploration costs relate to expenses incurred on the OML 141, Congo Haute Mer A and Congo Haute Mer B License Areas subsequent to the impairment of these License Areas during 2015 and 2016.

Impairment of oil and gas assets

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Impairment (recovery) / expense of intangibles	-	(69)	(1,132)	1,427
Impairment expense of property, plant and equipment	-	-	-	1,039
Total impairment (recovery) / expense	**-**	**(69)**	**(1,132)**	**2,466**

During 2015, the Group fully impaired capitalised expenditures relating to its interest in the OML 141 License Area. An impairment recovery of $1.2 million has been recorded during the first quarter of 2017 based on revised estimates of previously impaired costs. Also during the first quarter of 2017, a $0.1 million impairment expense was recorded relating to the Congo Haute Mer B License Area which was fully impaired during the fourth quarter of 2016. The impairment expense recorded on intangible assets during the nine months ended September 30, 2016 relates to 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 and nine months ended September 30, 2017 and September 30, 2016:

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Intangible assets: Amortisation	16	61	74	205
PP&E assets: Depreciation	(1)	21	3	233
Depletion	1,409	1,616	3,618	3,864
Total DD&A	**1,424**	**1,698**	**3,695**	**4,302**

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.

Other income / expense

The following table summarises the components of other income / expense for the three and nine months ended September 30, 2017 compared to the same periods in 2016:

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Settlement of finance lease liability	-	-	(7,605)	-
Impairment of materials inventory	(129)	-	34	8,279
Curtailment of retirement benefit obligation	-	-	-	(3,803)
Change in fair value of contingent consideration	1,192	1,455	(569)	4,092
Restructuring charge	-	-	(63)	2,192
Other (income)/expense	49	(117)	(75)	(182)
Other (income) / expense	**1,112**	**1,338**	**(8,278)**	**10,578**

Other expense for the three months ended September 30, 2017 relate primarily to a $1.2 million charge relating to the increase in the fair value of previously recognized contingent consideration.

The $8.3 million other income for the nine months ended September 30, 2017 is primarily comprised of a $7.6 million gain related to the settlement of the finance lease obligation and a $0.6 million gain related to the decrease in the estimated fair value of previously recognised contingent consideration.

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 September 30, 2017, amounts to $63.3 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.

Finance expense

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Interest expense on Loan Facility	2,012	2,616	6,782	7,723
Accretion of deferred financing costs on Loan Facility	173	698	1,880	1,868
Interest expense on finance lease obligation	-	498	443	1,457
Interest on contingent costs	361	322	1,106	858
Accretion of decommissioning liability	95	71	246	238
Finance expense	**2,641**	**4,205**	**10,457**	**12,144**

Finance expense primarily relates to accrued interest and accretion of deferred financing costs associated with the Loan Facility.

Income tax expense

The following table summarises the component parts of income tax expense for the three and nine months ended September 30, 2017 and September 30, 2016.

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Current income tax expense	229	236	691	809
Deferred tax (benefit) / expense	11	(138)	(131)	708
Total income tax expense	**240**	**98**	**560**	**1,517**

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 nine months ended September 30, 2017, 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 Group has drawn the full $100 million in funding available under the Loan Facility.

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 Amoun**t"), 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.

As at September 30, 2017 the carrying value of the balance owed under the Loan Agreement was $77.7 million, including $3.1 million in accrued interest which the parties have agreed to settle through the issuance of Common Shares. The total undiscounted principal plus accrued interest owed at September 30, 2017 was $79.2 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 September 30, 2017 was $63.3 million. The total undiscounted balance of principal and accrued interest potentially owed under the contingent consideration obligation was $71.2 million as at September 30, 2017.

Liquidity outlook

Management expects that the cash resources on hand as at September 30, 2017 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 planned capital expenditures, its operating and administrative costs, and to meet obligations as they fall due through late 2018.

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 September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Operating Cash Flow[1]	(646)	(645)	(5,097)	(7,558)
Change in non-cash assets and liabilities relating to operating activities	(3,978)	(1,476)	1,503	(3,315)
Net cash used in operating activities	**(4,624)**	**(2,121)**	**(3,594)**	**(10,873)**
Additions to E&E and PP&E	(3,720)	(4,814)	(16,502)	(15,738)
Change in non-cash working capital	(2,766)	(2,830)	(4,269)	(13,660)
Net cash used in investing activities	**(6,486)**	**(7,644)**	**(20,771)**	**(29,398)**
Net cash generated by financing activities	**-**	**-**	**29,897**	**32,636**
Total change in cash	**(11,110)**	**(9,765)**	**5,532**	**(7,635)**
Cash and cash equivalents at beginning of the period	57,374	56,356	40,732	54,226
Cash and cash equivalents at end of the period	**46,264**	**46,591**	**46,264**	**46,591**

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 September 30, 2017, the Group invested $3.7 million in cash in exploration, appraisal, and development primarily in the Hawler and AGC Central License Areas. This amount is primarily composed of $3.1 million related to appraisal activities on the Demir Dagh and Zey Gawra fields in the Hawler License Area, $0.4 million relating to production facilities in the Hawler License Area, and $0.4 million in seismic acquisition and directly attributable costs in the AGC Central License Area. The Group also used cash to decrease non-cash working capital by a $2.8 million primarily related to a decrease in trade and other payables. Operating activities during the quarter ended September 30, 2017 also consumed $4.6 million in cash resources reflecting a negative operating cash flow of $0.6 million and a $4.0 million increase in non-cash working capital which was primarily related to the payment of $5.0 million plus accrued interest related to contingent consideration and an increase in the revenue receivable balance outstanding at September 30, 2017 partially offset by an increase in current accounts payable.

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 arising from the KRG independence referendum 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. The Group plans to fulfill financing requirements through current cash reserves and Operating Cash Flow. 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 nine months ended September 30, 2017, had these changes occurred on January 1, 2017. These calculations are based on business conditions, production and sales volumes existing during the nine months ended September 30, 2017. 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	3,782	0.01
Change in crude oil sales volumes	1,000 bbl/d	4,889	0.01
Change in operating expenses	$1.00/bbl	554	-
Change in interest rate	1%	562	-

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 September 30		Nine months ended September 30	
($ thousands)	2017	2016	2017	2016
Net cash used in operating activities	(4,624)	(2,121)	(3,594)	(10,873)
Changes in non-cash assets and liabilities	3,978	1,476	(1,503)	3,315
Operating Cash Flow	**(646)**	**(645)**	**(5,097)**	**(7,558)**

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. On September 1, 2017, the Group issued 2,248,616 Common Shares to employees under the Group's Long Term Incentive Plan. Upon vesting, OPCL LTIP share awards granted to the date of this MD&A will result in the issuance of up to an additional 9,786,196 Common Shares in 2018 and 2019.

At the date of this M&DA, a total of 433,434,255 Common Shares were issued and outstanding.

The following table summarises warrants which were issued in conjunction with the Loan Facility and are outstanding and exercisable at September 30, 2017:

	Warrants	Exercise price USD	Expiry date
Issued March 11, 2015	1,000,000	3.29	March 10, 2018
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	**12,000,000**		

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 or nine months ended September 30, 2017.

Commitments and Contractual Obligations

The table below sets forth information relating to Oryx Petroleum's commitments and contractual obligations as at September 30, 2017.

($ thousands)	Within One Year	From 1 to 5 Years	More than 5 Years	Total
Operating leases(1)	136	46	-	**182**
Other obligations(2)(3)	55,129	8,428	17,724	**81,281**
Total	**55,265**	**8,474**	**17,724**	**81,463**

Notes:

(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 oil and gas assets in Oryx Petroleum's various License Areas.*

(3) Other obligations of $81.3 million have not changed significantly from December 31, 2016.

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)	2015	2016				2017		
	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30
Revenue, net of royalties	889	671	3,949	3,766	4,386	4,426	3,982	5,512
Operating expense	(4,356)	(3,493)	(3,230)	(2,839)	(3,066)	(4,249)	(4,032)	(3,364)
Depletion	(1,124)	(502)	(1,746)	(1,616)	(1,204)	(1,108)	(1,101)	(1,409)
G&A	(3,127)	(2,590)	(2,058)	(2,150)	(2,628)	(2,584)	(2,512)	(2,183)
Loss	(91,537)	(19,429)	(11,354)	(8,738)	(26,205)	4,137	(9,199)	(5,860)
Loss per share (basic and diluted) ($/share)	(0.75)	(0.13)	(0.05)	(0.04)	(0.10)	0.02	(0.03)	(0.01)
Operating cash flow	(5,594)	(5,691)	(1,222)	(645)	(1,673)	(2,350)	(2,101)	(646)
Gross Production (bbl)	115,000	69,100	284,700	264,500	286,000	263,300	260,200	330,900
WI Production (bbl)	75,000	44,900	185,100	172,000	186,000	171,200	169,100	215,100
Gross Sales (bbl)	104,700	82,000	286,100	264,800	279,900	261,100	259,600	332,000
WI Sales (bbl)	68,000	53,300	186,000	172,100	182,000	169,800	168,800	215,800
Field production costs(1)	(3,332)	(2,671)	(2,470)	(2,171)	(2,345)	(3,249)	(3,083)	(2,572)
Field Netback(2)	(2,689)	(2,143)	631	788	1,099	228	44	1,757
Oryx Petroleum Netback(2)	(3,497)	(2,846)	574	790	1,160	16	(196)	1,947
Brent price ($/bbl)	43.32	34.54	45.89	45.85	49.96	54.13	50.28	51.72
Sales price ($/bbl)	19.37	20.25	34.15	35.19	38.75	41.92	37.93	41.07
Royalties ($/bbl)	(9.47)	(9.90)	(16.70)	(17.20)	(18.93)	(20.48)	(18.55)	(20.08)
Field production costs(1) ($/bbl)	(49.00)	(50.11)	(13.28)	(12.61)	(12.88)	(19.13)	(18.25)	(11.92)
Current taxes ($/bbl)	(0.44)	(0.45)	(0.78)	(0.80)	(0.88)	(0.95)	(0.86)	(0.93)
Field Netback(2) ($/bbl)	(39.54)	(40.21)	3.39	4.58	6.04	1.35	0.27	8.14
Oryx Petroleum Netback(2) ($/bbl)	(51.43)	(53.40)	3.09	4.59	6.37	0.10	(1.15)	9.02
Capital expenditures(3)	9,742	4,322	17,243	4,227	10,513	(5,911)	814	3,823

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) 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 September 30, 2017. During the fourth quarter of 2015 and the first quarter of 2016, production and sales were interrupted primarily due to the closure of the land border crossing between the Kurdistan Region of Iraq and Turkey. During the second quarter of 2015, oil production rates decreased due to the incursion of water from the Demir Dagh reservoir.

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 fourth quarter of 2015, the year ended December 31, 2016, and the year to date 2017 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 September 30, 2017 was $5.9 million compared to $8.7 million during the third quarter of 2016. The decrease in loss for the period is primarily attributable to i) an increase in net revenue of $1.7 million during the three months ended September 30, 2017, and ii) a $1.6 million decrease in finance expense recorded during the three

months ended September 30, 2017 primarily related to the decrease in the Loan Facility's principal balance outstanding. These positive factors were partially offset by a $0.5 million increase in operating expense for the three months ended September 30, 2017 compared to the same period in 2016. The increase in operating expense during 2017 is primarily related to costs associated with production from the Zey Gawra field in the Hawler License Area which commenced in December 2016.

Net loss of $10.9 million for the nine months ended September 30, 2017 decreased by $28.6 million compared to the nine months ended September 30, 2016. The change in loss for the period is primarily attributable to i) an increase in net revenue of $5.5 million during the nine months ended September 30, 2017, ii) a $7.6 million gain recorded on the settlement of the finance lease obligation during the first quarter of 2017, iii) an $8.3 million materials inventory impairment charge and a $2.2 million restructuring charge recorded during the nine months ended September 30, 2016, iv) a $1.1 million impairment recovery recorded during the nine months ended September 30, 2017 primarily related to revisions in costs previously estimated on the OML 141 License Area compared to a $2.5 million impairment expense recorded during the same period in 2016 and v) a $1.7 million decrease in finance expense recorded during the nine months ended September 30, 2017 primarily related to the decrease in the Loan Facility's principal balance outstanding. These positive factors were partially offset by a $2.1 million increase in operating expense for the nine months ended September 30, 2017 compared to the same period in 2016. The increase in operating expense during 2017 is primarily related to costs associated with production from the Zey Gawra field in the Hawler License Area from December 2016 onward.

Operating expense of $3.4 million in the three months ended September 30, 2017 increased by $0.5 million compared to the same period in the previous year. The increase in operating costs is primarily attributable to the costs associated with the operation of the Zey Gawra field that commenced production in December 2016, partially offset by 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 $27,000 during the three months ended September 30, 2017. During the nine months ended September 30, 2017, the Group recorded a realised foreign exchange gain of $12,000 and an unrealised foreign exchange loss of $27,000 relating to these agreements.

Other than the above, Oryx Petroleum was not party to any off-balance sheet arrangements during the nine months ended September 30, 2017 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 $6.8 million relating to this transaction have been recorded for the nine months ended September 30, 2017 (2016 - $7.7 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. 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 $130 thousand relating to this agreement was recorded for the three and nine months ended September 30, 2017, respectively. An operating lease commitment of $0.1 million has been included in commitments as at September 30, 2017.

For the three and nine months ended September 30, 2017, the Group incurred costs of $0.4 million and $1.3 million, respectively, for goods and services provided by related parties, all of which are subsidiaries of AOG (2016: $0.4 million and $1.4 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 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. In July 2016, directors of OPCL were awarded 171,399 Common Shares ($0.1 million) and $0.2 million in cash as remuneration for services provided in the first and second quarters of 2016. In January 2016, directors of OPCL were awarded 405,316 Common Shares ($0.2 million) and $0.2 million in cash as remuneration for services provided in the third and fourth quarters of 2015. Of this amount, 155,659 Common Shares ($0.1 million) were issued to directors in January 2016. The balance of 249,657 Common Shares ($0.1 million) was issued to directors of OPCL in July 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, 2016 remain applicable to the three and nine month periods ended September 30, 2017 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. During 2017, the Group has met its day to day working capital requirements, and has funded its capital and operating expenditures through funding received from the proceeds of share issuances and its share of oil sales revenues from the Hawler License Area.

Management expects that the cash resources on hand as at September 30, 2017 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 September 30, 2017.

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. The estimates related to the realization of forecasted revenues are subject to material uncertainties.

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 $48 million during the 15 months ending December 31, 2018.

ii) The timing and extent of forecast capital and operating expenditures is based on the Group's 2017 reforecast, and on management's estimate of non-discretionary expenditures included in the Group's 2018 budget. The Group retains a degree of control and flexibility over both the extent and timing of expenditure under its future capital investment program.

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 of 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 the 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 September 30, 2017 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 the fourth quarter of 2017 and budget 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 Corporation 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 processing and 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, 2017, 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 Cooperation, 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 (the "Lender"). 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