2015 First Quarter

Management's Discussion & Analysis

Management's Discussion & Analysis for the Three Months ended March 31, 2015

DATE AND BASIS OF INFORMATION

Enhanced Oil Resources Inc. ("we", "our" or "the Company") is a natural resource company incorporated in 1980 and is currently engaged in the acquisition, exploration, exploitation, and development of oil and gas properties in the Southwestern United States. The Company's office is headquartered in Houston, Texas. Common shares of the Company are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "EOR" and quoted on the OTCQX ("Over the Counter" qualified stock exchange) under the symbol "EORIF". Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Basis of Presentation

The following management's discussion and analysis ("MD&A") is dated May 27, 2015 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2015 and related notes as well as the audited consolidated financial statements and notes for the year ended December 31, 2014. The referenced unaudited consolidated financial statements for the three months ended March 31, 2015 have been prepared by management and approved by the Company's Board of Directors as of the above date. Unless otherwise noted, all financial information and the referenced unaudited condensed interim consolidated financial statements presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically with regard to International Accounting Standard 34, "Interim Financial Reporting".

All financial information is in US dollars, unless otherwise indicated.

Non-IFRS Financial Measures

Certain financial measures in this MD&A, namely netback, cash flow from operations, lifting costs, and EBITDA are not prescribed and do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies.

Netbacks are used by the Company as a key measure of performance and are not intended to represent operating profit nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. A netback is a per barrel (or mcf) computation determined by deducting royalties, production expenses, transportation and selling expenses from the oil or gas sales price to measure the average net cash received from the barrels or mcf sold.

Lifting costs include all production costs necessary to produce oil or gas, however exclude severance taxes.

EBITDA refers to income (loss) before income taxes, depletion, depreciation, amortization and accretion and is often referred to as 'cash flow from operations'.

Overview - Three Months Ended March 31, 2015

Change in Management and Directors. Following a complete change in the Board of Directors of the Company in December 2014, including the appointment of Andrew Hromyk as Chief Executive Officer and President, the new Board was elected by a majority of the shareholders at the annual general meeting held January 15, 2015. Currently, management is undertaking a substantial restructuring of objectives and operating actions to facilitate raising new

capital and/or financing arrangements for the reactivation and development of the Company's oilfields. With the decline of crude oil prices during the first quarter of 2015, management took steps to reduce overhead and personnel, closed our Midland, Texas office and relocated our Houston office to smaller premises.

Crude Oil and Natural Gas Business Segment. The Company has one reportable business segment, crude oil and natural gas production and development, with all activities located in the United States of America. As such, we produce oil and gas from two Permian Basin crude oilfields located in eastern New Mexico. The New Mexico fields were purchased in 2007 ("Chaveroo Field" and "Milnesand Field") because they represented candidates for enhanced oil recovery through CO_2 injection based on estimates of substantial remaining original-oil-in-place ("OOIP"). The OOIP utilized by the Company's independent reserves auditors for these fields represents approximately 318 million barrels, of which some estimates project as much as 20% of OOIP could still be recoverable through enhanced recovery methods by CO_2 injection. The Company's net proved reserves at December 31, 2014 and 2013, respectively, were 4.8 million and 3.6 million barrels of equivalents with a net present value of $54.2 million and $68.5 million using a 10% discount rate for 2014 and 2013.

RESULTS OF OPERATIONS

Condensed Consolidated Statements of Operations and Comprehensive Loss:

(In thousands of US dollars)	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Revenues		
Oil and gas gross sales	$ 267	$ 2,366
Less royalties	(54)	(488)
	213	1,878
Expenses		
Production costs and taxes	226	641
Workover expenses	101	2,744
Field expenses	204	365
General and administrative	676	1,068
(Gain) loss on disposition of assets	(16)	1,028
Depreciation, depletion and amortization	154	419
Financing costs and other, net	127	163
Loss on financial instruments	65	-
Foreign currency translation (gain) loss	(4)	4
	1,533	6,432
Loss before income taxes	(1,320)	(4,554)
Income tax provision	-	-
Net comprehensive loss for the period	$ (1,320)	$ (4,554)
Loss per share - basic and diluted	$ (0.08)	$ (0.28)

Results of operations for the three months ended March 31, 2015, included gross crude oil and natural gas sales revenues of $0.3 million, and a net loss of $1.3 million, compared to revenues of $2.3 million and a net loss of $4.6

million for the first quarter of 2014. Per share results was $(0.08) and $(0.03) loss per share for the three months ended March 31, 2015 and 2014, respectively. Per share results were restated for the first quarter of 2014 as a result of the one for ten share consolidation effective January 21, 2015 (see Share Consolidation discussed below). The decrease in net loss of $3.3 million was principally related to reduced workover costs, which were incurred in 2014 associated with the Crossroads #202 well. The well was side tracked in the first quarter of 2014 and re-drilled following an equipment failure in September 2013. First quarter losses in 2014 also included a loss of $1.0 million recognized on the disposition of certain Texas properties, which were sold effective January 15, 2014.

DISCUSSION OF OPERATIONS

Revenues

Gross sales of crude oil and natural gas for the first three months of 2015 reflect a decrease of $2.1 million or 88% compared to 2014, principally due to decreases in production volumes and in average prices received for crude oil. An average price of $41.96 per gross Boe was received in 2015 and compared to an average price of $90.00 per gross Boe received for the same period during 2014. In addition, crude oil sales decreased by approximately 18,100 Boe's produced by the Crossroads field in the first quarter of 2014. The Crossroads field was sold in October 2014. Crude oil sales in the Milnesand Field were approximately 4,200 Bbls in 2015 compared to 5,600 Bbls for the first quarter of 2014. Crude oil sales in the Chaveroo Field were approximately 2,200 Bbls in 2015 compared to 2,600 Bbls for the first quarter of 2014.

Production Costs, Workover Expense and Field Expense

Production Costs: Production costs and taxes decreased 65% compared to the prior year primarily due to the sale of the Crossroads field.

Workover Expenses: Workover expenses decreased significantly ($2.7 million) in 2015, all related to the re-drilling of the Crossroads #202 well during the first quarter of 2014.

Netback – The operating netback for the period ended March 31, 2015 was $(14.81) loss per Boe compared to $(56.99) loss per Boe for the first three months of 2014. Decreases in crude oil prices ($48.04 per Boe) and the increases in production costs ($15.65 per Boe) offset the decrease in workover expense ($93.18).

Field Expenses: Field expenses for the three months ended March 31, 2014 decreased $0.2 million when compared to the same period in 2014 due to personnel reductions and the closing of the Midland office. As result of the decline in crude oil prices and the sale of the Crossroads field, we have limited our field activities.

General & Administrative

General and administrative costs decreased $0.4 million to $0.7 million for the three months ended March 31, 2015 when compared to the same period in 2014. As discussed above, we reduced personnel and overhead costs in the first quarter of 2015 and relocated our Houston office to smaller premises in April 2015. In connection with the office closings, we retired certain other property, principally furniture, equipment and trucks, most of which was fully depreciated, and expensed approximately $24,000.

Loss on Disposition of Assets

In February 2014, the Company sold certain oil and gas interests located in three Texas counties for cash proceeds of $0.4 million and purchaser assumption of asset retirement liabilities of $0.3 million. The Company acquired these interests in July 2011 for $1.6 million including $0.6 million of asset retirement obligations.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense decreased approximately $0.3 million for the first three months of 2015, compared to 2014. The decrease in depletion expense for 2015 was principally due to the decrease in production.

Gain (Loss) on Financial Instruments

The Company had no derivative contracts outstanding during the first quarter of 2014. At March 31, 2015, the remaining crude oil derivative contract represented an unrealized loss of $0.1 million.

Financing Costs and Other, net

Financing costs were $0.1 million and $0.2 million for each of the three months ended March 31, 2015 and 2014, representing accretion of asset retirement obligations.

EBITDA Reconciliation

In thousands	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Net loss before tax	$ (1,320)	$ (4,554)
Adjustments:		
Depreciation , depletion, and amortization	154	419
(Gain) loss on disposition of assets	(16)	1,028
Foreign currency translation (gain) loss	(4)	4
Unrealized loss (gain) on financial instruments	50	-
Financing costs and other, net	127	163
EBITDA	**$ (1,009)**	**$ (2,940)**

Operating Netback Analysis

Operating Netback Per Gross Boe:

(In US dollars)		Three Months Ended, March 31, 2015	Three Months Ended, March 31, 2014
Oil & Gas Sales Volumes			
Oil equivalent	*Boe's*	6,365	26,290
Average prices [1]			
Oil equivalent	*$/Boe*	$ 41.96	$ 90.00
Less:			
Royalties, net [3]	*$/Boe*	(7.51)	(15.70)
Production taxes	*$/Boe*	(3.53)	(8.03)
Production costs	*$/Boe*	(33.05)	(17.40)
Workover expense	*$/Boe*	(12.68)	(105.86)
Operating Netback [2]	*$/ Boe*	$ (14.81)	$ (56.99)

[1] Average prices are after deduction of transportation costs and do not include net realized losses of $0.01 and nil on derivative contracts for the year ended March 31, 2015 and 2014, respectively.

[2] Operating netback equals crude oil and natural gas sales less royalties, operating costs and transportation costs calculated on a Boe basis.

[3] Net of related production taxes.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2014, the Company had unrestricted cash of $2.8 million and restricted cash balances of $5.5 million. The Company has planned expenditures of $2.7 million in 2015 for the Milnesand and Chaveroo fields before any development drilling is commenced. On April 9, 2015 the Company announced a private placement of approximately $5.5 million expected to be competed in 2015, management's estimate of the additional funds necessary for limited activities in 2015. As a result of the Company's reduced production and the recent decline in oil prices, the Company significantly reduced its operating costs, its personnel and overhead during the first quarter of 2015.

In September 2014, the Company announced that it has entered into a letter of intent with Schlumberger Technology Corporation (Schlumberger) to conduct an in-depth technical evaluation of the potential redevelopment of the Milnesand and Chaveroo oil fields, located in Chaves and Roosevelt Counties, New Mexico. Schlumberger completed its activities in January 2015 and the parties have discussed arrangements for the development of the fields. It is now expected that declining oil prices will delay any significant development until 2016. The Company's intent is to structure joint venture agreements that would facilitate the development of the fields and reduce the Company's capital burden under terms consistent with current crude oil prices and development costs.

In order to provide the necessary funds to develop its projects, the Company is considering all available sources of financing to develop its projects, including equity, bank and mezzanine debt, asset sales and joint venture arrangements. The Company expects that drilling activities will require higher cost debt financing and will require that the development of these fields command a high rate of return on investment. The Company may consider the sale of some or all of its oil fields to accelerate cash flows for use on other projects. The Company will continue to

focus on operations activities that further its objectives of positive operating cash flows and further its strategic objective of increasing production in one or more of its oil fields.

Derivative Financial Instruments – Average prices received are net of transportation costs. The current derivative contracts in place for crude oil settlements subsequent to March 31, 2015 are as follow:

Barrels	Commodity	Type	Price	Term
27,500	WTI Midland-Cushing Differential	Swap	($3.50)	Jan 2015- Dec 2015

EQUITY PLACEMENTS

The Company has not had any equity placements since 2010. There are no outstanding Common stock purchase warrants at March 31, 2015. On April 9, 2015 the Company announced a private placement of approximately $5.5 million, subject to approval of the TSX Venture Exchange.

Share Consolidation. - Effective January 15, 2015, the Directors of the Company authorized the implementation of a share consolidation of one new common share for 10 old shares of the Company's common shares. The Company's shares began trading on the post-consolidation basis on January 21, 2015, and according all references to the outstanding shares of the Company have been restated to give effect to the one for ten shares consolidation effective January 21, 2012 (see consolidated financial statements for the year ended December 31, 2015, footnote 21 – Subsequent Event – Share Consolidation).

QUARTERLY RESULTS OF OPERATIONS AND SELECT FINANCIAL DATA

Summary of Quarterly Information:

Quarterly Revenue, Loss and Earnings Per Share:

(In thousands except per share amounts)	2013			2014				2015
	Second	Third	Fourth	First	Second	Third	Fourth	First
Revenues	$ 3,176	$ 3,935	$ 3,048	$ 2,366	$ 2,510	$ 2,420	$ 705	$ 267
Net comprehensive income (loss)	$ (358)	$ (292)	$ (492)	$ (4,554)	$ (1,267)	$ 24	$ (644)	$ (1,320)
Per share - basic	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.28)	$ (0.08)	$ 0.00	$ (0.04)	$ (0.08)
Per share - diluted	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.28)	$ (0.08)	$ 0.00	$ (0.04)	$ (0.08)

Revenue varies directly with the average price of oil received and production volumes achieved. The following table summarizes the average received prices and gross production for the three month periods indicated:

Quarterly Average Prices Received and Sales Volumes:

	2013			2014				2015
	Second	Third	Fourth	First	Second	Third	Fourth	First
Average price received	$ 88.48	$ 101.13	$ 91.94	$ 90.00	$ 90.33	$ 84.81	$ 68.70	$ 41.96
Sales volume	35,902	38,907	33,152	26,290	27,784	28,535	10,264	6,365

The quarterly table reflects more operational activity arising from planned and unplanned activities, such as regulatory requirements, changes in prices, availability of oil field services and/or weather related downtime, thereby affecting the level of workover and maintenance activity in each of the oilfields. The decrease in production in the first quarter of 2014 was associated with wells off production in the Crossroads field. The decrease in crude oil sales volumes in the fourth quarter of 2013 was principally due to severe weather conditions causing the Company to shut-in multiple wells during the latter part of the quarter coupled with the loss of crude oil production of the Crossroads #202 well starting at the beginning of October. In addition to the increase in third quarter 2013 oil prices, production also increased in the quarter as a result of returning two shut-in wells to production in the Crossroads field following the addition of a second injection well in the field. The decrease in sales volumes in the second quarter of 2013 is due to two producing wells being shut-in at the Crossroads oilfield in early February in order to reduce water disposal costs until the conversion of another well to a water injector was complete. Sales volumes increased in the third quarter of 2012 due to the completion of three wells in the Milnesand field drilling program.

Revenue decreased in the first quarter 2015 due both to decreased production and a decrease in crude oil price. Net loss increased in the first quarter of 2014 principally related to increased workover expenses and loss on sale of assets. Fourth quarter 2013 net loss increased $0.2 million over the third quarter of 2013 principally due a 14.8% reduction in sales volumes related to the Crossroads #202, colder weather and a decrease in average sales prices. The decrease in the second quarter of 2013 net loss as compared to the first quarter of 2013 was principally due to an increase in revenue of $0.2 million, reflecting increased crude oil prices, as well as a decrease in production costs of $0.3 million, general and administrative expenses of $0.1 million, loss on financial instruments of $0.3 million and financing costs of $0.1 million offset by increase in workover and field expenses of $0.4 million.

Kinder Morgan CO_2 Gas Purchase Contract

In March 2010, the Company executed a cancellable five-year CO_2 purchase and delivery agreement with Kinder Morgan CO_2 Company, L.P. (Kinder Morgan) for the purchase of CO_2 by the Company for use in the Company's tertiary oil projects in the Permian Basin. The contract represents a take or pay commitment for a total of 27.4 bcf of CO_2 to be purchased over a five year period commencing no later than January 1, 2018 (as amended February 28, 2014). The maximum daily rate required to be purchased under the contract is 20 million cubic feet per day during the third year. The purchase commitment and obligation to pay, as amended, is cancellable on or before December 31, 2016, with no termination penalty. The cost of CO_2 will fluctuate based on the price of oil plus transportation tariffs.

Regulatory Compliance in New Mexico

The Company's operating subsidiaries, primarily Ridgeway Arizona Oil Corp (Ridgeway) and EOR Operating, conduct their operations under the oversight of multiple federal and state agencies. The Company's Chaveroo field, because of the age and condition of its production facilities and wells, is operated by Ridgeway, which is both the

federal and State of New Mexico operator of record. The Company's Milnesand field is operated by EOR Operating Company, which is both the federal and State of New Mexico operator of record.

DISCLOSURE OF CONTROLS, PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

As a TSX-Venture issuer, the Company's officers are not required to certify the design and evaluation of operating effectiveness of the Company's disclosure controls and procedures ("DC&P") or its internal controls over financial reporting ("ICFR"). The Company maintains DC&P designed controls to ensure that information required to be disclosed in reports filed or submitted is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In addition, the Chief Executive Officer and the Chief Financial Officer have designed controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Due to its size, the small number of employees, the scope of its current operations, its limited liquidity and capital resources, there are inherent limitations on the Company's ability to design and implement on a cost effective basis the DC&P and ICFR procedures, the effect of which may result in additional risks related to the quality, reliability, transparency and timeliness of its interim filings and other reports. There have been no changes in ICFR during the three months ended March 31, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities nor is it party to any arrangements that would be excluded from the consolidated balance sheet.

RELATED PARTY TRANSACTIONS

There were no related party transactions during either the three months ended March 31, 2015 or March 31, 2014.

CRITICAL ACCOUNTING ESTIMATES

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are reviewed and for any future years affected. Significant judgments, estimates and assumptions made by management in these consolidated financial statements are outlined below:

Oil and natural gas reserves **-** Certain depletion, depreciation, and impairment and asset retirement obligation charges are measured based on the Company's estimate of oil and gas reserves and resources. The estimation of proved and probable reserves and resources is an inherently complex process and involves the exercise of professional judgment. Oil and natural gas reserves have been evaluated at December 31, 2014 and December 31, 2013 by independent petroleum engineers in accordance with National Instruments 51-101 "*Standards of Disclosure for Oil and Gas Activities*".
Oil and natural gas reserve estimates are based on a range of geological, technical and economic factors, including projected future rates of production, estimated commodity prices, engineering data, and the timing and amount of future expenditures, all of which are subject to uncertainty. Assumptions reflect market and regulatory conditions

existing at the reporting date, which could differ significantly from other points in time throughout the year, or future periods. Changes in market and regulatory conditions and assumptions can materially impact the estimation of net reserves and resources.

Impairment of assets **-** The Company evaluates its assets for possible impairment at the CGU level. The determination of CGUs requires judgment in defining the smallest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs have been determined based on similar geological structure, shared infrastructure, geographical proximity, commodity type, the existence of active markets, similar exposure to market risks, and the way in which management monitors the operations.

The recoverable amounts of CGUs and individual assets have been determined based on the higher of fair value less costs to sell model and value in-use model. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are: anticipated future commodity prices, expected production volumes, future operating and development costs, estimates of inflation on costs and expenditures, expected income taxes and discount rates. In addition, the Company considers the current environmental, social and governance issues affecting its property interests and operations, including the current legislative and regulatory activity affecting the permitting and approval of its projects and operations. Changes to these assumptions will affect the estimated recoverable amounts attributed to a CGU or individual assets and may then require a material adjustment to their related carrying value.

Asset retirement obligations **-** The Company estimates and recognizes liabilities for future asset retirement obligations and restoration of exploration and evaluation assets, and for oil and gas development and producing assets. These provisions are based on estimated costs, which take into account the anticipated method and extent of restoration, technological advances and the possible future use of the asset. Actual costs are uncertain and estimates can vary as a result of changes to relevant laws and regulations, the emergence of new restoration techniques, operating experience and prices. The expected timing of future retirement and restoration may change due to these factors, as well as affect the estimates of reserve life. Changes to assumptions related to future expected costs, discount rates and timing may have a material impact on the amounts presented. Effective with the transition to IFRS, the Company made a policy choice available under existing standards to use a risk-free rate for discounting asset retirement obligations.

POTENTIAL RISKS AND UNSCERTAINTIES

The resource industry is highly competitive and, in addition, exposes the Company to a number of risks. Resource exploration and development involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. It is also highly capital intensive and the ability to complete a development project may be dependent on the Company's ability to raise additional capital. In certain cases, this may be achieved only through joint ventures or other relationships, which would reduce the Company's ownership interest in the project. There is no assurance that development operations will prove successful.

OTHER MD&A NOT DISCLOSED ELSEWHERE

Disclosure of Share Capital

Authorized capital:

25 million preference shares of no par value
Unlimited common shares of no par value

Issued and outstanding at May 27, 2015:

1,000 preference shares (held by a wholly-owned subsidiary of the Company)
16,018,632 common shares issued

Common stock options outstanding at May 27, 2015 were as follows:

Stock Options Outstanding - Common Stock:

Number Authorized	Date of Agreement	Exercise or Issue Price	Expiry Date
50,000	June 7, 2010	$3.00	June 7, 2015
45,000	April 14, 2011	$2.50	April 14, 2016
20,000	May 3, 2011	$2.50	May 3, 2016
27,500	February 15, 2012	$1.60	February 15, 2017
7,500	August 1, 2012	$1.50	August 1, 2017
52,500	January 14, 2013	$1.00	January 14, 2018
7,500	March 19, 2013	$1.10	March 19, 2018
210,000			

APPENDIX A - ABBREVIATIONS

Crude Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
BBls/d	barrels per day
BOEPD	barrel of oil equivalent per day
MMbbls	million barrels
Mbbls	thousand barrels

Carbon Dioxide and Natural Gas

Bcf	billion cubic feet
CO_2	carbon dioxide
Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
Tcf	trillion cubic feet

API	American Petroleum Institute
Boe	Barrel of oil equivalent of natural gas and crude oil on the basis of one Boe for six mcf of natural gas and one Boe for forty- two gallons of plant products (these conversion factor are an industry accepted norm and is not based on either energy content or current prices)
Contingent resource	Those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable.
CGU	Cost Generating Unit
DOE	United States Department of Energy
EBITDA	Income before income taxes, depletion, depreciation, amortization and accretion and often referred to as 'cash flow from operations'
EOR	Enhanced oil recovery, typically any method of economically removing oil incremental to that produced by primary or conventional improved-recovery methods
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
MBoe	1,000 barrels of oil equivalent
Net revenue	Gross revenue less all taxes, royalties and lease operating expenses
NI 51-101	National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities adopted by the Canadian Securities Administrators
Primary recovery	Production in which only existing natural energy sources in the reservoir provide for movement of well fluids.
Permian Basin	A large crude oil and natural gas producing area representing a sedimentary basin dating from the Permian geologic period and covering an area extending from West Texas to eastern New Mexico
Reserves	Estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward based on (i) analysis

	of drilling, geophysical and engineering data; (ii) the use of established technology; (iii) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed; and (iv) a remaining reserve life of 50 years. These definitions and disclosures are in accordance with the definitions, procedures and standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook and the Canadian Securities Administrators NI 51-101.
Secondary recovery	Any method by which an essentially depleted reservoir is restored to producing status by the injection of liquids or gases (from external sources) into the formation, thereby effecting a restoration of reservoir energy which moves the unrecoverable secondary reserves through the reservoir to the wellbore.
Tertiary recovery	Any of various methods, chiefly reservoir drive mechanisms and enhanced recover techniques, designed to improve the flow of hydrocarbons from the reservoir to the wellbore to recover more oil after the primary and secondary methods (water and gas floods) are uneconomic.
$	United States dollars
C$	Canadian dollars

APPENDIX B Forward-Looking Statements

Forward-Looking Statements – See Appendix B for discussion of forward-looking statements contained in this MD&A

Certain statements contained in this MD&A and in certain documents incorporated by reference into this MD&A, contain estimates and assumptions which management are required to make regarding future events and may constitute forward-looking statements within the meaning of applicable securities laws. Management's assessment of future operations, drilling and development plans and timing thereof, other capital expenditures and timing thereof, methods of financing capital expenditures and the ability to fund financial liabilities, expected commodity prices and the impact on the Company, and the impact of the adoption of future changes in accounting standards may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, the flexibility of capital funding plans and the source of funding therefore; production, marketing and transportation, loss of markets, volatility of commodity prices, the effect of the Company's risk management program, including the impact of derivative financial instruments; currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of the acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" "continue", "upside" and similar other expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A, as the case may be. The Company does not intend, and does not assume an obligation, to update these forward-looking statements, except as required by securities law.

In particular, this MD&A and the documents incorporated by reference include, but are not limited to, forward-looking statements pertaining to the following:

- the quantity of reserves and contingent resources;
- crude oil, natural gas and CO_2 operations and production levels;
- capital expenditure programs, including drilling programs and pipeline construction projects, and the timing and method of financing thereof;
- projections of market prices and costs;
- supply, demand and pricing for crude oil, natural gas, and CO_2;
- expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development
- drilling inventory, drilling plans and timing of drilling, re-completion and tie-in of wells;

- plans for production facilities construction and completion and the timing and method of funding thereof;
- productive capacity of wells, anticipated or expected production rates and anticipated dates of commencement of production;
- drilling, completion and facilities costs;
- results of various projects of the Company;
- timing of receipt of regulatory approvals;
- effect of production increases on operating costs per Boe;
- ability to lower cost structure in certain projects of the Company;
- growth expectations within the Company;
- timing of development of undeveloped reserves;
- the tax horizon and taxability of the Company;
- supply and demand for oil, natural gas liquids and natural gas;
- the performance and characteristics of the Company's oil and natural gas properties;
- The Company's acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the impact of federal and state governmental regulation on the Company relative to other oil and gas issuers of similar size;
- realization of the anticipated benefits of acquisitions and dispositions;
- weighting of production between different commodities;
- projections of commodity prices and costs;
- expected levels of royalty rates, operating costs, general and administrative costs, costs of services and other costs and expenses;
- capital expenditure programs; and
- treatment under government regulation and taxation, including carbon taxation regimes

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither the Company nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond the Company's control, which could cause actual results to differ materially from those anticipated in these forward-looking statements as a result of risk factors as set forth, but not limited to, those below and elsewhere in this MD&A:

- volatility in market prices for oil, natural gas, and CO_2;
- liabilities and risks inherent in oil and natural gas operations;
- uncertainties associated with estimating reserves;
- competition for capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- incorrect assessments of the recoverability of asset costs and investments;
- geological, technical, drilling and processing problems; and
- governmental, regulatory and taxation regimes.