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

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019

ORYX PETROLEUM

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*The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the consolidated financial statements of Oryx Petroleum Corporation Limited ("**OPCL**" or, the "**Company**") and its subsidiaries for the three and nine months ended September 30, 2020 and 2019 (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 13, 2020.

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 25. Additional information relating to OPCL, including OPCL's Annual Information Form dated March 23, 2020, 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**"). The Group has a 65% participating interest in and operates the Hawler License Area in the Kurdistan Region of Iraq ("**KRI**"), which has yielded the discovery of four oil fields, three of which are currently producing.

Operational Highlights

- Average gross (100%) oil production of 11,700 bbl/d (participating interest 7,600 bbl/d) for the three months ended September 30, 2020;
- Average gross (100%) oil production of 13,300 bbl/d (participating interest 8,700 bbl/d) for October 2020;
- Operations at the Banan field in the Hawler License restarted in July 2020 following improvement in oil price;
- In October 2020, an acid stimulation treatment was performed on the Demir Dagh-3 horizontal well completed in the Cretaceous reservoir. The well is currently being operated intermittently to determine the maximum sustained rate at which it can produce without promoting excessive production of associated gas. The well may be recompleted in the future in order to obtain more effective isolation of the oil producing completion from the associated gas cap;
- Renovation of a previously constructed well pad in the Zey Gawra field has been completed in preparation for the spudding of a new well targeting the Tertiary reservoir before year end;
- The worldwide outbreak of the COVID-19 virus, including within Iraq, has not caused any significant disruption of production operations. The Group is continuing to take precautions to protect its employees and contractors but does not expect that the ongoing virus outbreak will restrict operations.

Financial Highlights and Outlook

Liquidity outlook

The Group expects cash on hand as of September 30, 2020, cash receipts from net revenues from export sales exclusively through the Kurdistan Oil Export Pipeline, and proceeds from the short-term credit facility provided by Zeg Oil and Gas Limited ("**ZOG**") will allow it to fund its committed capital expenditures and forecasted operating and administrative costs through the end of 2021, and to reduce payables currently due to suppliers.

In the prevailing oil price environment, contingent consideration obligations are anticipated not to become payable before 2022.

Financial performance

The following table contains financial performance highlights for the three and nine months ended September 30, 2020 and September 30, 2019.

	Three months ended		Nine months ended	
($ thousands unless otherwise stated)	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Revenue	21,984	35,735	58,075	109,617
Cash generated by / (used in) operating activities	3,622	9,712	13,500	29,699
Operating Funds Flow(1)	3,701	9,781	7,904	30,813
Operating Funds Flow(1) per basic and diluted share ($/share)	0.01	0.02	0.01	0.06
Profit / (Loss) for the period	30,139	18,278	(223,305)	22,135
Earnings / (Loss) per basic and diluted share ($/share)	0.05	0.03	(0.40)	0.04
Average sales price ($/bbl)	26.35	46.05	28.55	49.26
Field production costs(2) ($/bbl)	6.57	7.85	7.38	8.16
Operating expense ($/bbl)	10.11	10.27	10.25	10.67
Field Netback(1) ($/bbl)	6.30	14.65	6.56	15.90
Oryx Petroleum Netback(1) ($/bbl)	7.87	17.33	7.72	18.85
Capital additions	15,746	11,899	25,523	24,850

Note:

(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 participating 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 $22.0 million was recorded for the three months ended September 30, 2020. Included in revenue is $18.4 million ($26.35/bbl) realised on the sale of 698,900 bbl (participating interest) of crude oil and $3.6 million related to the recovery of costs carried on behalf of partners. Revenue for the third quarter of 2020 decreased by $13.8 million compared to the same period in 2019. The decrease is attributable to a 43% decrease in realised sales price.

Revenue of $58.1 million was recorded for the nine months ended September 30, 2020. Included in revenue is $50.9 million ($28.55/bbl) realised on the sale of 1,783,200 bbl (participating interest) of crude oil and $7.2 million related to the recovery of costs carried on behalf of partners. Revenue for the nine months ended September 30, 2020 decreased by $51.5 million compared to the same period in 2019. The decrease is attributable to a 42% decrease in realised sales price and an 11% decrease in sales volumes.

All sales during the nine months ended September 30, 2020 were made via the Kurdistan Oil Export Pipeline.

The Group has received payment in accordance with Production Sharing Contract entitlement for all oil sale deliveries into the Kurdistan Oil Export Pipeline through October 2019, and for the months of March through September 2020.

Net payment for all oil deliveries into the Kurdistan Oil Export Pipeline during November 2019 through February 2020 remain outstanding with the Contractor share amounting to $37.0 million. The Group is actively pursuing the outstanding payments but timing of full settlement is undefined. Settlement of all monthly invoices from March 2020 onwards has been received in the following month and the Group expects this payment pattern to continue, in accordance with the communication received from the KRI.

Field production costs and netbacks

Field production costs during the third quarter of 2020 amounted to $4.6 million ($6.57/bbl) in comparison to $5.5 million ($7.85/bbl) during the third quarter of 2019, representing a 16% decrease on a per barrel basis. The per barrel decrease was primarily due to decreases in field production costs for the period.

Field Netback of $6.30/bbl for the three months ended September 30, 2020 has decreased from $14.65/bbl for the third quarter of 2019. The primary drivers for reduced Field Netbacks from the third quarter of 2019 has been lower average sales prices partially offset by a decrease in per barrel field production costs.

Operating Funds Flow

Operating Funds Flow for the third quarter of 2020 was $3.7 million compared to $9.8 million for the three months ended September 30, 2019. The decrease is primarily due to the decrease in oil prices.

During the nine months ended September 30, 2020, Operating Funds Flow was $7.9 million compared to $30.8 million during the same period in 2019. The decrease is primarily due to the decrease in oil prices and lower sales volumes.

Cash generated by operating activities during the quarter ended September 30, 2020 amounted to $3.6 million reflecting Operating Funds Flow of $3.7 million and a $0.1 million in net cash outflow relating to non-cash working capital which was primarily related to an increase in trade and other receivables, partially offset by an increase in trade and other payables, net of non-cash movements.

For the nine months ended September 30, 2020, cash generated by operating activities totalled $13.5 million, which was composed of Operating Funds Flow of $7.9 million, combined with a net cash outflow relating to non-cash working capital of $5.6 million. The net cash outflow relating to non-cash working capital was primarily related to an increase in trade and other payables, partially offset by an increase in trade and other receivables, net of non-cash movements.

Profit / Loss

Profit for the three months ended September 30, 2020 was $30.1 million compared to $18.3 million during the third quarter of 2019. This variance is primarily attributable to a $26.9 million gain recorded on the settlement of the Loan Facility (see the "Shareholder and Loan Facility Restructuring" section of this MD&A. This positive variance is partially offset by i) a reduction of $7.5 million in the non-cash gain resulting from the decrease in the fair value of the contingent consideration obligation potentially due to the vendor of the Hawler License Area and associated interest, ii) a $7.0 million decrease in net revenue resulting from a 43% decrease in realised sales prices, and iii) a $2.0 million increase in finance expense, primarily related to the write-off of the unaccreted transaction costs upon settlement of the Loan Facility balance.

Loss for the nine months ended September 30, 2020 was $233.3 million compared to a profit of $22.1 million during the nine months ended September 30, 2019. This variance is primarily attributable to i) a $238.2 million impairment expense relating to the Hawler License Area recorded in the first quarter of 2020, ii) a decrease in net revenue of $28.2 million resulting from a 42% decrease in the realised sales price combined with an 11% decrease in sales volumes, iii) a reduction of $5.9 million in the non-cash gain resulting from the decrease in the fair value of the contingent consideration obligation potentially due to the vendor of the Hawler License Area and associated interest, and iv) an increase to the revenue receivable provision of $2.9 million. These negative factors have been partially offset by i) a $26.9 million gain recorded on the settlement of the Loan Facility, ii) a decrease in operating expenses of $3.1 million relating to the shut-in of the Banan field during the second quarter of 2020, and iii) a $1.1 million impairment recovery relating to previously estimated costs on a formerly divested E&E asset.

Capital additions

During the third quarter of 2020, the Group recorded net capital additions of $15.7 million, including a $13.7 million non-cash increase primarily relating to increased expected future, decommissioning cash outflows as a result of the 2020 PSC Amendments (see the "Shareholder and Loan Facility Restructuring" section of this MD&A). The Group also invested $1.5 million to prepare for drilling and $0.5 million on facilities in the Hawler License Area.

During the nine months ended September 30, 2020, the Group recorded net capital additions of $25.5 million. The Group invested $5.2 million primarily on drilling activities in the Banan field and $1.3 million on facilities in the Hawler License Area. Included in the capital additions for the nine months ended September 30, 2020 is also a $18.4 million non-cash increase primarily related to increased expected future, decommissioning cash outflows as a result of the 2020 PSC Amendments and the change in discount and inflation rates used to calculate the decommissioning obligation. Additional expenditures of $0.4 million were incurred in the AGC Central License Area prior to the Shareholder and Loan Facility Restructuring.

Financial position

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

($ thousands)	September 30, 2020	December 31, 2019
Total cash and cash equivalents	10,958	8,912
Working Capital	5,411	(73,543)
Total assets	491,035	768,254
Borrowings	-	79,883
Total long-term liabilities	96,872	80,985

The cash and cash equivalents balance of $8.9 million as at December 31, 2019 increased to $11.0 million at September 30, 2020. This increase is due to $13.5 million in cash generated by operating activities and $1.0 million in cash generated by financing activities, partially offset by $12.4 million in cash used in investing activities.

Working capital improved to positive $5.4 million at September 30, 2020 from negative $73.5 million at December 31, 2019 mainly due to i) the settlement of the borrowings balance (refer to the "Shareholder and Loan Facility Restructuring" section of this MD&A), ii) a $2.7 million increase in trade and other receivables, and iii) a $2.0 million increase in cash and cash equivalents. These factors were partially offset by i) a $4.0 million increase in trade and other payables, and ii) a $1.2 million decrease in inventories.

The total assets balance decreased to $491.0 million at September 30, 2020 from $768.3 million at December 31, 2019. This change is primarily due to i) $238.2 million of impairment recorded at March 31, 2020, and ii) the sale of the shares of the formerly wholly-owned subsidiary which holds the AGC Central License Area resulting in a $52.9 million decrease in intangible assets (refer to the "Shareholder and Loan Facility Restructuring" section of this MD&A). These negative factors were partially offset by i) a $2.7 million increase in trade and other receivables, and ii) a $2.1 million increase in cash and cash equivalents.

The $15.8 million increase in total long-term liabilities from December 31, 2019 is due to i) the $18.7 million increase in the decommissioning obligation balance primarily due to increased expected cash outflows as a result of the 2020 PSC Amendments and the change in discount and inflation rates used to calculate this balance, and ii) a $5 million drawdown on the ZOG Credit Facility during the third quarter of 2020. This variance is partially offset by i) a $7.0 million decrease in the contingent consideration balance, primarily resulting from a non-cash gain resulting from the decrease in the fair value of the obligation potentially due to the vendor of the Hawler License Area and associated interest, and ii) a $1.4 million decrease in the retirement benefit obligation balance primarily due to a curtailment gain recorded relating to the corporate restructuring incurred during the first half of 2020.

The undiscounted balance of principal and accrued interest potentially owed under the contingent consideration obligation to the vendor of the Hawler License Area as at September 30, 2020 was $76.3 million.

Fourth Quarter of 2020 Capital Expenditure Re-forecast

The Group's re-forecasted capital expenditures for 2020 are $21 million, decreased from the previously announced forecast of $22 million. The decrease reflects the deferral of certain infrastructure works into 2021.

The previously announced stimulation of the Demir Dagh-3 well was completed in October 2020. Planned expenditures for the balance of 2020 consist of planned installation of a pump at the Banan-4 well, the drilling of a new well targeting the Zey Gawra Tertiary reservoir, and construction of a drilling pad in the eastern fault block of the Banan field.

Business Environment

Following various destabilising geopolitical events impacting the KRI over several years, relative political stability has supported conditions where the Group has been able to continue its activities in the KRI. However, the recent impact of the COVID-19 pandemic and oil price volatility compounds uncertainty associated with unresolved political disputes, and their eventual impact on the Group's operations may be significant and remains unclear. Political and other risk factors which are disclosed in OPCL's Annual Information Form could have an adverse effect on Oryx Petroleum's performance.

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

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. Most recently, the global response to the spread of COVID-19 has decreased global economic activity and, correspondingly, the demand for and price of crude oil. The related uncertainty regarding returns on investments in upstream oil and gas exploration and development has impacted the availability and cost of capital resources. In late March 2020, the KRG advised that payments overdue for oil sales from November 2019 through February 2020 to International Oil Companies, including Oryx Petroleum, would be delayed by at least nine months. Furthermore, there remains an ongoing risk that any degradation of the regional security situation could have a material adverse effect on the operating and financial performance of the Group.

Future oil prices, which directly impact the Group's expected cash inflows, continue to be extremely difficult to forecast reliably. The Group's ability to fund its ongoing operations and its planned, discretionary capital investments is consequently subject to significant uncertainty. See the "Liquidity and Capital Resources" section of this MD&A for further discussion.

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 may impact the Group's realised oil sales prices and its future ability to sell its produced oil. In March 2016, the Group initiated crude oil deliveries to international markets through the Kurdistan Oil Export Pipeline. Although management has not experienced, and 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 as to the extent to which its future production will continue to able to be sold through this export pipeline. Commercial arrangements currently in place to sell oil produced from the Hawler License Area may not continue to be in effect.

The timing and execution of the Group's capital expenditure program may 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, 2020, 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, 2020, June 30, 2020, and September 30, 2019 and for the nine months ended September 30, 2020 and September 30, 2019:

	Three months ended			Nine months ended	
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Gross (100%) Production (bbl)	1,080,000	367,600	1,072,500	2,743,000	3,077,100
Gross (100%) Production per day (bbl/d)	11,700	4,000	11,700	10,000	11,300
Participating interest production (bbl)	702,000	238,900	697,200	1,783,000	2,000,100
Participating interest production per day (bbl/d)	7,600	2,600	7,600	6,500	7,300
Participating interest sales (bbl)	698,900	241,400	698,600	1,783,200	2,003,300
Participating interest sales per day (bbl/d)	7,600	2,700	7,600	6,500	7,300

Production and sales

Gross (100%) oil production for the three months ended September 30, 2020 was 1,080,000 bbl representing an average rate of 11,700 bbl/d. The Group's participating interest share of oil production during this period was 702,000 bbl representing an average rate of 7,600 bbl/d.

The decrease in production and sales volumes during the second quarter of 2020 is primarily attributable to decreased production from Banan field wells which were shut-in in early April 2020 due to poor economics. Operations at Banan re-commenced in July 2020.

Gross (100%) oil production for the nine months ended September 30, 2020 was 2,743,000 bbl representing an average rate of 10,000 bbl/d. The Group's participating interest share of oil production during this period was 1,783,000 bbl representing an average rate of 6,500 bbl/d.

The Group recognised revenue on the sale of 698,900 bbl (participating interest) and 1,783,200 bbl (participating interest) of oil during the three and nine months ended September 30, 2020, respectively.

Crude oil sale prices

Commencing in March 2016, the Group began selling crude oil to the KRG's Ministry of Natural Resources into the Kurdistan Oil Export Pipeline. The realised sales prices on export sales through this pipeline made after February 1, 2018 are referenced to the monthly average Dated Brent crude oil prices, discounted by approximately $8/bbl for pipeline system tariffs and fees, and adjusted for differences in oil gravity and sulphur from standard Brent specifications.

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

	2020			2019				2019
	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31
Brent average price ($/bbl)	42.95	29.56	50.10	63.08	62.00	68.86	62.93	68.81
Realised sales price ($/bbl)	26.35	15.78	34.03	47.32	46.05	53.47	48.35	52.37

Netbacks

The following table summarises the Field Netback and Oryx Petroleum Netback for the three months ended September 30, 2020 and 2019:

	Three months ended September 30, 2020		Three months ended September 30, 2019	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	18,415	26.35	32,172	46.05
Royalties	(9,001)	(12.88)	(15,725)	(22.51)
Field production costs(1)	(4,590)	(6.57)	(5,485)	(7.85)
Current taxes	(418)	(0.60)	(730)	(1.04)
Field Netback(2)	**4,406**	**6.30**	**10,232**	**14.65**
Recovery of Carried Costs	3,569	5.11	3,563	5.10
Partner share of production costs	(2,471)	(3.54)	(1,688)	(2.42)
Oryx Petroleum Netback(2)	**5,504**	**7.87**	**12,107**	**17.33**

Notes:

(1) Field production costs represent the Oryx Petroleum's participating 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, 2020 of $4.4 million incorporates field production costs of $4.6 million. On a per barrel basis, Field Netback has decreased to $6.30/bbl for the three months ended September 30, 2020 from $14.65/bbl for the three months ended September 30, 2019. This variance is attributable to a decrease in the realised sales prices, partially offset by lower per barrel field production costs.

The following table summarises the Field Netback and Oryx Petroleum Netback for the nine months ended September 30, 2020 and 2019:

	Nine months ended September 30, 2020		Nine months ended September 30, 2019	
	($ thousands)	($/bbl)	($ thousands)	($/bbl)
Oil sales	50,906	28.55	98,686	49.26
Royalties	(24,883)	(13.95)	(48,237)	(24.08)
Field production costs(1)	(13,162)	(7.38)	(16,351)	(8.16)
Current taxes	(1,155)	(0.65)	(2,239)	(1.12)
Field Netback(2)	**11,706**	**6.57**	**31,859**	**15.90**
Recovery of Carried Costs	7,169	4.02	10,931	5.46
Partner share of production costs	(5,109)	(2.87)	(5,030)	(2.51)
Oryx Petroleum Netback(2)	**13,766**	**7.72**	**37,760**	**18.85**

Notes:

(1) Field production costs represent Oryx Petroleum's participating 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, 2020 of $11.7 million incorporates field production costs of $13.2 million. On a per barrel basis, Field Netback has decreased to $6.57/bbl for the nine months ended September 30, 2020 from $15.90/bbl for the nine months ended September 30, 2019. This variance is attributable to a decrease in the realised sales prices, partially offset by lower per barrel field production costs.

Hawler license operation, appraisal and early production

Production from the Banan field was shut-in in early April 2020 due to poor economics. Production from the Banan field is subject to higher oil quality discounts and involves higher per barrel facilities operating costs than the Group's other fields. Operations at Banan re-commenced in July 2020 in recognition of increasing Brent crude oil prices.

The worldwide outbreak of the COVID-19 virus, including within Iraq, has not impacted operations significantly. The Group is taking precautions to protect its employees and contractors but does not at this time expect that the virus outbreak will restrict operations.

West Africa

AGC Central License Area

On July 23, 2020, the Group’s shares of OP AGC Central Limited, the former wholly-owned subsidiary of the Company that holds interests in the AGC Central License Area were transferred to an affiliate of AOG as consideration for the full settlement of the Loan Facility. Refer to the “Shareholder and Loan Facility Restructuring” section of this MD&A for further information.

Capital Additions

The following table summarises the capital additions incurred by activity during the three and nine months ended September 30, 2020 and September 30, 2019:

	Three months ended		Nine months ended	
($ thousands)	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Middle East				
Drilling	1,450	7,630	5,153	15,497
Facilities	506	627	1,345	2,249
Studies, license, and support	73	2,177	245	2,497
Sub-Total	**2,029**	**10,434**	**6,743**	**20,243**
Decommissioning(1)	13,717	1,035	18,382	3,484
Total Middle East	**15,746)**	**11,469**	**25,125**	**23,727**
Total West Africa	**-**	**429**	**397**	**1,105**
Corporate	**-**	**1**	**1**	**18**
Total capital additions	**15,746**	**11,899**	**25,523**	**24,850**

Note:

(1) Non-cash additions. Decommissioning expenditures are expected to be incurred in 2038.

Middle East

During the three months ended September 30, 2020, capital additions totalled $15.7 million in the Hawler License Area. Included in the capital additions for the three months ended September 30, 2020 is a $13.7 million non-cash increase primarily relating to the 2020 PSC Amendments (refer to the “Shareholder and Loan Facility Restructuring” section of this MD&A). The Group also invested $1.5 million in the Hawler License Area to prepare for drilling.

The Group recorded capital additions of $25.5 million during the nine months ended September 30, 2020. The Group invested $5.2 million in drilling costs primarily related to the horizontal sidetrack of the previously drilled Banan-1 well and costs relating to preparation for drilling. Expenditure of $1.3 million on facilities and $0.2 million on preparation for drilling, studies and support were also incurred in the period. Included in the capital additions for the nine months ended September 30, 2019 is also a $18.4 million non-cash increase primarily related to the 2020 PSC Amendments and the change in discount and inflation rates used to calculate the decommissioning obligation.

West Africa

Capital additions $0.4 million for the nine months ended September 30, 2020 were primarily comprised of costs related to preparation for drilling, the conduct of an environmental and social impact assessment, and directly attributable technical support costs in the AGC Central License Area prior to the divestment of the license area described in the “Shareholder and Loan Facility Restructuring” section of this MD&A.

Cost Pools

The Cost Pool for the Hawler License Area, which is available for recovery through future oil sales as at September 30, 2020, is 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	946.3	462.4	207.6	174.7	495.3

Notes:

(1) Cost Pool balance is subject to audit by relevant government entities.

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

During the third quarter of 2020, the Group agreed to a 22% reduction in the cost pool relating to its interest in exchange for securing consent from the MNR for the change in control of the Group's interest in the Hawler License Area. The MNR has agreed to waive any rights it has to perform an audit on costs incurred prior to January 1, 2021. See "Shareholder and Loan Facility Restructuring" section of this MD&A for further information.

Property, plant and equipment and intangible assets

The capital additions described in the sections above, net of depletion, depreciation and amortisation ("**DD&A**") and net impairment reversals, have resulted in the following movements in intangible asset and PP&E balances during the three months ended March 31, 2020, June 30, 2020 and September 30, 2020:

($ thousands)	Exploration and Evaluation Assets	Other Intangible Assets	Total Intangible Assets
As at January 1, 2020	**101,783**	**24**	**101,807**
Capital additions	200	-	200
DD&A	-	(3)	(3)
As at March 31, 2020	**101,983**	**21**	**102,004**
Capital additions, net of credit relating to estimates made in prior period[(2)]	(157)	-	(157)
DD&A	-	(4)	(4)
Transfer to Assets held for disposal[(1)]	(53,676)	-	(53,676)
As at June 30, 2020	**48,150**	**17**	**48,167**
Additions	732	-	732
DD&A	-	(3)	(3)
As at September 30, 2020	**48,882**	**14**	**48,896**

Notes:

(1) On July 23, 2020, the Group's shares of OP AGC Central Limited, the former wholly-owned subsidiary of the Company that holds interests in the AGC Central License Area, were transferred to an affiliate of AOG as consideration for the full settlement of the Loan Facility. Refer to the "Shareholder and Loan Facility Restructuring" section of this MD&A for further information.

(2) During the three months ended June 30, 2020, the Group recorded a credit to additions and an equivalent impairment reversal of $1.1 million due to revisions in accruals for costs that had been estimated in prior periods relating to a previously divested E&E asset. The additions amount in the table above has been presented net of the associated impairment reversal during the period.

($ thousands)	Oil & Gas assets	Furniture and fixtures	Total PP&E
As at January 1, 2020	**611,420**	**133**	**611,552**
Capital additions	4,491	17	4,508
DD&A	(7,573)	(18)	(7,591)
Impairment(1)	(238,245)	-	(238,245)
As at March 31, 2020	**370,093**	**131**	**370,224**
Capital additions	5,241	(15)	5,226
DD&A	(1,595)	(20)	(1,615)
As at June 30, 2020	**373,739**	**96**	**373,835**
Capital additions	15,014	-	15,014
DD&A	(4,685)	(18)	(4,703)
As at September 30, 2020	**384,068**	**78**	**384,146**

Notes:

(1) Refer to the "New Accounting Pronouncements, Policies and Critical Estimates" section of this MD&A for further information on the impairment recorded during the three months ended March 31, 2020.

Financial Results

Revenue

The following table summarises Oryx Petroleum's revenue for the three and nine months ended September 30, 2020 and 2019. All oil sold during each of the periods was produced at the Hawler License Area.

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Oil Sales	18,415	32,172	50,906	98,686
Recovery of Carried Costs	3,569	3,563	7,169	10,931
Revenue	**21,984**	**35,735**	**58,075**	**109,617**

The Group recognised revenue on the sale of 698,900 bbl (participating interest) of oil during the three months ended September 30, 2020, compared to revenue on the sale of 698,600 bbl (participating interest) of oil during the same period in the previous year. Revenue of $22.0 million during the third quarter of 2020 decreased by $13.8 million compared to the three months ended September 30, 2019. The decrease in oil sales is attributable to a 43% decrease in realised oil price.

The Group recognised revenue on the sale of 1,783,200 bbl (participating interest) of oil during the nine months ended September 30, 2020, compared to revenue on the sale of 2,003,300 bbl (participating interest) of oil during the same period in the previous year. Revenue of $58.1 million during the nine months ended September 30, 2020 decreased by $51.5 million compared to the nine months ended September 30, 2019. The decrease in oil sales is attributable to a 42% decrease in realised sales price combined with a 11% decrease in sales volumes.

The decrease in sales volumes for the nine months ended September 30, 2020 was primarily due to decreased production from Banan field wells which were shut-in in early April 2020 due to poor economics. Operations at Banan re-commenced in July 2020. Sales volumes are determined by the timing of deliveries to customers and are not directly correlated with production volumes. As at September 30, 2020, the Group's participating interest share of oil inventory amounted to 11,080 bbl.

Royalties

The following table summarises royalty expense during the three and nine months ended September 30, 2020 and September 30, 2019:

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Royalties	**9,001**	**15,725**	**24,883**	**48,237**

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 decreased by $6.7 million during the three months ended September 30, 2020 and decreased by $23.4 million during the nine months ended September 30, 2020, 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

($ thousands)	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
Field production costs(1)	4,590	5,485	13,162	16,351
Partner's share of production costs carried by Oryx Petroleum	2,471	1,688	5,109	5,030
Operating expense	**7,061**	**7,173**	**18,271**	**21,381**
Sales(2) (bbl)	698,900	698,600	1,783,200	2,003,300
Field production costs(1) ($/bbl)	**6.57**	**7.85**	**7.38**	**8.16**
Operating expense ($/bbl)	**10.11**	**10.26**	**10.25**	**10.67**

Notes:

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

(2) Oryx Petroleum's participating interest share.

Operating expense of $7.1 million in the three months ended September 30, 2020 decreased by $0.1 million compared to the same period in the previous year. This variance is caused by a $1.2 million decrease in gross operating expense mainly due to decreased facilities costs, largely offset by a $1.1 million increase in costs recorded due to the 2020 PSC Amendments in effect from July 1, 2020 (see "Shareholder and Loan Facility Restructuring" section of this MD&A for further detail). Operating expense per barrel decreased during the three months ended September 30, 2020 compared to the three months ended September 30, 2019 due to the decrease in operating expense for the period.

Operating expense for the nine months ended September 30, 2020 decreased by $3.1 million compared to the nine months ended September 30, 2019. This variance is caused by a $4.2 million decrease in gross operating expenses partially offset by a $1.1 million increase in costs recorded due to the 2020 PSC Amendments in effect from July 1, 2020 (see " Shareholder and Loan Facility Restructuring" section of this MD&A for further detail). The decrease in gross operating expenses is primarily attributable to shutting in Banan field operations in early April 2020 due to poor economics. Operations at Banan re-commenced in July 2020. Operating expense per barrel decreased during the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019 due to the decrease in gross operating expenses for the period, partially offset by the increase in costs recorded due to the 2020 PSC Amendments and an 11% decrease in production volumes.

The following table indicates the impact of the variances in operating expense between the second quarter of 2020 and the third quarter of 2020:

($ thousands)	($000)	($/bbl)
Operating expense – three months ended June 30, 2020	**3,532**	**14.63**
Contribution of the following to variance:		
2020 PSC Amendments (see "Shareholder and Loan Facility Restructuring" section of this MD&A)	1,059	1.52
Personnel and camp costs	288	0.41
Well maintenance	112	0.16
Facilities lease and maintenance, diesel and operation	2,118	3.02
Security	(49)	(0.07)
Decrease in production	-	(9.58)
Operating expense – three months ended September 30, 2020	**7,061**	**10.11**

General and administration

($ thousands)	Three months ended September 30 2020	Three months ended September 30 2019	Nine months ended September 30 2020	Nine months ended September 30 2019
Total General and Administration	**3,368**	**2,801**	**8,291**	**8,266**

General and administration expenses of $3.4 million and $8.3 million, incurred during the three and nine months ended September 30, 2020, respectively, compared with $2.8 million and $8.3 million in the comparable periods during 2019. The increase during the three months ended September 30, 2020 compared to the same period in the prior year is primarily due to the acceleration of vesting of awards under the Company's LTIP in connection with the change in control transaction described in the "Shareholder and Loan Facility Restructuring" section of this MD&A.

Impairment of oil and gas assets

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Impairment reversal of exploration and evaluation assets	-	-	(1,076)	-
Impairment expense of property, plant and equipment	-	-	238,245	-
Total impairment	**-**	**-**	**237,169**	**-**

During the first quarter of 2020, the Group recorded an impairment of $238.2 million related to the Hawler License Area. The carrying value of this asset at September 30, 2020 is $384.1 million.

During the nine months ended September 30, 2020, the Group recorded a credit to additions and an equivalent impairment reversal of $1.1 million due to revisions in costs that had been previously estimated relating to a previously divested E&E asset. The impairment recovery amount in the table above has been presented net of the associated divesture which occurred during the period.

Refer to the "New Accounting Pronouncements, Policies and Critical Estimates" section of this MD&A for further information.

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, 2020 and 2019:

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Intangible assets: Amortisation	3	3	10	9
PP&E assets: Depreciation	18	19	56	56
Depletion	4,666	5,129	13,880	14,827
Total DD&A	**4,687**	**5,151**	**13,946**	**14,892**

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 decreased depletion charges for the three months ended September 30, 2020 is due to a lower per barrel depletion charge, primarily due to a greater reduction in the depletable base than the decrease in the proved plus probable oil reserve estimates contained in the independent evaluator's report referenced in the Group's Material Change Report dated February 19, 2020, compared to the report issued in the prior year.

Change in fair value of contingent consideration

($ thousands)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Decrease in fair value of contingent consideration	6,764	14,272	7,016	12,932
Total change in fair value of contingent consideration	**6,764**	**14,272**	**7,016**	**12,932**

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

Other income / (expense)

The following table summarises the components of other income / (expense) for the three and nine months ended September 30, 2020 compared to the same periods in 2019:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2020	2019	2020	2019
Decrease / (increase) of provision against trade and other receivables	1,952	198	(2,875)	33
Restructuring charges	-	-	(558)	-
(Increase in) / reduction of materials inventory provision	(782)	214	(1,851)	1,853
Curtailment of retirement benefit obligation	487	-	1,821	-
Other	(1)	(14)	49	(46)
Other income / (expense)	**1,656**	**398**	**(3,414)**	**1,840**

Other income for the three months ended September 30, 2020 relates primarily to a $2.0 million reduction of the provision against trade and other receivables a $0.5 million gain resulting from retirement benefit obligation curtailment relating to the corporate restructuring announced late in the first quarter of 2020, partially offset by an increase in the materials inventory provision of $0.8 million.

Other expense for the nine months ended September 30, 2020 relates primarily to a $2.9 million increase in the provision to reflect discounting and credit risk related to trade and other receivables, and a $1.9 million increase in the materials inventory provision. These expenses are partially offset by a $1.8 million gain resulting from retirement benefit obligation curtailment relating to the corporate restructuring announced late in the first quarter of 2020.

Finance expense

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2020	2019	2020	2019
Interest expense on Loan Facility	500	2,021	4,471	5,971
Accretion of deferred financing costs on Loan Facility	1,841	88	2,578	261
Interest expense / (reversal) on contingent consideration	68	(1,728)	599	(155)
Accretion of decommissioning liability	118	110	353	348
Issue of warrants	-	-	-	478
Other	1	20	14	66
Finance expense	**2,527**	**502**	**8,015**	**6,969**

Finance expense for the three and nine months ended September 30, 2020 and September 30, 2019 primarily relates to accrued interest associated with the Loan Facility and contingent consideration. The interest on contingent consideration is discussed in the "Liquidity and Capital Resources" section of this MD&A. The increased accretion of deferred financing costs on the Loan Facility in 2020 compared to the same periods in 2019 is due to the write off of the unaccreted costs upon settlement of the Loan Facility in July 2020. Refer to the "Shareholder and Loan Facility Restructuring" 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, 2020 and September 30, 2019.

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2020	2019	2020	2019
Current income tax expense	483	794	1,301	2,408
Deferred tax (benefit) / expense	3	5	4	11
Total income tax expense	**486**	**799**	**1,305**	**2,419**

The current income tax expense, which varies proportionately with oil sales revenues, includes amounts deemed to be collected by the KRG through 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, 2020 and September 30, 2019.

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2020	2019	2020	2019
Middle East	8,303	21,091	(238,195)	36,586
West Africa	-	(265)	162	(460)
Corporate	24,876	(1,271)	24,042	(4,513)
Profit from operations	**33,179**	**19,555**	**(213,991)**	**31,613**
Finance expense	(2,572)	(2,527)	(8,015)	(6,969)
Foreign exchange (loss) / gain	(27)	24	6	(90)
Income tax expense	(486)	(799)	(1,305)	(2,419)
Profit / (loss) for the period	**30,139**	**18,278**	**(223,305)**	**22,135**

Liquidity and Capital Resources

During the third quarter of 2020, the Group met its day to day working capital requirements and funded its capital and operating expenditures from cash reserves, partial receipt of its share of oil sales revenues from the Hawler License Area, and a partial drawdown of the ZOG Credit Facility (see "Interim Credit Facilities" section of this M&DA).

Shareholder and Loan Facility Restructuring

On July 23, 2020, the Group and an affiliate of AOG settled in full the Loan Facility balance (see below) through the transfer, by the Group to an affiliate of AOG, of the shares of OP AGC Central Limited, the former wholly-owned indirect subsidiary of the Company that holds interests in the AGC Central License Area (the "**Loan Settlement**"). The loan balance (including accrued and unpaid interest) at the time of settlement amounted to $80.5 million. Upon closing, a gain of $26.9 million was recognised.

The Group's two largest shareholders informed the Group of the closing of a transaction between them whereby ZOG acquired the outstanding common shares and warrants held by AOG Upstream BV (and certain related parties) on July 23, 2020, increasing its ownership stake in the Group to approximately 89%. The transaction was conditional upon and subsequent to the closing of the Loan Settlement and has resulted in a change in control of the Company.

In connection with the change of control, the previously announced 2020 Interim Credit Facility (see below) was terminated. The Group did not draw any amounts under the 2020 Interim Credit Facility.

Throughout this MD&A, the two transactions are referred to as the "**Shareholder and Loan Facility Restructuring**".

As part of securing consent for the change in control of the Group's interest in the Hawler License Area from the Ministry of Natural Resources of the KRG, the Group has agreed to amend certain terms of the PSC governing the Hawler License Area effective at July 1, 2020 (the "**2020 PSC Amendments**"). Specifically, the Group has agreed to a 22% reduction in the cost pool related to its interest and to finance all costs attributed to the 35% interest it does not own for the duration of the development period and without a cap on such financing facility. Previously, the Group was financing only the costs attributable to a 20% interest held by the KRG in the license, to a maximum of $300 million. The Ministry of Natural Resources has agreed to waive any rights it has to perform an audit on costs incurred prior to January 1, 2021.

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 AOG (the "**Lender**"). The Loan Facility was fully drawn and had an initial maturity of March 10, 2018 (the "**Maturity Date**").

The Loan Facility was subsequently amended in April 2017, December 2018 and March 2020, ultimately extending the Maturity Date to July 1, 2021, in consideration for amended interest settlement terms and the successive issuances of warrants to subscribe for an aggregate of 39,281,804 common shares in the Company.

Refer to the "Shareholder and Loan Facility Restructuring" section of this MD&A for details regarding the settlement of the Loan Facility in July 2020.

Interim credit facilities

On August 26, 2020, the Group entered into an interest-free $10 million credit facility agreement with ZOG (the "**ZOG Credit Facility**"). There is no commitment fee and any amounts drawn under this facility are due at the earlier of (a) the third business day after the Company has received payments from the Ministry of Natural Resources of the KRG representing 50% of the total amount owing for oil sales during the period from November 2019 to February 2020, or (b) July 31, 2022. A total of $5 million has been drawn under the ZOG Credit Facility.

On March 11, 2020, the Group entered into a $5 million committed and unsecured short-term credit facility agreement ("**2020 Interim Credit Facility**") with an affiliate of AOG. In connection with the Shareholder and Loan Facility Restructuring described above, the 2020 Interim Credit Facility has been terminated. No amounts were drawn under the 2020 Interim Credit Facility. The Group incurred a commitment fee equivalent to 1% of the undrawn amount under the 2020 Interim Credit Facility.

On November 13, 2018, the Group entered into a committed and unsecured term loan agreement ("**2018 Interim Credit Facility**") jointly with an affiliate of AOG and ZOG. On September 30, 2019, the 2018 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 2018 Interim Credit Facility.

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 an additional Hawler License Area discovery is declared to be commercial, beyond the initially declared Demir Dagh commercial discovery. 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 at a rate of 10% per annum. The liability is presented at management's estimate of fair value, which as at September 30, 2020 amounted to $49.6 million (December 31, 2019 - $56.0 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 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 $97.1 million scheduled over time through 2026. 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, 2020 was $76.3 million.

During the nine months ended September 30, 2020, contingent interest accrued at a revised rate of 1.46% per annum (year ended December 31, 2019 – 2.71%).

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 September 30, 2021. Consequently, the liability has been classified as a non-current liability.

The fair value of the liability was established using a combination of observable inputs other than quoted prices and unobservable inputs derived from management's internal analysis and judgement (IFRS 13 Level 3 hierarchy category).

Liquidity outlook

The Group expects cash on hand as of September 30, 2020, cash receipts from net revenues from export sales exclusively through the Kurdistan Oil Export Pipeline, and proceeds from the short-term credit facility provided by ZOG will allow it to fund its committed capital expenditure and forecasted operating and administrative costs through the end of 2021, and to reduce payables currently due to suppliers.

In the prevailing oil price environment, contingent consideration obligations are anticipated not to become payable before 2022.

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

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

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2020	2019	2020	2019
Operating Funds Flow[1]	3,701	9,781	7,904	30,813
Cash flows relating to non-cash working capital	(79)	(69)	5,596	(1,114)
Net cash generated by operating activities	**3,622**	**9,712**	**13,500**	**29,699**
Net cash used in investing activities	**(3,293)**	**(7,474)**	**(12,429)**	**(25,094)**
Net cash generated by financing activities	**5,000**	**1,426**	**975**	**1,426**
Total change in cash	**5,329**	**3,664**	**2,046**	**6,031**
Cash and cash equivalents at beginning of the period	5,629	16,777	8,912	14,410
Cash and cash equivalents at end of the period	**10,958**	**20,441**	**10,958**	**20,441**

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, 2020, the Group invested $3.3 million in facilities costs and to prepare for drilling in the Hawler License Area. Operating activities for the three months ended September 30, 2020 generated $3.6 million in cash, reflecting Operating Funds Flow of $3.7 million and a $0.1 million net cash outflow relating to non-cash working capital which was primarily related to an increase in trade and other receivables, partially offset by an increase in trade and other payables, net of non-cash movements.

The Group invested $12.4 million during the nine months ended September 30, 2020 in exploration, appraisal, and development activities in the Hawler and AGC Central License Areas. Operating activities for the nine months ended September 30, 2020 generated $13.5 million in cash, reflecting Operating Funds Flow of $7.9 million and a $5.6 million net cash outflow relating to non-cash working capital which was primarily related to an increase in trade and other payables, partially offset by an increase in trade and other receivables, net of non-cash movements.

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 the COVID-19 pandemic, and 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. Please refer to the "Liquidity Outlook" section of this MD&A for further details regarding liquidity risk. 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 during the 15 month period ending December 31, 2021.

Economic Sensitivities

The following table shows the estimated effect that changes to crude oil prices, Gross (100%) oil sale volumes, operating costs and interest rates would have had on the Group's profit for the nine months ended September 30, 2020, had these changes occurred on January 1, 2020. These calculations are based on business conditions, production and sales volumes existing during the nine months ended September 30, 2020. The 1,000 bbl/d change assumes the change is to Gross (100%) sale volumes and the Group's entitlement is calculated according to the provisions of the Hawler PSC and Joint Operating Agreement.

	Change	Profit impact ($000s)	Profit impact ($ per basic share)
Change in average realised price	$10.00/bbl	12,167	0.02
Change in crude oil sales volumes	1,000 bbl/d	3,469	0.01
Change in operating expenses	$1.00/bbl	1,783	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, 2020, management has used 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, 2020.

	Change	Profit impact ($000s)	Profit impact ($ per basic share)
Change in interest rate	5%	272	0.00
Change in discount rate	5%	7,664	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 participating interest share of oil sales net of the Group's participating interest share of Royalties, the Group's participating interest share of operating expense and the Group's participating interest share of taxes.

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

Oryx Petroleum Netback

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

Operating Funds Flow

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

Management considers Operating 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 standardised meaning prescribed by IFRS and therefore may not be comparable to similar measures used by other companies.

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

	Three months ended September 30		Nine months ended September 30	
($ thousands)	2020	2019	2020	2019
Net cash generated by operating activities	3,622	9,712	13,500	29,699
Cash flows relating to non-cash working capital	79	69	(5,596)	1,114
Operating Funds Flow	**3,701**	**9,781**	**7,904**	**30,813**

Outstanding Share Data

At the date of this M&DA, 578,197,218 Common Shares are issued and outstanding. In connection with the Shareholder and Loan Facility Restructuring, all OPCL LTIP share awards outstanding at July 23, 2020 were subject to accelerated vesting and 25,715,556 shares were issued in July 2020.

Upon vesting, OPCL LTIP share awards issued in October 2020 will result in the issuance of up to an additional 16,716,008 Common Shares in 2021 and 2022.

Warrants

In 2019 and then in March 2020, respectively, in accordance with successive amendments to the Loan Facility, the Group issued warrants to an affiliate of the Lender to acquire firstly 6,132,804 and then 33,149,000 common shares of the Company. The exercise prices of the two tranches of warrants are, respectively, $0.2094 and $0.1633 per common share. The warrants expire on November 13, 2021 and March 10, 2023, respectively, and comprise a total of 39,281,804 warrants outstanding and exercisable as at the date of this MD&A.

In connection with the change of control transactions described in the "Shareholder and Loan Facility Restructuring" section of this MD&A the outstanding warrants were all transferred to ZOG on July 23, 2020.

At the date of this MD&A, other than the warrants and the unvested LTIP share awards 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, 2020.

There were no repurchases of OPCL's equity securities by the Company during the nine months ended September 30, 2020.

Commitments and Contractual Obligations

The table below sets forth information relating to Oryx Petroleum's commitments and contractual obligations as at September 30, 2020.

($ thousands)	Within One Year	From 1 to 5 Years	More than 5 Years	Total
Operating leases(1)	74	-	-	**74**
Other obligations(2)	2,479	14,915	22,312	**39,706**
Total	**2,553**	**14,915**	**22,312**	**39,780**

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.

(3) *The table above does not include costs the Group is obligated to finance as part of their participation in the Hawler PSC.*

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)	2018	2019				2020		
	Dec 31	Mar 31	Jun 30	Sept 30	Dec 31	Mar 31	Jun 30	Sept 30
Revenue, net of royalties	20,414	19,043	22,327	20,010	22,890	17,893	2,370	12,983
Operating expense	(6,910)	(7,270)	(6,938)	(7,173)	(7,563)	(7,678)	(3,532)	(7,061)
Depletion	(4,723)	(4,708)	(4,990)	(5,129)	(7,017)	(7,579)	(1,636)	(4,666)
G&A	(4,439)	(2,103)	(3,361)	(2,801)	(3,742)	(2,738)	(2,185)	(3,368)
Profit / (Loss)	56,765	1,544	2,313	18,278	(81,334)	(249,590)	(3,854)	30,139
Earnings / (Loss) per basic and diluted share ($/share)	0.11	0.00	0.00	0.03	(0.15)	(0.45)	(0.01)	0.05
Operating Funds Flow(2)	9,079	9,180	11,852	9,781	(3,918)	6,551	(2,339)	3,701
Gross Production (bbl)	965,900	975,000	1,029,500	1,072,500	1,201,000	1,295,500	367,600	1,080,000
Participating interest production (bbl)	627,900	633,800	669,200	697,200	780,700	842,000	238,900	702,000
Gross sales (bbl)	964,100	974,300	1,032,800	1,074,800	1,196,600	1,296,700	371,400	1,075,300
Participating interest sales (bbl)	626,700	633,300	671,300	698,600	777,800	842,800	241,400	698,900
Field production costs(1)	(5,284)	(5,560)	(5,306)	(5,484)	(5,784)	(5,871)	(2,701)	(4,590)
Field Netback(2)	10,751	9,397	12,231	10,232	12,486	8,140	(839)	4,406
Oryx Petroleum Netback(2)	12,760	11,078	14,575	12,107	14,784	9,510	(1,248)	5,504
Brent price ($/bbl)	68.81	62.93	68.86	62.00	63.08	50.10	29.56	42.95
Sales price ($/bbl)	52.37	48.35	53.47	46.05	47.32	34.03	15.78	26.35
Royalties ($/bbl)	(25.60)	(23.63)	(26.14)	(22.51)	(23.13)	(16.64)	(7.71)	(12.88)
Field production costs(1) ($/bbl)	(8.43)	(8.78)	(7.90)	(7.85)	(7.44)	(6.97)	(11.19)	(6.57)
Current taxes ($/bbl)	(1.19)	(1.10)	(1.21)	(1.04)	(0.70)	(0.77)	(0.36)	(0.60)
Field Netback(2) ($/bbl)	17.15	14.84	18.22	14.65	16.05	9.65	(3.48)	6.30
Oryx Petroleum Netback(2) ($/bbl)	20.36	17.49	21.71	17.33	19.00	11.28	(5.17)	7.87
Capital additions	9,027	2,313	10,639	11,899	13,390	4,708	5,069	15,746

Notes:

(1) Field production costs represent the Oryx Petroleum's participating 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. Production from the Banan field was shut-in in early April 2020 due to poor economics. Operations at Banan re-commenced in July 2020.

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. Operating expenses and capital expenditures for the third quarter of 2020 include increased costs carried by the Company as a result of the 2020 PSC Amendments. Included in capital additions for the three months ended September 30, 2020 are non-cash additions of $13.7 million related to the increased cost estimates used in the decommissioning obligation calculation resulting from the 2020 PSC Amendments. For further information regarding the 2020 PSC Amendments, refer to the "Shareholder and Loan Facility Restructuring" section of this MD&A. Capital additions for the three months ended June 30, 2020 include non-cash additions of $4.7 million primarily related to the changes in discount and inflation rates used to calculate the decommissioning obligation.

Capital additions, other than the non-cash decommissioning additions discussed above, are primarily associated with appraisal activity in the Hawler License Area for all quarterly periods presented.

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 November 2019, the Group entered into six foreign exchange contracts to purchase CHF 0.4 million and to sell US Dollars at various rates at any time during the six months from January to June 2020 in order to hedge its exposure to foreign exchange risk.

Oryx Petroleum was not party to any off-balance sheet arrangements during the nine months ended September 30, 2020 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 the Loan Facility with a subsidiary of AOG. The Loan Facility was fully drawn and had an initial maturity of March 10, 2018. The Loan Facility was subsequently amended in April 2017, December 2018 and March 2020, ultimately extending the Maturity Date to July 1, 2021. Management believes the terms and conditions negotiated to be materially comparable to terms applicable to similar market transactions. On March 20, 2020, the Company issued warrants to acquire 33,149,000 Common Shares to an affiliate of the Lender in consideration for the most recent amendment. During the nine months ended September 30, 2020, the Company paid $4.0 million in interest accrued under the Loan Facility.

Refer to the "Shareholder and Loan Facility Restructuring" section of this MD&A for details regarding the settlement of the Loan Facility in July 2020.

On September 16, 2019, the Company issued 6,711,444 Common Shares to ZOG 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 ZOG. The Interim Credit Facility provided the Group with access to $7.25 million, which had to be drawn no later than September 23, 2019. The facility expired, undrawn. Refer to the "Liquidity and Capital Resources" section of this MD&A.

On March 11, 2020, the Group entered into a $5 million committed and unsecured short-term credit facility with an affiliate of AOG. This short-term credit facility was not drawn and has been terminated. Refer to the "Liquidity and Capital Resources" section of this MD&A.

On August 26, 2020, the Group entered into an interest-free $10 million credit facility agreement with ZOG. There is no commitment fee and any amounts drawn under this facility are due at the earlier of (a) the third business day after the Company has received payments from the Ministry of Natural Resources of the Kurdistan Region of Iraq representing 50% of the total amount owing for oil sales during the period from November 2019 to February 2020, or (b) July 31, 2022. A total of $5 million has been drawn under the ZOG Credit Facility.

Management believes the terms and conditions of the above facilities to be materially comparable to or better than terms applicable to similar market transactions.

On October 19, 2016, the Group entered into an office lease agreement with a subsidiary of AOG. Rental expense of $76 thousand and $174 thousand relating to this agreement was recorded for the three and nine months ended September 30, 2020, respectively. The office lease agreement will terminate on December 31, 2020.

For the nine months ended September 30, 2020, the Group incurred costs of $0.8 million (2019: $0.8 million) related to trademark license fees, parent company guarantees, and management services under agreements between the Group and AOG, prior to the change of control transaction described in the "Shareholder and Loan Restructuring" section of this MD&A. Additional information relating to such agreements is available in OPCL's Annual Information Form dated March 23, 2020 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. The agreements relating to parent company guarantees and management services were terminated on July 23, 2020. It is anticipated that the agreement relating to trademark license fees will be terminated during the fourth quarter of 2020.

In each of January and July in both 2019 and 2020, the directors of OPCL were awarded $0.2 million in cash as remuneration for services provided in the previous two quarters.

See "Liquidity and Capital Resources" section of this MD&A for a description of Shareholder and Loan Facility Restructuring transactions involving related parties.

New Accounting Pronouncements, Policies, and Critical Estimates

New Pronouncements

Oryx Petroleum has adopted the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee that are relevant to its operations and effective for accounting periods beginning on or after January 1, 2020 as described in Note 2 of the Financial Statements. The adoption of these standards and interpretations has not had a material effect on OPCL.

Effective January 1, 2020, the Group adopted the following IFRS as issued or amended by the IASB:

Amendments to Standards	**Effective for annual periods beginning on or after**
Definition of a Business (Amendments to IFRS 3)	January 1, 2020

The above amended standard has not had a material impact on the Group's Financial Statements.

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.

Going Concern

Financial statement disclosure

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 three and nine months ended September 30, 2020, the Group met its day to day working capital requirements and funded its capital and operating expenditures through cash reserves, partial receipt of its share of oil sales revenues from the Hawler License Area and a partial drawdown of the ZOG Credit Facility.

For oil sales up until and including July 2019, the Group had been receiving payment approximately 3 months after the month during which oil was delivered. Accordingly, the payment in respect of oil sales invoiced for July 2019 was received in October 2019. However, there were then increasing delays in receiving payment for oil sales made from August 2019 onwards. Payment of August and September 2019 invoices were received in January and February 2020, respectively.

Following communication from the office of the Prime Minister of the KRG in late March 2020, the October 2019 oil sales invoice was settled in April 2020. The Prime Minister's communication also proposed that settlement of past due receivables in respect of oil sales made between November 2019 and February 2020 would be deferred for at least nine months and would not attract interest. At the same time the government assured the Group that payment for oil sales for each month from March 2020 onwards would be settled in the month following, and this undertaking has been met in respect of receipt of payments for oil sales for each of month from March 2020 through September 2020.

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 produce, sell and receive payment for crude oil from the Hawler License Area in accordance with its production forecast.

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, 2020.

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

i) Hawler License Area oil sales are based on Brent crude oil prices averaging $39.73 per barrel during the 15-month period ending December 31, 2021.

ii) Continued settlement of Hawler oil sales invoices in the month following delivery, as initiated by the KRG from March 2020.

iii) Certain amounts arising under the Hawler License Area PSC will be set-off against overdue crude oil receivables.

iv) No outflow of cash or other assets in satisfaction of the claims outlined in note 11 of the financial statements.

v) No cash outflows arising from the contingent consideration liability prior to December 31, 2021.

The Hawler drilling and facilities work program for the next 15 months will be tailored to the funding available for capital expenditure, with commitments and activity being largely contingent upon continued satisfactory levels of revenue.

Additional funding may be required if payments relating to the contingent consideration liability arise during the forecast period.

Collectively, the assumptions listed above represent material uncertainties and may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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.

Carrying value of intangible exploration and evaluation assets

The carrying amounts for E&E assets represent costs incurred on exploration projects. For the purpose of impairment assessments and testing, E&E assets are aggregated in cash generating units ("CGU"). Determination of what constitutes a CGU is subject to management judgments and the circumstances. The carrying amounts remain capitalised, provided there are no indications of impairment, until the processes to determine whether commercial reserves are established is complete. At that stage the relevant costs are either transferred to Oil & Gas Assets within PP&E or written-off to the statement of profit and loss.

Management has exercised significant judgment in determining that the Hawler – Ain al Safra sub-contract area constitutes an individual CGU and that there are no substantive indicators suggesting that the carrying amount of this Exploration & Evaluation asset exceeds its recoverable amount. Most significantly, assessments regarding the presence of impairment indicators involve complex judgments and estimates relating to i) management's current and future capital allocation priorities, and ii) the Group's ability to finance its commitments within the time limitations imposed by the agreements governing the Group's activities in the related license area/CGU.

Carrying value of Oil and Gas assets

For the purpose of impairment assessments and testing in accordance with IAS 36, oil and gas assets are aggregated in CGUs. Determination of what constitutes a CGU is subject to management judgments and the circumstances. For the purposes of impairment assessments and testing of oil and gas assets, management has determined that the Hawler License Area, excluding the Ain al Safra sub-contract area, constitutes the Group's single CGU which contains property, plant and equipment.

In conducting impairment assessments and tests, management considers internal and external sources of information regarding the manner in which assets are expected to be used, and indications of economic performance of the assets. Estimates include but are not limited to the determination of expected future cash flows from the asset being tested and the discount rate used to determine the value of the cash flows at the measurement date. Reductions in oil price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable reserves and resources and/or adverse economic conditions can result in carrying amounts exceeding the estimated recoverable amounts of the Group's oil and gas assets. An impairment loss is recognised if and when the carrying amount exceeds the recoverable amount. An impairment reversal is recognised if and when there has been a positive change in the estimated recoverable amount, to a level in excess of the carrying amount, since the last impairment loss was recognised.

Impairment test at September 30, 2020

In securing consent for the change in control of the Group's interest in the Hawler License Area from the Ministry of Natural Resources of the KRG ("**MNR**"), the Group agreed to amend certain terms of the PSC governing the Hawler License Area effective from July 1, 2020 ("**2020 PSC Amendments**"). Specifically, the Group agreed to a 22% reduction in the cost pool related to its interest, and to finance all costs attributed to the 35% interest it does not own for the duration of the development period, and without a cap on such financing facility. Previously, the Group was financing only the costs attributable to a 20% interest held by the KRG in the license, to a maximum of $300 million. The MNR has agreed to waive any rights it has to perform an audit of costs incurred prior to January 1, 2021.

Management concluded that the 2020 PSC Amendments are a possible indicator of impairment at September 30, 2020 as these changes impact the CGU's future cash flows and therefore its recoverable amount. Consequently, an impairment test was conducted at September 30, 2020.

In performing the impairment test as at September 30, 2020, management used significant assumptions and estimates derived from and consistent with those incorporated in the proved plus probable oil reserves development case contained in the independent evaluator's report referenced in the Group's Material Change Report dated February 19, 2020 ("2P Development Case"), adjusted to reflect management's assumptions related to i) future crude oil sale prices, ii) the delayed implementation of the Group's 2020 capital investment program, and iii) changes to the future cash flows as a result of the 2020 PSC Amendments.

For the purpose of estimating the recoverable value of the Hawler license CGU, management assumed that net cash flow in the Hawler PSC would be zero during the remainder of 2020 and that capital investments, production profiles and associated revenues as presented in the 2P Development Case would be deferred by one year, beginning on January 1, 2021. Expected cash inflows from oil sales were based on quoted Brent Crude forward contract prices for 2021 through 2023. Management's Brent Crude assumptions beyond 2023 were benchmarked against the forward contract prices and longer-term pricing forecasts prepared as at October 1, 2020 by external firms.

Expected cash inflows assume that all sales of crude oil from the Hawler License Area continue to be completed through the Kurdistan Oil Export Pipeline. In accordance with management's best estimate of the terms most likely to govern future sales of Hawler License Area crude oil, realized prices were referenced to management's estimated future Brent Crude prices discounted by approximately $8/bbl for pipeline system tariffs and fees, and adjusted for differences in forecast API gravity and sulphur from standard Brent specifications

Based on the above, expected cash inflows from oil sales were determined using the following estimated average nominal sales prices:

Year ending December 31,	External Forecast Brent Price ($/bbl)	Management Forecast Brent Price Used ($/bbl)	Management Forecast Realised Price Used ($/bbl)
2021	48.25	40.10	22.38
2022	53.35	42.52	26.29
2023	56.88	44.21	28.43
2024	58.81	49.51	33.71
2025	60.57	56.37	40.14
2026	61.75	61.75	45.30
2027	62.96	62.96	46.12
2028	64.19	64.19	46.96
Thereafter	2% escalation	2% escalation	2% escalation

Management applied the fair value less costs of disposal methodology to establish the net present value of expected after-tax cash flows associated with proved plus probable oil reserves as at September 30, 2020 using a 15% nominal after-tax discount rate. The 15% discount rate is based on management's estimate of the cost of capital invested in upstream oil and gas assets in the Kurdistan Region of Iraq.

In measuring the recoverable amount of the Hawler License Area CGU as defined in IFRS 13, management relied on i) observable inputs other than quoted prices for identical assets, and ii) inputs that are not publicly observable and are the result of management's estimates and judgments arising from analysis of internally generated data. Management's estimate of fair value less costs of disposal is classified as level 3 in the fair value hierarchy.

Application of the fair value less costs of disposal methodology using the assumptions described above indicated an estimated recoverable amount of the Hawler License Area CGU as at September 30, 2020 to be $349 million. There was no material difference between the estimated recoverable amount of the Hawler License Area CGU and its carrying amount net of $35.1

million of decommissioning obligations for which settlement is included in the discounted expected after-tax cash-flow. Consequently, the Group did not record either a further impairment, nor an impairment reversal, as at September 30, 2020.

The net present value of expected after-tax cash-flows associated with the proved plus probable oil reserves development case described above was subjected to sensitivities arising from changes in crude oil price forecasts and discount rates. The following table indicates the estimated recoverable amounts as at September 30, 2020 that resulted from applying various crude oil price forecasts and discount rates:

	Discount rate		
Estimated recoverable amount ($ millions)	**12.5%**	**15%**	**17.5%**
Management Forecast prices less $10/bbl	185	139	102
Management Forecast prices, shown above	409	349	299
Management Forecast prices plus $10/bbl	539	478	426

The net present value of expected cash-flows associated with the 2P Development Case is also highly sensitive to the Group's independently evaluated estimation of proved plus probable oil reserves and to the production profile associated with the exploitation of these reserves.

The estimated recoverable and carrying values of the Group's Hawler license area CGU are subject to significant adjustment should there be significant changes to estimates of proved plus probable oil reserves and their production profile.

Impairment test at March 31, 2020

Notwithstanding the impairment test completed as at December 31, 2019, the very significant decline in spot and forward crude oil prices during March 2020 was a clear indicator that the Hawler license area CGU's recoverable amount may have differed from its carrying amount. Accordingly, management conducted a further impairment test as at March 31, 2020 using significant assumptions and estimates derived from and consistent with those incorporated in the proved plus probable oil reserves development case contained in the 2P Development Case, adjusted to reflect management's assumptions at March 31, 2020 related to i) future crude oil sale prices, and ii) the suspension of the Group's 2020 capital investment program.

For the purpose of estimating the recoverable value of the Hawler license CGU, management assumed that net cash flow in the Hawler PSC would be zero during the remainder of 2020 and that capital investments, production profiles and associated revenues as presented in the 2P Development Case would be deferred by one year, beginning on January 1, 2021. Expected cash inflows from oil sales were based on quoted Brent Crude forward contract prices for 2021 and 2022. Management's Brent Crude assumptions beyond 2022 were benchmarked against the forward contract prices and longer-term pricing forecasts prepared as at April 1, 2020 by external firms. Expected cash inflows assumed that all sales of crude oil from the Hawler license area continued to be completed through the Kurdistan Oil Export Pipeline. In accordance with management's best estimate of the terms most likely to govern future sales of Hawler license area crude oil, realized prices were referenced to management's estimated future Brent Crude prices discounted by approximately $8/bbl for pipeline system tariffs and fees, and adjusted for differences in forecast API gravity and sulphur from standard Brent specifications.

Based on the above, expected cash inflows from oil sales were determined using the following estimated average nominal sales prices:

Year ending December 31,	External Forecast Brent Price ($/bbl)	Management Forecast Brent Price ($/bbl)	Management Forecast Realised Price Used ($/bbl)
2021	43.97	35.06	18.38
2022	52.55	39.55	23.32
2023	56.68	52.51	36.72
2024	59.10	54.95	39.15
2025	60.02	56.28	40.05
2026	61.19	61.19	44.74
2027	62.38	62.38	45.54
2028	63.61	63.61	46.38
Thereafter	2% escalation	2% escalation	2% escalation

Management applied the fair value less costs of disposal methodology to establish the net present value of expected after-tax cash flows associated with proved plus probable oil reserves as at March 31, 2020 using a 15% nominal after-tax discount rate. The 15% discount rate is based on management's estimate of the cost of capital invested in upstream oil and gas assets in the Kurdistan Region of Iraq.

In measuring the recoverable amount of the Hawler license area CGU as defined in IFRS 13, management relied on i) observable inputs other than quoted prices for identical assets, and ii) inputs that are not publicly observable and are the result of management's estimates and judgments arising from analysis of internally generated data. Management's estimate of fair value less costs of disposal is classified as level 3 in the fair value hierarchy.

Application of the fair value less costs of disposal methodology using the assumptions described above indicated an estimated recoverable amount of the Hawler license area CGU as at March 31, 2020 to be $370.1 million. Consequently, the Group recorded a $238.2 million impairment as at March 31, 2020. The impairment represented, at March 31, 2020, the difference between the estimated recoverable amount of the Hawler license area CGU and its then carrying amount net of $19.6 million decommissioning obligations for which settlement was included in the discounted expected after-tax cash-flows.

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 Finance (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 Finance (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 Finance (acting as CFO), with the participation of other management, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements in accordance with IFRS. ICFR can only provide reasonable assurance and may not prevent or detect misstatements. Projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

There were no changes in Oryx Petroleum's ICFR during the three months ended September 30, 2020 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, financing and capital activities, the additional liquidity required to fund future expenditures, expectations that cash on hand as of September 30, 2020, cash receipts from net revenues from export sales exclusively through the Kurdistan Oil Export Pipeline, and proceeds from the short term credit facility provided by ZOG will allow the Group to fund its committed capital expenditures and operating and administrative costs through the end of 2021 and to reduce obligations currently due to suppliers, business and acquisition strategy and goals, opportunities, drilling and well workover plans, development plans and schedules and chance of success, results of exploration activities, declarations of commercial discovery, contingent liabilities and government approvals, the ability to consistently access the export pipeline or other exterior facilities to sell oil production, sales channels for future sales, future drilling of new wells and the reservoirs to be targeted, costs and drilling times for new wells, ultimate recoverability of current and long-term assets, estimates of oil reserves and resources, future royalties and tax levels, access to and sources of future financing and liquidity, future debt levels, availability of committed credit facilities, possible commerciality of our projects, expected operating capacity, expected operating costs, 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 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 receipt of payment for outstanding oil sales invoices for the months of November 2019, December 2019, January 2020 and February 2020 and future oil sales invoices, expectations that the COVID-19 virus outbreak will not restrict operations, the expected timing for settlement of liabilities including the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, changes in any of the foregoing, and statements that contain words such as "may", "will", "would", "could", "should", "anticipate", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook", "propose", "potentially", "project", "forecast" or the negative of such expressions and statements relating to matters that are not historical fact. Although Oryx Petroleum believes these statements to be reasonable, the assumptions upon which they are based may prove to be incorrect. In making certain statements in this MD&A, Oryx Petroleum has made assumptions with respect to the following: the general continuance of the current or, where applicable, assumed industry conditions, the continuation of assumed tax, royalties and regulatory regimes, forecasts of capital expenditures and the sources of financing thereof, timing and results of exploration activities, access to local and international markets for future crude oil production and future crude oil prices, Oryx Petroleum's ability to obtain and retain qualified staff, contractors and personnel and equipment in a timely and cost-efficient manner, the political situation and stability in jurisdictions in which Oryx Petroleum has licenses, the ability to renew its licenses on attractive terms, Oryx Petroleum's future production levels, the applicability of technologies for the recovery and production of Oryx Petroleum's oil reserves and resources, the amount, nature, timing and effects of capital expenditures, geological and engineering estimates in respect of Oryx Petroleum's reserves and resources, the geography of the areas in which Oryx Petroleum is conducting exploration and development activities, operating and other costs, the extent of Oryx Petroleum's liabilities, and business strategies and plans of management and Oryx Petroleum's business partners. For more information about these assumptions and risks facing the Group, refer to the Group's Annual Information Form dated March 23, 2020, 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 Coopération, 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 participating 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

LTIP
Long term incentive plan

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 Contract or 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