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

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

ORYX PETROLEUM

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

*The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Oryx Petroleum Corporation Limited ("**OPCL**" or, the "**Company**") and its subsidiaries for the three and nine months ended September 30, 2019 and 2018 (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 5, 2019.

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 23. Additional information relating to OPCL, including OPCL's Annual Information Form dated March 23, 2019, is on SEDAR at www.sedar.com.

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Company Overview

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

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

License Area	Location	Participating Interest	Working Interest	Role
Hawler	Iraq – Kurdistan Region	65%	65%	Operator
AGC Central	Senegal and Guinea Bissau	85%	80%(1)	Operator

Notes:

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

Operational Highlights

- Average gross (100%) oil production of 11,700 bbl/d (working interest 7,600 bbl/d) for Q3 2019 versus 7,200 bbl/d (working interest 4,700 bbl/d) for Q3 2018;
  - 62% increase in gross (100%) oil production in Q3 2019 versus Q3 2018; 4% increase in gross (100%) oil production in Q3 2019 versus Q2 2019;
  - Average gross (100%) oil production of 11,600 bbl/d in October 2019 with production curtailed during the first four days of the month due to the shutdown of the Kurdistan Oil Export Pipeline for scheduled maintenance;
  - Higher production in Q3 2019 versus Q2 2019 a result of increased oil production from the Banan-6 well partially offset by expected decline of wells producing from the Zey Gawra Cretaceous reservoir, brief shut-ins of production of certain Banan wells in September due to other operations at the Banan field and the shutdown of the Kurdistan Oil Export Pipeline for scheduled maintenance the last three days of September;

- The Banan-7 well targeting the Cretaceous reservoir was spudded in August 2019, was drilled to a measured depth of 1,468 metres and was completed and placed on production in late September;
- The Banan-5 well was spudded in September 2019. The well was designed to obtain information to enhance understanding of both the Banan Tertiary and Cretaceous reservoirs and was drilled to a measured depth of 1,669 metres. The well was completed in the Cretaceous reservoir and placed on production in October 2019;
- A pump was successfully installed in the Demir Dagh-8 well targeting the Cretaceous reservoir and the well was placed on production in late October 2019;
- Efforts to facilitate oil production from the horizontal sidetrack of the Demir Dagh-5 well targeting the Cretaceous reservoir as a producing well, including acid stimulation operations, have not yet been successful. Further efforts to stimulate or recomplete this well may be planned after further assessment of the behaviour of the Demir Dagh Cretaceous reservoir;
- A horizontal sidetrack of the previously drilled Demir Dagh-3 well, targeting the Cretaceous reservoir will be spudded in the coming weeks; and
- Initial planning and preparations for an exploration drilling campaign in the AGC Central license area are ongoing. An environmental and social impact assessment and a geohazard assessment are near completion. The Group has requested that the First Renewal Period of its Production Sharing Contract (due to end on October 1, 2020) be suspended until Senegal and Guinea Bissau have agreed on a long term extension or renewal of the AGC accord.

Financial Highlights and Outlook

Liquidity outlook

The Group expects cash on hand as of September 30, 2019 and cash receipts from net revenues and export sales will allow it to fund its forecasted operating and administrative costs and Hawler License Area capital expenditures through the end of 2020. Additional capital is expected to be required to be able to both meet any contingent consideration obligations that become payable and to fund drilling in the AGC Central license area planned in 2020. Oryx Petroleum expects that the repayment of the principal amount due to AOG under the AOG Loan in July 2020 will be restructured. The Group had $20.4 million of cash and cash equivalents as of September 30, 2019.

Financial performance

The following table contains financial performance highlights for the three and nine months ended September 30, 2019 and September 30, 2018.

	Three months ended		Nine months ended	
($ thousands unless otherwise stated)	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	35,735	29,355	109,617	61,186
Cash generated by / (used in) operating activities	9,712	4,919	29,699	746
Operating Funds Flow(1)	9,781	8,400	30,813	14,128
Operating Funds Flow(1) per basic and diluted share ($/share)	0.02	0.02	0.06	0.03
Profit / (Loss) for the period	18,278	(5,216)	22,135	(13,012)
Earnings / (Loss) per basic and diluted share ($/share)	0.03	(0.01)	0.04	(0.03)
Average realised sales price ($/bbl)	46.05	61.33	49.26	60.16
Field production costs(2) ($/bbl)	7.85	9.89	8.16	10.30
Operating expense ($/bbl)	10.27	12.93	10.67	13.47
Field Netback(1) ($/bbl)	14.65	20.07	15.90	19.08
Oryx Petroleum Netback(1) ($/bbl)	17.33	23.83	18.85	22.57
Capital additions	11,899	12,454	24,850	27,391

Notes:

(1) Operating Funds 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.

Revenue and cash receipts

Revenue of $35.7 million was recorded for the three months ended September 30, 2019. Included in revenue is $32.2 million ($46.05/bbl) realised on the sale of 698,600 bbl (WI) of crude oil and $3.6 million related to the recovery of costs carried on behalf of partners. Revenue for the third quarter of 2019 increased by $6.4 million compared to the same period in 2018. The increase is due to a 62% increase in sales volumes which is attributable to increased production from the Banan field, partially offset by a 25% decrease in realised sales price.

Revenue of $109.6 million was recorded for the nine months ended September 30, 2019. Included in revenue is $98.7 million ($49.26/bbl) realised on the sale of 2,003,300 bbl (WI) of crude oil and $10.9 million related to the recovery of costs carried on behalf of partners. Revenue for the nine months ended September 30, 2019 increased by $48.4 million compared to the same period in 2018. The increase is attributable to a 119% increase in sales volumes, partially offset by a 18% decrease in realised sales price.

All sales during the nine months ended September 30, 2019 were made via the Kurdistan Oil Export Pipeline.

The Group has received payment in full for all crude oil delivered and sold through the Kurdistan Oil Export Pipeline up to and including July 31, 2019. At the date of this MD&A, the Group's entitlement share of amounts receivable from the KRG for crude oil delivered to the pipeline during August and September 2019 totals $10.5 million.

Field production costs and netbacks

Field production costs during the third quarter of 2019 amounted to $5.5 million ($7.85 /bbl) in comparison to $4.3 million ($9.89/bbl) during the third quarter of 2018, representing a 21% decrease on a per barrel basis. The per barrel decrease was primarily due to increases in sales volumes.

Field Netback of $10.2 million ($14.65/bbl) for the three months ended September 30, 2019 has increased from $8.6 million ($20.07/bbl) for the third quarter of 2018. Field Netback increased by 18% compared to the same period in the prior year primarily due to increased production, partially offset by lower realised sales price. Field Netback per barrel decreased by 27% in comparison to the third quarter of 2018 due mainly to the decrease in the average sales price per barrel.

Operating Funds Flow

Operating Funds Flow for the third quarter of 2019 was $9.8 million compared to $8.4 million for the three months ended September 30, 2018. The increase is primarily due to increased oil sale volumes and the resulting higher Oryx Petroleum Netback which have contributed cash in excess of cash general and administrative expenditures.

For the nine months ended September 30, 2019, Operating Funds Flow was $30.8 million compared to $14.1 million during the same period in 2018. The significant improvement in Operating Funds Flow is also primarily due to a higher Oryx Petroleum Netback which has contributed cash in excess of cash general and administrative expenditures.

Cash generated by operating activities during the quarter ended September 30, 2019 amounted to $9.7 million reflecting Operating Funds Flow of $9.8 million and a $0.1 million increase in non-cash working capital.

For the nine months ended September 30, 2019, cash generated by operating activities totalled $29.7 million, which was composed of Operating Funds Flow of $30.8 million, partially offset by an increase in non-cash working capital of $1.1 million. The increase in non-cash working capital was primarily related to a decrease in trade and other payables.

Profit

Profit for the three months ended September 30, 2019 was $18.3 million compared to a loss of $5.2 million during the third quarter of 2018. The improvement is primarily attributable to i) a $22.2 million non-cash change in the provision for the revaluation of contingent consideration obligation potentially due to the vendor of the Hawler License Area and associated interest and ii) a $3.6 million increase in net revenue. These positive factors have been partially offset by i) a $1.6 million increase in operating expense due to the operation of a greater number of wells and associated infrastructure primarily at the Banan field during 2019 in comparison with 2018, and ii) a $0.8 million increase in the depletion charge resulting from higher production during 2019 compared to 2018, partially mitigated by a lower depletion charge per barrel.

Profit for the nine months ended September 30, 2019 was $22.1 million compared to a loss of $13.0 million during the nine months ended September 30, 2018. The improvement is primarily attributable to i) an increase in net revenue of $27.1 million, and ii) a $22.5 million non-cash change in the provision for the revaluation of contingent consideration obligation potentially due to the vendor of the Hawler License Area and associated interest. These positive factors have been partially offset by i) a $9.1 million increase in operating expense due to the costs of operating a greater number of wells and associated infrastructure at the Zey Gawra and Banan fields during 2019 in comparison with 2018, and ii) a $5.7 million increase in the depletion charge resulting from higher production during 2019 compared to 2018 partially mitigated by a lower depletion charge per barrel.

Capital additions

During the third quarter of 2019, the Group recorded net capital additions of $11.9 million. The Group invested $8.7 million primarily on drilling activities in the Banan and Demir Dagh fields, $0.6 million on facilities, and $2.2 million on studies and support in the Hawler License Area. Additional expenditures of $0.4 million were incurred to prepare for drilling activities in the AGC Central License Area.

During the nine months ended September 30, 2019, the Group recorded net capital additions of $24.9 million. The Group invested $16.7 million primarily on drilling activities in the Banan and Demir Dagh fields, $2.2 million on facilities, and $2.5 million on studies and support in the Hawler License Area. Included in the capital additions for the nine months ended September 30, 2019 is also a $2.4 million non-cash increase related to the change in discount and inflation rates used to calculate the decommissioning obligation. Additional expenditures of $1.1 million were incurred to prepare for drilling activities and to conduct an environmental and social impact assessment in the AGC Central License Area.

Financial position

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

($ thousands)	September 30, 2019	December 31, 2018
Total cash and cash equivalents	20,441	14,410
Working Capital(1)	(39,943)	(8,627)
Total assets	826,509	812,976
Borrowings(2)	77,782	76,624
Total long-term liabilities	81,428	133,526

Note:

(1) Borrowings are classified as a current liability as at September 30, 2019 and are consequently included as liabilities within Working Capital

The cash and cash equivalents balance of $14.4 million as at December 31, 2018 increased to $20.4 million at September 30, 2019. This increase is due to $29.7 million in cash generated by operating activities and $1.4 million from the issuance of common shares, partially offset by $25.1 million in cash used in investing activities.

Working capital decreased to negative $39.9 million at September 30, 2019 from a deficit of $8.6 million at December 31, 2018. The decrease in net position was primarily due to the reclassification of borrowings of $77.8 million to current liabilities as at September 30, 2019. As is discussed in the Liquidity and Capital Resources section, management anticipates that the Borrowings will be restructured. This has been partially offset by a $22.2 million non-cash change in the estimated fair value and classification of the contingent consideration obligation potentially due to the vendor of the Hawler License Area and associated interest.

The total assets balance increased to $826.5 million at September 30, 2019 from $813.0 million at December 31, 2018. This change is primarily due to i) a $8.8 million increase in property, plant and equipment resulting from $23.6 million in capital additions, partially offset by $14.8 million in depletion recorded during the period, and ii) a $6 million increase in cash.

The decrease in total long-term liabilities is due to the reclassification of the Loan Facility as current, partly offset by the interest and accretion expense recorded on the Loan Facility during the nine months ended September 30, 2019. The balance owed under the Loan Facility as at September 30, 2019 was $78.0 million, including $2.0 million in accrued interest.

The balance of unpaid principal and accrued interest potentially owed under the contingent consideration obligation to the vendor of the Hawler License Area as at September 30, 2019 was $75.3 million.

Fourth quarter of 2019 capital expenditure re-forecast

Oryx Petroleum planned capital expenditures for the fourth quarter of 2019 are $14 million as summarised in the following table:

Location	License/Field/Activity	Q4 2019 Forecast
		$ millions
Kurdistan Region	Hawler	
	Drilling-Banan	5
	Drilling-Demir Dagh	5
	Facilities	1
	Other(2)	2
	Total Hawler(1)	**12**
West Africa	AGC Central	2
	Capex Total(1)	**14**

Notes:

(1) Totals may not add-up due to rounding

(2) Other is comprised primarily of license maintenance costs

Kurdistan Region of Iraq -- Hawler License Area

Drilling -- consists of costs related to the recently completed operations at the Demir Dagh-5, Demir Dagh-8, Banan-7 and Banan-5 wells, and the planned horizontal sidetrack of the Demir Dagh-3 well and the workover of the Banan-1 well both targeting the Cretaceous reservoir. The installation of artificial lift at Demir Dagh-8 and stimulation operations at Demir Dagh-5 and Banan-7 were not previously planned. The previously planned testing of the Ain Al Safra-2 well has been deferred into 2020.

Facilities -- comprised of additions and improvements to infrastructure at the Banan field needed to facilitate increased production.

Other -- includes annual license maintenance costs.

AGC Central License Area

Consists of costs related to preparation for drilling and studies.

2020 Budgeted Capital Expenditures

Oryx Petroleum budgeted capital expenditures for 2020 are $106 million. The following table summarises the Group’s budgeted 2020 capital expenditure program:

Location	License/Field	Drilling	Facilities	Seismic, Studies and Other(2)	Total 2020 Budget
		$ millions	$ millions	$ millions	$ millions
Kurdistan Region	Hawler				
	Demir Dagh	14	6	-	20
	Zey Gawra	5	-	-	5
	Banan	14	17	-	30
	Ain al Safra	2	3	-	5
	Other(2)	-	-	3	3
	Total Hawler	**34**	**26**	**3**	**63**
W. Africa & Corp	AGC Central	40	-	3	43
	Capex Total	**74**	**26**	**6**	**106**

Notes:

(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 two new horizontal wells targeting the Cretaceous reservoir expected to be drilled in the second half of 2020.

Zey Gawra drilling -- consists of the sidetrack of the previously drilled Zey Gawra-2 well targeting the Cretaceous reservoir and a sidetrack of the previously drilled Zab-1 well targeting the Tertiary reservoir. The drilling of both wells is planned in the first half of 2020.

Banan drilling -- consists of two wells in the eastern portion of the Banan field: the workover of the Banan-1 well targeting the Cretaceous reservoir; and one new well targeting the Tertiary reservoir, and one well in the western portion of the Banan field targeting the Cretaceous reservoir. All three wells are planned for the first half of 2020.

Ain Al Safra drilling -- consists of the completion of the Ain Al Safra-2 well targeting the Triassic reservoir. The Ain Al Safra-2 well was suspended in 2014 prior to testing due to security developments. The testing of the Ain Al Safra-2 well is expected to be completed in the first half of the year.

Demir Dagh facilities -- comprised of infrastructure works including the construction of additional storage tanks, replacement of generators and construction of a solar power station.

Zey Gawra facilities -- comprised of studies and minor infrastructure works including flowlines for new wells.

Banan facilities -- comprised of studies and infrastructure needed to accommodate drilling plans and additional production as well as the planned construction of processing facilities at the Banan field and a pipeline between the Banan field and the Hawler processing facilities located at the Demir Dagh field. The construction of the pipeline is expected in the second half of 2020 and is expected to be in service in early 2021.The construction of the facilities and pipeline are contingent on production performance from the Banan wells.

Ain Al Safra Facilities -- comprised of infrastructure works including flowlines, camp set up, and a tie-in line to the Kurdistan Oil Export Pipeline.

AGC Central License Area

Consists of studies, preparation costs for drilling, the drilling of one exploration well as well as license maintenance costs.

Business Environment

During the first quarter of 2018, international flights into the Erbil International Airport resumed, having been suspended for some months following geopolitical tensions arising from an independence referendum held in the Kurdistan Region of Iraq during September 2017. While partial restoration of political stability through the conduct of regional and federal elections followed, and operating conditions recovered during 2018 such that the Group has been able to continue its activities in the Kurdistan Region of Iraq, the eventual impact of the underlying and unresolved political disputes on the Group's operations may be significant and remains uncertain.

Uncertainty related to global, social, political, and economic conditions and the resulting changes in global oil supply chains and infrastructure investment contribute to volatility in the price of crude oil. The related uncertainty regarding returns on investments in upstream oil 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 extremely difficult to forecast reliably. 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 ongoing political instability in Iraq and other risk factors which are disclosed in OPCL's Annual Information Form could have an adverse effect on Oryx Petroleum's performance.

On March 14, 2016, the Group initiated crude oil deliveries to international markets through the Kurdistan Oil 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 future production will continue to be sold through this export pipeline. Arrangements currently in place to sell oil produced from the Hawler License Area may not continue to be in effect. Furthermore, there remains an ongoing risk that deterioration of the regional security situation could have a material adverse effect on the operating and financial performance of the Group.

The market on which oil produced from the Hawler License 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.

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 especially difficult to predict during the period of field appraisal and early-stage production.

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.

With the exception of the items discussed above, together with risks disclosed in the OPCL's Annual Information Form dated March 23, 2019, 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, 2019, June 30, 2019, and September 30, 2018 and for the nine months ended September 30, 2019 and September 30, 2018:

	Three months ended			Nine months ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Gross (100%) Production (bbl)	1,072,500	1,029,500	661,900	3,077,100	1,406,200
Gross (100%) Production per day (bbl/d)	11,700	11,300	7,200	11,300	5,200
WI Production (bbl)	697,200	669,200	430,200	2,000,100	914,100
WI Production per day (bbl/d)	7,600	7,400	4,700	7,300	3,300
WI sales (bbl)	698,600	671,300	430,900	2,003,300	915,600
WI sales per day (bbl/d)	7,600	7,400	4,700	7,300	3,400

Production and sales

Gross (100%) oil production for the three months ended September 30, 2019 was 1,072,500 bbl representing an average rate of 11,700 bbl/d. The Group's Working Interest share of oil production during this period was 697,200 bbl representing an average rate of 7,600 bbl/d.

The increase in production and sales volumes during the third quarter of 2019, compared to the same period in 2018, is attributable to increased production from Banan field wells completed and brought on to production during the third and fourth quarters of 2018, partially offset by expected declines at the Zey Gawra filed.

Gross (100%) oil production for the nine months ended September 30, 2019 was 3,077,100 bbl representing an average rate of 11,300 bbl/d. The Group's Working Interest share of oil production during this period was 2,000,100 bbl representing an average rate of 7,300 bbl/d.

The increase in production and sales volumes during the nine months ended September 30, 2019, compared to the same period in 2018, is attributable to increased production from Zey Gawra and Banan field wells completed and brought on to production during the second, third, and fourth quarters of 2018.

The Group recognised revenue on the sale of 698,600 bbl (Working Interest) and 2,003,300 bbl (Working Interest) of crude oil during the three and nine months ended September 30, 2019, 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 into the Kurdistan Oil Export Pipeline. The realised sales prices on export sales through this pipeline made after February 1, 2018 are referenced to monthly average Brent crude oil prices, discounted by approximately $8/bbl for pipeline system tariffs and fees, and adjusted for differences in API gravity and sulphur from standard Brent specifications. For sales made prior to February 1, 2018, the realised sales prices on export sales through this pipeline were 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:

	2019			2018				2017
	Sept 30	June 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31
Brent average price ($/bbl)	62.00	68.86	62.93	68.81	75.16	74.39	66.82	61.26
Realised sales price ($/bbl)	46.05	53.47	48.35	52.37	61.33	61.51	56.31	50.04

Netbacks

The following table summarises the Field Netback and Oryx Petroleum Netback for the three months ended September 30, 2019 and 2018:

	Three months ended September 30, 2019		Three months ended September 30, 2018	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	32,172	46.05	26,427	61.33
Royalties	(15,725)	(22.51)	(12,918)	(29.98)
Field production costs(1)	(5,484)	(7.85)	(4,260)	(9.89)
Current taxes	(730)	(1.04)	(600)	(1.39)
Field Netback(2)	**10,233**	**14.65**	**8,649**	**20.07**
Recovery of Carried Costs	3,563	5.10	2,928	6.80
Partner share of production costs	(1,688)	(2.42)	(1,311)	(3.04)
Oryx Petroleum Netback(2)	**12,108**	**17.33**	**10,266**	**23.83**

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, 2019 of $10.2 million incorporates field production costs of $5.5 million. On a per barrel basis, Field Netback has decreased to $14.65/bbl for the three months ended September 30, 2019 from $20.07/bbl for the three months ended September 30, 2018. This variance is attributable to a decrease in the realised sales prices, partially offset by a decrease in per barrel field production costs.

The following table summarises the Field Netback and Oryx Petroleum Netback for the nine months ended September 30, 2019 and 2018:

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	98,686	49.26	55,084	60.16
Royalties	(48,237)	(24.08)	(26,925)	(29.41)
Field production costs(1)	(16,350)	(8.16)	(9,430)	(10.30)
Current taxes	(2,239)	(1.12)	(1,250)	(1.37)
Field Netback(2)	**31,860**	**15.90**	**17,479**	**19.08**
Recovery of Carried Costs	10,931	5.46	6,102	6.66
Partner share of production costs	(5,030)	(2.51)	(2,901)	(3.17)
Oryx Petroleum Netback(2)	**37,761**	**18.85**	**20,680**	**22.57**

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, 2019 of $31.9 million incorporates field production costs of $16.4 million. On a per barrel basis, Field Netback has decreased to $15.90/bbl for the nine months ended September 30, 2019 from $19.08/bbl for the nine months ended September 30, 2018. This variance is attributable to a decrease in the realised sales prices, partially offset by a decrease in per barrel field production costs.

Hawler license operation, appraisal and early production

Zey Gawra field

Crude oil from the Zey Gawra field is being processed through temporary facilities at the Zey Gawra field and is being delivered by truck to the Group's offloading and storage facilities located at the Demir Dagh field, for injection into the Kurdistan Oil Export Pipeline.

Banan field

During 2018, the Group installed temporary facilities required to produce and process oil from appraisal wells at its Banan field. Temporary loading facilities were also constructed allowing crude oil produced from the Banan field to be delivered by truck to tanker terminal facilities located at the Demir Dagh field, for injection into the Kurdistan Oil Export Pipeline.

The Banan-6 well targeting the Cretaceous reservoir was spudded in March 2019, drilled to a measured depth of 1,840 metres and completed as a producing well in late May 2019.

The Banan-7 well targeting the Cretaceous reservoir was spudded in August 2019, was drilled to a measured depth of 1,468 metres and was completed and placed on production in late September 2019.

The Banan-5 well was spudded in September 2019. The well was designed to obtain information to enhance understanding of both the Banan Tertiary and Cretaceous reservoirs and was drilled to a measured depth of 1,669 metres. The well was completed in the Cretaceous reservoir and placed on production in October 2019.

Demir Dagh

A pump was successfully installed in the Demir Dagh-8 well targeting the Cretaceous reservoir and the well was placed on production in late October 2019.

Efforts to facilitate oil production from the horizontal sidetrack of the Demir Dagh-5 well targeting the Cretaceous reservoir as a producing well, including acid stimulation operations, have not yet been successful. Further efforts to stimulate or recomplete this well may be planned after further assessment of the behaviour of the Demir Dagh Cretaceous reservoir.

A horizontal sidetrack of the previously drilled Demir Dagh-3 well targeting the Cretaceous reservoir is currently being drilled.

During 2019, activity at the Demir Dagh field has continued to include production, offloading, storage, and processing activities. All Hawler License Area crude oil continues to be delivered for sale into the Kurdistan Oil Export Pipeline injection point which is located at the Demir Dagh field.

Ain Al Safra

The previously planned completion of the Ain Al Safra-2 well has been deferred into 2020.

West Africa

The Group licensed approximately 2,000 km^2 of 3D seismic data acquired in December 2016 and January 2017 over the AGC Central License Area. The data has been processed and interpretation is positive. Final prospect ranking has been completed and an environmental and social impact assessment and a geohazard assessment are nearing completion, with preparation for drilling in late 2020 to follow.

Other than the above, activities in West Africa during the nine months ended September 30, 2019 were limited to license maintenance and data analysis.

Divestment of Interest in the Haute Mer B License Area

On April 23, 2018, a subsidiary of Oryx Petroleum (the "**Seller**") entered into an agreement providing for the sale of a 30% participating interest in the Haute Mer B exploration license offshore Congo (Brazzaville) ("**HMB License**") to a subsidiary of Total S.A. (the "**Buyer**") (the "**Sale Agreement**"). The Sales Agreement provides for the Seller's interest in the HMB License to be transferred for cash consideration of $13.3 million.

The Group's position that all conditions to closing have been either satisfied or waived notwithstanding, the Buyer has declined to close the transaction and has purported to terminate the Sale Agreement. The Seller has engaged external legal counsel, has initiated arbitration to settle the dispute, and believes strongly in the merits of its position. Consequently, management estimates that the recoverable amount of the asset that has been held for disposal with an effective date of January 1, 2018 continues to be equivalent to its carrying value. Management has assessed that it is improbable that the arbitration panel will rule against the Seller, or that the Group may otherwise be unsuccessful in realizing the contracted amounts. In the event that conditions to closing are determined not to have been met and the Sale Agreement is terminated, the Seller may be adjudged to have an obligation to fund the Seller's share of HMB License expenditures incurred by the Buyer following the date of the Sale Agreement. As at September 30, 2019, these unrecognised, contingent liabilities amount to approximately $14.0 million including interest charges. The Group expects the arbitration process and resolution of the dispute to be concluded in the next six months.

During the second quarter of 2019, members of the HMB License contractor group relinquished their rights to explore and produce crude oil from the License Area. Such relinquishment is not expected to impact the Buyer's financial liability under the Sale Agreement as the Buyer's obligation to close pre-existed relinquishment.

Capital Additions

The following table summarises the capital additions incurred by activity during the three and nine months ended September 30, 2019 and September 30, 2018:

($ thousands)	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Middle East				
Drilling	8,665	7,410	18,981	20,195
Facilities	627	(622)[(2)]	2,249	228
Studies, license, and support	2,177	139	2,497	362
Sub-Total Middle East	**11,469[(1)]**	**6,927**	**23,727[(1)]**	**20,785**
West Africa				
Exploration drilling	125	75	431	156
Facilities	1	73	3	129
Seismic	7	4,882	79	5,421
Studies, license, and support	296	258	592	661
Sub-Total West Africa	**429**	**5,288**	**1,105**	**6,367**
Corporate	**1**	**239**	**18**	**239**
Total capital additions	**11,899**	**12,454**	**24,850**	**27,391**

Notes:

(1) Included in capital additions for the Middle East for the three and nine months ended September 30, 2019 are non-cash additions of $2.4 million primarily related to the changes in discount and inflation rates used to calculate the decommissioning obligation.

(2) Facilities capital additions for the three months ended September 30, 2018 include a $0.7 million credit relating to the disposal of equipment.

The following table summarises the capital additions incurred by License Area during the three and nine months ended September 30, 2019 compared to the same periods in 2018:

($ thousands)	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Middle East				
Hawler	**11,469[(1)]**	**6,927**	**23,727[(1)]**	**20,785**
West Africa				
AGC Central	**429**	**5,288**	**1,104**	**6,367**
Corporate	**1**	**239**	**18**	**239**
Total capital additions	**11,899**	**12,454**	**24,850**	**27,391**

Note:

(1) Included in capital additions for the Middle East for the three and nine months ended September 30, 2019 are non-cash additions of $2.4 million, primarily related to the change in discount and inflation rates used to calculate the decommissioning obligation.

Middle East

During the three months ended September 30, 2019, the Group invested $11.5 million in the Hawler License Area. The Group invested $7.6 million in drilling the Banan-7, Banan-5, and Demir Dagh-5 wells, $0.6 million on facilities, and $2.0 million on license costs, studies and support.

The Group invested $23.7 million in the Hawler License Area during the nine months ended September 30, 2019. These investments are primarily comprised of $15.5 million to drill the wells listed above and the Banan-6 well, $2.2 million on facilities, and $2.0 million on license costs, studies and support.

West Africa

Capital investments of $0.4 million and $1.1 million for the three and nine months ended September 30, 2019, respectively, were primarily comprised of costs related to preparation for drilling, the conduct of an environmental and social impact assessment, a geohazard assessment, and directly attributable technical support costs in the AGC Central License Area.

Cost Pools

Cost Pools for each License Area, which are available for recovery through future oil sales from such License Area, as at September 30, 2019, are detailed in the table below:

License Area	Location	Gross Cost Pool	Group Participating Interest Cost Pool	Costs carried by Oryx Petroleum	Costs recovered through cost oil	Group share of recoverable costs available[(1)(2)]
		($ million)	($ million)	($ million)	($ million)	($ million)
Hawler	Iraq – Kurdistan Region	885.2	562.2	196.1[(3)]	(131.9)	626.4
AGC Central	Senegal and Guinea Bissau	53.0	45.0	8.0	-	53.0
		938.2	**607.2**	**204.1**	**(131.9)**	**679.4**

Notes:

(1) Cost Pool balances are subject to audit by relevant government entities.
(2) Oryx Petroleum share of costs available for future recovery through the sale of cost oil.
(3) Carried costs include $125.3 million in expenditures related to a commitment to carry $300 million on behalf of a partner for the Hawler License Area development.

Property, plant and equipment and intangible assets

The capital additions described in the sections above, net of depletion, depreciation and amortisation ("**DD&A**") have resulted in the following movements in intangible asset and PP&E balances during the three months ended March 31, 2019, June 30, 2019 and September 30, 2019:

($ thousands)	Exploration and Evaluation Assets	Other Intangible Assets	Total Intangible Assets
As at January 1, 2019	**99,852**	**23**	**99,875**
Capital additions	433	15	448
DD&A	-	(3)	(3)
As at March 31, 2019	**100,285**	**35**	**100,320**
Capital additions	361	(1)	360
DD&A	-	(3)	(3)
As at June 30, 2019	**100,646**	**31**	**100,677**
Capital additions	431	1	432
DD&A	-	(4)	(4)
As at September 30, 2019	**101,077**	**28**	**101,105**

($ thousands)	Oil & Gas assets	Furniture and fixtures	Total PP&E
As at January 1, 2019	**651,376**	**203**	**651,579**
Capital additions	1,863	2	1,865
DD&A	(4,711)	(19)	(4,730)
As at March 31, 2019	**648,528**	**186**	**648,714**
Capital additions	10,278	1	10,279
DD&A	(4,974)	(18)	(4,992)
As at June 30, 2019	**653,832**	**169**	**654,001**
Capital additions	11,464	2	11,466
DD&A	(5,118)	(19)	(5,137)
As at September 30, 2019	**660,178**	**152**	**660,330**

Financial Results

Revenue

The following table summarises Oryx Petroleum's revenue for the three and nine months ended September 30, 2019 and 2018. All oil sold during each of the below periods was produced at the Hawler License Area.

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Oil Sales	32,172	26,427	98,686	55,084
Recovery of Carried Costs	3,563	2,928	10,931	6,102
Revenue	**35,735**	**29,355**	**109,617**	**61,186**

The Group recognised revenue on the sale of 698,600 bbl (Working Interest) of oil during the three months ended September 30, 2019, compared to 430,900 bbl (Working Interest) during the same period in the previous year. Revenue of $35.7 million during the third quarter of 2019 increased by $6.4 million compared to the three months ended September 30, 2018. The increase in oil sales is due to a 62% increase in sales volumes which is attributable to increased production from the Banan field, partially offset by a 25% decrease in realised sales price and naturally declining production from the Zey Gawra field.

The Group recognised revenue on the sale of 2,003,300 bbl (Working Interest) of oil during the nine months ended September 30, 2019, compared to revenue on the sale of 915,600 bbl (Working Interest) of oil during the same period in the previous year. Revenue of $109.6 million during the nine months ended September 30, 2019 increased by $48.4 million compared to the nine months ended September 30, 2018. The increase in oil sales is attributable to a 119% increase in sales volumes partially offset by an 18% decrease in realised sales price.

Sales volumes are determined by the timing of deliveries to customers and are not directly correlated with production volumes. As at September 30, 2019, the Group's Working Interest share of oil inventory amounted to 13,034 bbl.

The Group has received payment in full for all crude oil delivered and sold through the Kurdistan Oil Export Pipeline up to and including July 31, 2019. At the date of the MD&A, the Group's entitlement share of amounts receivable from the KRG for crude oil delivered to the pipeline during August and September 2019 totals $10.5 million.

Royalties

The following table summarises royalty expense during the three and nine months ended September 30, 2019 and September 30, 2018:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Royalties	**15,725**	**12,918**	**48,237**	**26,925**

All remittances to governments that are directly attributable to the sale of oil during the reporting period, including the government share of Profit Oil but excluding income taxes, are reported as royalties. Royalties increased by $2.8 million during the three months ended September 30, 2019 and increased by $21.3 million during the nine months ended September 30, 2019, 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 from oil sales as discussed above.

Operating expense

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Field production costs(1)	5,484	4,260	16,350	9,430
Partner's share of production costs carried by Oryx Petroleum	1,689	1,311	5,031	2,901
Operating expense	**7,173**	**5,571**	**21,381**	**12,331**
Sales(2) (bbl)	698,600	430,900	2,003,300	915,600
Field production costs(1) ($/bbl)	**7.85**	**9.89**	**8.16**	**10.30**
Operating expense ($/bbl)	**10.27**	**12.93**	**10.67**	**13.47**

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 $7.2 million in the three months ended September 30, 2019 increased by $1.6 million compared to the same period in the previous year. The increase in operating expenses is primarily attributable to increased facilities and trucking costs related to the operation of a greater number of wells and associated infrastructure at the Zey Gawra and Banan fields during 2019 in comparison with 2018. Operating expense per barrel decreased during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due primarily to a 62% increase in sales volumes.

Operating expense for the nine months ended September 30, 2019 increased by $9.0 million compared to the nine months ended September 30, 2018. The increase in operating expenses is primarily attributable to increased facilities and trucking costs related to the operation of a greater number of wells and associated infrastructure at the Zey Gawra and Banan fields during 2019 in comparison with 2018. Operating expense per barrel decreased during the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due primarily to a 119% increase in sales volumes.

The following table indicates the impact of the variances in operating expense between the second quarter of 2019 and the third quarter of 2019:

($ thousands)	($000)	($/bbl)
Operating expense – three months ended June 30, 2019	**6,938**	**10.33**
Contribution of the following to variance:		
Personnel and camp costs	39	0.06
Well maintenance	(90)	(0.12)
Facilities lease and maintenance, diesel and operation	246	0.34
Security	40	0.06
Increase in production		(0.40)
Operating expense – three months ended September 30, 2019	**7,173**	**10.27**

General and administration

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Total General and Administration	**2,801**	**2,414**	**8,266**	**7,484**

General and administration expenses of $2.8 million and $8.3 million were incurred during the three and nine months ended September 30, 2019, respectively, compared to $2.4 million and $7.5 million incurred during the same periods in the prior year. The increase in both periods is primarily attributable to higher estimates for performance-based compensation than estimates made in the previous periods.

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, 2019 and 2018:

	Three months ended September 30		Nine months ended Sept 30	
($ thousands)	2019	2018	2019	2018
Intangible assets: Amortisation	3	-	9	26
PP&E assets: Depreciation	19	-	56	-
Depletion	5,129	4,315	14,827	9,167
Total DD&A	**5,151**	**4,315**	**14,892**	**9,193**

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.

The increased depletion charges for the three and nine months ended September 30, 2019 are due to increased production partially offset by a lower depletion rate per barrel compared to the same periods in 2018. The per barrel charge for depletion has decreased primarily as a result of reductions in estimated future developments costs.

Other income / (expense)

The following table summarises the components of other income / expense for the three and nine months ended September 30, 2019 compared to the same periods in 2018:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Decrease / Increase of provision against trade and other receivables	198	(540)	33	(1,420)
Reduction of materials inventory provision	214	543	1,853	829
Other expense	(14)	(197)	(46)	(98)
Other income / (expense)	**398**	**(194)**	**1,840**	**(689)**

Other income for the three months ended September 30, 2019 relates primarily to a $0.2 million reduction of the materials inventory provision, and a $0.2 million decrease to the provision against trade and other receivables.

Other income for the nine months ended September 30, 2019 relates primarily to a $1.9 million reduction of the materials inventory provision.

Finance income / (expense)

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Interest expense on Loan Facility	(2,012)	(2,012)	(5,972)	(5,971)
Accretion of deferred financing costs on Loan Facility	(88)	(257)	(261)	(682)
Change in fair value of contingent consideration	14,272	(5,342)	12,932	(6,740)
Interest (expense) / reversal on contingent consideration	1,728	(898)	155	(2,663)
Accretion of decommissioning liability	(110)	(110)	(348)	(305)
Issue of warrants	-	-	(478)	-
Finance income	1	72	1	142
Other	(21)	-	68	-
Finance income / (expense)	**13,770**	**(8,547)**	**5,962**	**(16,219)**

Finance expense for the three and nine months ended September 30, 2019 primarily relates to accrued interest associated with the Loan Facility and to the change in fair value and accrued interest associated with the contingent consideration.

The change in fair value of contingent consideration and the interest on contingent consideration is discussed in the "Liquidity and Capital Resources" section of this MD&A.

Income tax expense

The following table summarises the component parts of income tax expense for the three and nine months ended September 30, 2019 and September 30, 2018.

	Three months ended June 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Current income tax expense	794	632	2,408	1,371
Deferred tax (benefit) / expense	5	3	11	9
Total income tax expense	**799**	**635**	**2,419**	**1,380**

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

Operating segments

The following table summarises the profit from operations by operating segment for the three and nine months ended September 30, 2019 and September 30, 2018.

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Middle East	6,819	5,519	23,654	9,512
West Africa	(265)	(64)	(460)	(94)
Corporate	(1,271)	(1,512)	(4,512)	(4,854)
Profit from operations	**5,283**	**3,943**	**18,682**	**4,564**
Finance income / (expense)	13,770	(8,547)	5,962	(16,219)
Foreign exchange gain / (loss)	24	23	(90)	23
Income tax expense	(799)	(635)	(2,419)	(1,380)
Profit / (loss) for the period	**18,278**	**(5,216)**	**22,135**	**(13,012)**

The segment result for the Middle East operating segment has increased from $5.5 million to $6.8 million during the three months ended September 30, 2019 compared to the same period in prior year. This increase is primarily due to $3.6 million increase in net revenue from the Hawler License Area, partially offset by a $1.7 million increase in operating expense and a $0.4 million increase in depletion expense. Refer to the Revenue, Royalties, Operating Expense, and Depletion, Depreciation and Amortization sections above for further information on these variances.

The segment result for the Middle East operating segment has increased from $9.5 million to $23.7 million during the nine months ended September 30, 2019 compared to the same period in prior year. This increase is primarily due to $27.1 million increase in net revenue from the Hawler License Area, partially offset by a $9.5 million increase in operating expense and a $5.6 million increase in depletion expense. Refer to the Revenue, Royalties, Operating Expense, and Depletion, Depreciation and Amortization sections above for further information on these variances.

Liquidity and Capital Resources

During the nine months ended September 30, 2019, the Group met its day to day working capital requirements and funded its capital and operating expenditures substantially through its share of oil sales revenues from the Hawler License Area.

Loan Facility

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

On 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**”).

On December 31, 2018, the Group agreed with the Lender to amend the Loan Facility to further extend the Maturity Date from July 1, 2019 to July 1, 2020 and to amend interest provisions (the “**2nd Loan Amendment**”). The Company issued warrants to acquire between 6,132,804 Common Shares to the Lender in consideration of the 2nd Loan Amendment. The principal and interest rate remain unchanged from the terms agreed under the Loan Amendment. On August 19, 2019, the Group extinguished $5.1 million of accrued interest under the Loan Facility, for the period beginning on November 12, 2018 and ending on July 1, 2019 in consideration for 23,901,430 Common Shares. Interest accruing after July 1, 2019 is payable in cash on January 1, 2020 and July 1, 2020.

The Group is engaged with the Lender and management expects to reach agreement to further amend or settle the Loan Facility prior to the Maturity Date of July 1, 2020 such that cash outflows, if any, align with then available cash inflows arising from operating and/or financing activities.

As at September 30, 2019, the carrying value of the balance owed under the Loan Facility was $77.8 million, including $2.0 million in accrued interest. The total principal plus accrued interest owed at September 30, 2019 was $78.0 million.

Interim credit facility

On November 13, 2018, the Group entered into a committed and unsecured term loan agreement (“**Interim Credit Facility**”) jointly with affiliates of AOG and of Zeg Oil and Gas Limited. The amount of the Interim Credit Facility was subsequently reduced to $7.25 million and the availability period to draw funds under the facility was extended to September 23, 2019.

On September 30, 2019, the Interim Credit Facility expired in accordance with its terms. No amounts were borrowed by the Group under the facility. The Group incurred a commitment fee equivalent to 1% of the undrawn amount under the Interim Credit Facility, which was calculated daily and compounded at the end of each calendar month.

Contingent consideration

During 2011, the Group acquired OP Hawler Kurdistan Limited under the terms of a sale and purchase agreement (the "**Purchase Agreement**").

The Purchase Agreement establishes that additional consideration in the remaining amount of $66 million plus interest at LIBOR plus 0.25% per annum becomes payable if the commercial potential of a Hawler License Area discovery beyond the initially declared Demir-Dagh commercial discovery, is declared to be commercial. While the Purchase Agreement has been amended by subsequent agreement ("**Amending Agreements**"), these agreements each had expiry provisions which have been triggered. Consequently, the terms of the original Purchase Agreement prevail.

For the specific purpose of estimating the fair value of the contingent consideration obligation in accordance with IFRS, management has applied the expected present value technique. Management has accordingly set out possible future cash outflow scenarios and has aggregated the probability-weighted present value of each cash outflow forecast scenario, discounted with a rate of 10% per annum. The liability is presented at management's estimate of fair value, which as at September 30, 2019 amounted to $57.9 million (December 31, 2018 - $71.0 million).

Management has based cash outflow forecast scenarios on possible future circumstances that may cause the contingent consideration to become payable, or not, in its entirety at various future dates or on a scheduled basis. The scenarios range from Nil cash outflow in the event that the conditions causing the contingent consideration to become payable do not materialize, to maximum undiscounted principal and interest in the amount of $94.6 million scheduled over time through 2023. The balance of unpaid principal and accrued interest potentially owed under the contingent consideration obligation to the vendor of the Hawler License Area as at September 30, 2019 was $75.3 million.

During the nine months ended September 30, 2019, contingent interest accrued at a revised rate of 2.24% per annum (year ended December 31, 2018 – 2.74%). Interest had previously been accrued at a rate of 5% per annum in accordance with Amending Agreements which are no longer in effect.

Management expects that, should cash outflows related to the contingent consideration liability arise, it is more likely than not that these cash outflows would occur after March 31, 2021. Consequently, the liability has been classified as a non-current liability and associated cash outflows have been excluded from the Company's going concern forecast.

Liquidity outlook

The Group expects cash on hand as of September 30, 2019 and cash receipts from net revenues and export sales will allow it to fund its forecasted operating and administrative costs and Hawler License Area capital expenditures through the end of 2020. Additional capital is expected to be required to be able to both meet any contingent consideration obligations that become payable and to fund drilling in the AGC Central license area planned in 2020. Oryx Petroleum expects that the repayment of the principal amount due to AOG under the AOG Loan in July 2020 will be restructured. The Group had $20.4 million of cash and cash equivalents as of September 30, 2019.

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 three and nine month periods ended September 30, 2019 and 2018:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Operating Funds Flow[1]	9,781	8,400	30,813	14,128
Change in non-cash working capital	(69)	(3,481)	(1,114)	(13,382)
Net cash generated by / (used in) operating activities	**9,712**	**4,919**	**29,699**	**746**
Additions to E&E and PP&E	(10,680)	(11,482)	(20,909)	(25,350)
Additions to Assets held for disposal	-	-	-	(5,266)
Change in non-cash working capital	3,206	2,285	(4,185)	9,077
Net cash used in investing activities	**(7,474)**	**(9,197)**	**(25,094)**	**(21,539)**

($ thousands)	Three months ended September 30 2019	2018	Nine months ended September 30 2019	2018
Proceeds from issuance of ordinary shares	1,426	-	1,426	-
Increase in ownership of KPAWDE	-	-	-	(731)
Net cash generated by / (used in) financing activities	**1,426**	**-**	**1,426**	**(731)**
Total change in cash	**3,664**	**(4,278)**	**6,031**	**(21,524)**
Cash and cash equivalents at beginning of the period	16,777	21,326	14,410	38,572
Cash and cash equivalents at end of the period	**20,441**	**17,048**	**20,441**	**17,048**

Note:

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

During the three months ended September 30, 2019, the Group invested $10.7 million in exploration, appraisal, and development activities in the Hawler and AGC Central License Areas. The Group invested $7.6 million primarily on drilling activities in the Banan and Demir Dagh fields, $0.6 million on facilities, and $2.0 million in studies and directly attributable technical support costs in the Hawler License Area, and $0.4 million in the AGC Central License Area relating to preparation for drilling and conduct of an environmental and social impact assessment, and directly attributable technical support costs. Operating activities for the three months ended September 30, 2019 generated $9.7 million in cash, reflecting Operating Funds Flow of $9.8 million, partially offset by a $0.1 million decrease in non-cash working capital.

The Group invested $20.9 million during the nine months ended September 30, 2019 in exploration, appraisal, and development activities in the Hawler and AGC Central License Areas. The Group invested $15.5 million primarily on drilling activities in the Banan and Demir Dagh fields, and $2.2 million on facilities, and $2.0 million in studies and directly attributable technical support costs in the Hawler License Area, and $1.1 million in the AGC Central License Area relating to preparation for drilling and conduct of an environmental and social impact assessment, and directly attributable technical support costs. For the nine months ended September 30, 2019, cash generated by operating activities totalled $29.7 million, which was composed of Operating Funds Flow of $30.8 million, partially offset by an increase in non-cash working capital of $1.1 million. The increase in non-cash working capital was primarily related to a decrease in trade and other payables.

Risks and uncertainties

The Group's ability to realise cash inflows from crude oil sales is subject to significant uncertainty related to the future performance and productivity of individual wells and production facilities, future crude oil prices, and customer credit risk. In particular, credit risk is impacted by the uncertainty associated with political tensions between the governments of Iraq and the Kurdistan Region of Iraq as discussed in the "Business Environment" section of this MD&A. The Group's ability to secure external financing, if and when required, is also subject to significant uncertainty and is dependent on the Group's performance and on market conditions. Furthermore, the execution of capital investment plans requires significant capital expenditures. Long lead times between initiation of commitments to capital projects and completion thereof are common in the industry. During these lead times, Oryx Petroleum expects to incur significant costs at a level which may be difficult to predict. The Group expects to finance its operating, administration, and capital activities through the end of 2020 through current cash reserves and positive Operating Funds Flow. Additional capital is expected to be required to fund both contingent consideration obligations should they become payable and drilling in the AGC Central License Area planned in 2020. Prevailing market conditions, together with Oryx Petroleum's business performance, will impact the Group's ability to realise required Operating Funds 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 realised sales prices, Gross (100%) oil sales volumes, and operating expenses would have had on the Group's profit for the nine months ended September 30, 2019. These calculations are based on business conditions, production and sales volumes existing during the nine months ended September 30, 2019. 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.

	Change	Profit impact ($000s)	Profit impact ($ per basic share)
Change in average realised price	$10.00/bbl	13,647	0.03
Change in Gross (100%) oil sales volumes	1,000 bbl/d	5,964	0.01
Change in operating expenses	$1.00/bbl	2,000	0.00

The future cash flows relating to the contingent consideration balance (refer to the "Liquidity and Capital Resources" section of this MD&A) have been estimated based on the terms outlined in the agreement with the counterparty and discounted using an observed market rate for similar obligations. As at September 30, 2019, management has assumed interest at LIBOR plus 0.25% per annum and a 10% discount rate. The following table shows the estimated effect that a 5% change in the interest and discount rates would have had on the Group's profit for the nine months ended September 30, 2019.

	Change	Profit impact ($000s)	Profit impact ($ per basic share)
Change in interest rate	5%	2,662	0.00
Change in discount rate	5%	3,563	0.01

The impact of the above changes may be compounded or offset by changes to other business conditions. In addition, the tables do 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 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 Funds Flow

Operating Funds Flow is a non-IFRS measure that represents cash generated from operating activities before changes in non-cash working capital. The term Operating Funds Flow should not be considered an alternative to or more meaningful than "net cash generated by / (used in) operating activities" as determined in accordance with IFRS.

Management considers Operating Funds Flow to be a key measure as it demonstrates the Group's ability to generate the cash necessary to fund future growth through capital investment. Operating Funds Flow does not have any standard meaning under IFRS and may not be comparable to similar measures used by other companies. In previous disclosure, Operating Funds Flow was referred to as Operating Cash Flow.

The following table reconciles Operating Funds Flow to the IFRS measure of 'Net cash generated by / (used in) operating activities':

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2019	2018	2019	2018
Net cash generated by / (used in) operating activities	9,712	4,919	29,699	746
Changes in non-cash working capital	69	3,481	1,114	13,382
Operating Funds Flow	**9,781**	**8,400**	**30,813**	**14,128**

Outstanding Share Data

At the date of this M&DA, a total of 552,481,662 Common Shares are issued and outstanding. Upon vesting, OPCL LTIP share awards granted to the date of this MD&A will result in the issuance of up to an additional 19,670,514 Common Shares in 2020 and 2021.

2019 share capital transactions

On August 19, 2019, the Group extinguished $5.1 million of accrued interest under the Loan Facility, in consideration for 23,901,430 Common Shares.

On September 3, 2019, the Company issued 6,837,566 Common Shares to employees under the Group's LTIP.

On September 16, 2019, the Company issued 6,711,444 Common Shares to Zeg Oil and Gas Limited for cash consideration of $1.4 million.

2018 share capital transactions

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

On July 3, 2018, OPCL issued 22,188,975 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility between November 11, 2017 and May 10, 2018.

On September 4, 2018, OPCL issued 4,054,887 Common Shares to employees under the LTIP.

On November 12, 2018, OPCL issued 23,051,817 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility.

On December 27, 2018, the Company issued 7,312,764 Common Shares to Zeg Oil and Gas Limited for cash consideration of $1.3 million.

Warrants

On November 13, 2018, the Group agreed with the Lender to amend the Loan Facility to further extend the Maturity Date from July 1, 2019 to July 1, 2020 and to amend interest payment terms. The Company issued warrants to acquire a total of 6,132,804 Common Shares to an affiliate of the Lender in connection with this agreement. 3,637,262 warrants were issued on February 26, 2019 and an additional 2,495,542 warrants were issued on April 2, 2019. The warrants have an exercise price of $0.2094 per Common Share and expire on November 13, 2021.

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.

The Company has not paid or declared any dividends during the nine months ended September 30, 2019.

There were no repurchases of OPCL's equity securities by the Company during the nine months ended September 30, 2019.

Commitments and Contractual Obligations

The table below sets forth information relating to Oryx Petroleum's commitments and contractual obligations as at September 30, 2019.

($ thousands)	Within One Year	From 1 to 5 Years	More than 5 Years	Total
Operating leases[(1)]	81	6	-	**87**
Other obligations[(2)]	17,523	23,428	14,503	**55,454**
Total	**17,604**	**23,434**	**14,503**	**55,541**

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 the Group's oil and gas assets.

Summary of Quarterly Results

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

($ thousands, unless otherwise stated)	2017	2018				2019		
	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30
Revenue, net of royalties	7,004	7,800	10,024	16,437	20,414	19,043	22,327	20,010
Operating expense	(3,840)	(3,128)	(3,632)	(5,571)	(6,910)	(7,270)	(6,938)	(7,173)
Depletion	(2,276)	(2,224)	(2,622)	(4,315)	(4,723)	(4,708)	(4,990)	(5,129)
G&A	(3,404)	(2,712)	(2,358)	(2,414)	(4,439)	(2,103)	(3,361)	(2,801)
Profit / (Loss)	(28,128)	(4,275)	(3,522)	(5,216)	56,765	1,544	2,313	18,278
Earnings / (Loss) per basic and diluted share ($/share)	(0.06)	(0.01)	(0.01)	(0.01)	0.11	0.00	0.00	0.03
Operating Funds Flow(2)	(333)	1,429	4,298	8,400	9,079	9,180	11,852	9,781
Gross Production (bbl)	347,800	341,700	402,600	661,900	965,900	975,000	1,029,500	1,072,500
WI Production (bbl)	226,100	222,100	261,700	430,200	627,900	633,800	669,200	697,200
Gross Sales (bbl)	346,100	342,600	403,000	662,900	964,100	974,300	1,032,800	1,074,800
WI Sales (bbl)	225,000	222,700	262,000	430,900	626,700	633,300	671,300	698,600
Field production costs(1)	(2,939)	(2,392)	(2,777)	(4,260)	(5,284)	(5,560)	(5,306)	(5,484)
Field Netback(2)	2,563	3,735	5,096	8,649	10,751	9,397	12,231	10,233
Oryx Petroleum Netback(2)	2,907	4,388	6,026	10,266	12,760	11,078	14,575	12,108
Brent price ($/bbl)	61.26	66.82	74.39	75.16	68.81	62.93	68.86	62.00
Sales price ($/bbl)	50.04	56.31	61.51	61.33	52.37	48.35	53.47	46.05
Royalties ($/bbl)	(24.46)	(27.53)	(30.06)	(29.98)	(25.60)	(23.63)	(26.14)	(22.51)
Field production costs(1) ($/bbl)	(13.06)	(10.74)	(10.60)	(9.89)	(8.43)	(8.78)	(7.90)	(7.85)
Current taxes ($/bbl)	(1.13)	(1.28)	(1.40)	(1.39)	(1.19)	(1.10)	(1.21)	(1.04)
Field Netback(2) ($/bbl)	11.40	16.76	19.45	20.07	17.15	14.84	18.22	14.65
Oryx Petroleum Netback(2) ($/bbl)	12.93	19.70	23.00	23.83	20.36	17.49	21.71	17.33
Capital additions	4,611	6,164	8,774	12,454	9,027	2,313	10,639	11,899

Notes:

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

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

Variations in revenue are attributable to changes in realised sales prices which have been broadly referenced to Brent crude oil prices and sales volumes which have fluctuated due to the variations in production from the Hawler License Area. There were no significant interruptions in production during the three or nine months ended September 30, 2019, other than a four-day suspension of exports arising from temporary shut-downs of the Kurdistan Oil Export Pipeline for scheduled maintenance during February 2019 and a further four-day shut down in September 2019. Production and sales volumes began to increase starting in the second quarter of 2018 as a result of incremental production from the Hawler License Area's Zey Gawra and Banan fields, respectively.

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 increased during 2018 and 2019 as wells from the Zey Gawra and Banan fields have been brought onto production. Capital additions are primarily associated with drilling activity in the Hawler License Area for all quarterly periods presented.

The increasing trend in Operating Funds Flow over the periods presented is primarily attributable to increased production and crude oil prices. Lower prices during the three month period ended September 30, 2019, resulted in a small decrease in Operating Funds Flow versus the second quarter of 2019. G&A expense and profit/loss are subject to variations in revisions to estimates made in prior periods, including estimates of performance-based compensation and expenses relating to the retirement benefit obligation.

Profit for the three month period ended September 30, 2019 was affected by a $14.3 million non-cash change in a revaluation to the fair value of contingent consideration obligation to the vendor of the Hawler License Area and associated interest. Profit/loss for the three-month periods ended December 31, 2017 and December 31, 2018 include a $19.4 million impairment expense and a $54.1 million impairment reversal, respectively, relating to the Hawler License Area. Each impairment expense/reversal recorded represents the difference between the estimated recoverable amount of the Hawler License Area cash generating unit and its carrying amount prior to the impairment expense/reversal.

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 2019, the Group entered into eight foreign exchange contracts to purchase CHF 0.3 million and to sell US Dollars at various rates for each of the eight months from February to September 2019 in order to hedge its exposure to foreign exchange risk.

Other than the above, Oryx Petroleum was not party to any off-balance sheet arrangements during the nine months ended September 30, 2019 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. On July 3, 2018, OPCL issued 22,188,975 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility between November 11, 2017 and May 10, 2018. On November 12, 2018, OPCL issued 23,051,817 Common Shares to a subsidiary of AOG in satisfaction of $4.0 million of interest accrued under the Loan Facility. On August 19, 2019, the Group extinguished $5.1 million of accrued interest under the Loan Facility, in consideration for 23,901,430 Common Shares. Each of the Loan Amendment and 2nd Loan Amendment discussed in the "Liquidity and Capital Resources" section of this MD&A was a transaction involving related parties. Management believes the terms and conditions negotiated to be materially comparable to terms applicable to similar market transactions.

On December 27, 2018, the Company issued 7,312,764 Common Shares to Zeg Oil and Gas Limited for consideration of $1.3 million. On September 16, 2019, the Company issued 6,711,444 Common Shares to Zeg Oil and Gas Limited for cash consideration of $1.4 million.

On November 13, 2018, the Group entered into an Interim Credit Facility jointly with an affiliate of AOG and Zeg Oil and Gas Limited. The Interim Credit Facility provided the Group with access to $7.25 million, which had to be drawn no later than September 23, 2019. Refer to the "Liquidity and Capital Resources" section of this MD&A.

On October 19, 2016, the Group entered into an office lease agreement with a subsidiary of its indirect controlling shareholder. Rental expense of $52 thousand and $148 thousand relating to this agreement was recorded for the three and nine months ended June 30, 2019, respectively.

For the three and nine months ended September 30, 2019, 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 (2018: $0.4 million and $1.3 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, 2019 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 2019, directors of OPCL were paid $0.2 million in cash as remuneration for services provided in the first and second quarters of 2019. In January 2019, directors of OPCL were paid $0.2 million in cash as remuneration for services provided in the third and fourth quarters of 2018. In July 2018, directors of OPCL were paid $0.3 million in cash as remuneration for services provided in the first and second quarters of 2018. In January 2018, directors of OPCL were awarded 360,372 Common Shares ($0.1 million) and paid $0.2 million in cash as remuneration for services provided in the third and fourth quarters of 2017.

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, 2019 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, 2018 remain applicable to the nine month period ended September 30, 2019 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 the nine months ended September 30, 2019, the Group met its day to day working capital requirements and funded its capital and operating expenditures through its share of oil sales revenues from the Hawler License Area.

The Group's ability to continue as a going concern in accordance with management's estimates and forecasts is primarily dependent on the Group's ability to a) produce and sell and receive payment for crude oil from the Hawler License Area in accordance with its 2019 and 2020 work program and budget adjusted to exclude discretionary investments and b) restructure cash outflows related to Borrowings currently scheduled for July 2020 (see note iv below and note 13 of the Financial Statements).

The Directors expect that cash resources will be sufficient to fund the Group's capital and operating expenditures and to meet forecast obligations as they fall due in the 15 months following September 30, 2019.

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

i) Oil production volumes are based on current production rates adjusted to account for production increases expected to result from the execution of the Group's 2019 and 2020 work program, partially offset by production declines from existing wells.

ii) The timing and extent of forecast capital and operating expenditures is based on the Group's 2019 reforecast work plan and 2020 work program and budget adjusted to exclude discretionary investments. The Group retains a high degree of control and flexibility over both the extent and timing of expenditure under its capital investment program.

iii) Cash outflows arising from contingent consideration will not materialize prior to 2021.

iv) Borrowings maturing in July 2020 will be restructured, such that cash outflows, if any, align with available cash inflows arising from operating and/or financing activities.

Uncertainties related to iv) may cast significant doubt about the Group's ability to continue as a going concern.

Management continually monitors the Group's financing requirements and plans to secure external funding, if required. Specifically, management is engaged with principal shareholders and the Lender (note 13 of the Financial Statements), to consider the financing arrangements required to provide for the financing of the Group's cash outflows as they materialise. Management expects that sufficient time is available to clarify precise requirements for modification to existing financing arrangements or to secure additional financing, if any, and to subsequently conclude the arrangements required.

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. However, so long as definitive financing agreements have not been concluded where required, the Directors have determined that the uncertainty related to the Group's ability to restructure or to reschedule cash outflows and/or to obtain required financing is material to the conclusion that the Group will be able to continue operations on a going concern basis.

Contingent Consideration

Refer to the "Liquidity and Capital Resources" section of this MD&A.

Financial Controls

Disclosure Controls and Procedures

Disclosure Controls and Procedures ("**DC&P**") 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 nine months ended September 30, 2019 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 2019 and 2020, financing and capital activities, the additional liquidity required to fund future expenditures, expectations that cash on hand as of September 30, 2019 and, cash receipts from net revenues and export sales will allow the Group to fund its forecasted capital expenditures and operating and administrative costs through the end of 2020, the arbitration process relating to the Haute Mer B transaction and expected outcomes and timing for resolution of the dispute, plans to continue an environmental and social impact assessment and prepare for drilling in the AGC Central License Area, 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, plans to achieve higher production, estimates of oil reserves and resources, future royalties and tax levels, access to and sources of future financing and liquidity, future requirements for additional funding, future debt levels, availability of committed credit facilities, possible commerciality of our projects, expected operating capacity, expected operating costs, estimates on a per share basis, future foreign currency exchange rates, the issuance of shares as a result of the vesting of LTIP awards, and from exercise of outstanding warrants, estimates for the fair value of the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, the expected timing for and nature of settlement of liabilities including the Loan Facility and the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, accounting critical estimates, changes in any of the foregoing, and statements that contain words such as "may", "will", "would", "could", "should", "anticipate", "believe", "assume", "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, 2019, 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. 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