Management's Discussion and Analysis
For the three months ended March 31, 2019
(unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

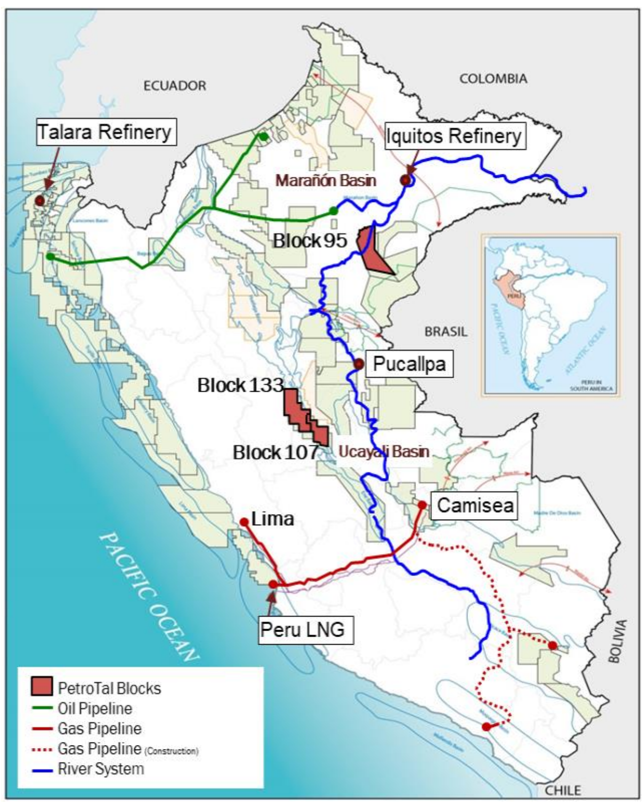
This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of PetroTal Corp ("PetroTal" or the "Company") for the three months ended March 31, 2018 and March 31, 2019, is dated May 28, 2019, and should be read in conjunction with the Company's unaudited condensed consolidated financial statements (the "financial statements") for the three months ended March 31, 2019, as well as the Company's audited consolidated financial statements (the "financial statements") for the years ended December 31, 2018 and 2017. The unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting as issued by the International Accounting Standards Board, which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

Financial figures throughout this MD&A are stated in thousands of United States dollars ($) unless otherwise indicated.

This MD&A contains forward-looking statements that should be read in conjunction with the Company's disclosure under "*Forward Looking Statements and Business Risks*".

CORPORATE OVERVIEW AND STRATEGY

PetroTal is a publicly-traded (TSX-V:TAL and AIM:PTAL), international oil and gas company incorporated and domiciled in Canada. Through its two subsidiaries in Peru, the Company is currently engaged in the ongoing development and potential exploration for hydrocarbons in Block 95 with a focus on the development of the Bretaña oil field. Additionally, the Company has exploration prospects and leads in Blocks 107 and 133.



On December 18, 2017, the Company:

• Completed a plan of arrangement (the Reverse Takeover "RTO") with Sterling Resources Ltd. pursuant to which Sterling acquired all of the shares of PetroTal LLC and, once amalgamated, continued as one operation under the name of Sterling Resources Ltd. The name of the Company was changed in June 2018 to PetroTal Corp.

• Acquired from Gran Tierra Energy Inc. ("GTE") 100% of the subsidiaries that held the rights in the exploration blocks in Peru. GTE had 100% working interest in three license contracts (Blocks 95, 107 and 133), and GTE retained a 20% back-in option in Block 107.

After the reverse takeover transaction and the acquisition of GTE Peruvian assets on December 18, 2017, the Company appointed an experienced Board of Directors and retained the prior PetroTal Management team

• Raised $34M gross proceeds through the issuance of subscription receipts, which have been subsequently converted into common shares.

The Company commenced oil production in H2-2018 at Bretaña on July 1st, 2018 via a long-term testing program of the single oil producer drilled by GTE, which is now a major component of our operations. Current production on this well approximates 800 barrels of oil per day ("BOPD"). The Company brought online the second oil producer in the field in mid-April 2019 at approximately 2,250 BOPD, bringing total field production to over 3,000 BOPD. The Company is currently drilling the BN 95-3H well in the northern portion of the Bretaña field, which will be completed as a horizontal producer in the Vivian formation. This well is expected to be completed and brought online in June.

Q1 2019 OPERATIONAL AND FINANCIAL HIGHLIGHTS

BRETAÑA OIL FIELD

The Bretaña oil field is located in the Maranon Basin of northern Peru. To date this basin has produced more than one billion barrels of crude oil. Approximately 70% of the oil in the Maranon Basin has been produced from the Vivian Formation and approximately 30% from the Chonta Formation. The Vivian Formation is known as a quality oil reservoir with high permeabilities and strong aquifer support. Generally, this type of reservoir achieves the highest oil recoveries. The Chonta Formation is immediately below the Vivian and typically produces medium to light oil, however the Company is focused on the Vivian formation.

The Bretaña oil field with its estimated 330 million barrels of oil ("MMBO") in place, as estimated by Netherland, Sewell & Associates, Inc. ("NSAI"), a qualified reserves evaluator as defined in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), effective December 31, 2018, is a large oil field in the Maranon Basin. The current estimate of 39.4 MMBO of gross 2P reserves is based on a 12% recovery factor. The net reserves were estimated at 37.5 MMBO with the differential being oil being used to generate power in the field, also assume a 12% recovery factor. Analog fields show that the potential recovery could be significantly higher.

The initial well, which is currently online, initially tested at a rate of 3,095 BOPD of 18.5 API oil from the horizontal sidetrack in 2013. The well had been shut since that time until the Company put the well on production in June 2018. Current production on this well approximates 800 BOPD as it has declined from peak rates of approximately 2,000 BOPD due to normal declines expected as water is produced from the aquifer that is the main drive mechanism for the Vivian formation. The Company completed the second oil producer, the BN 95-2-2-2XD, in mid-April 2019 and the well came online at 2,250 BOPD and is currently producing over 2,300 BOPD. This rate is over a 30-day period and the well has stabilized and is performing better than management's expectations. The third well, BN 95-3H, is currently drilling, and plans are to increase total field production to over 5,000 BOPD in mid-2019 and potentially ramp production to over 10,000 BOPD by year-end with continued drilling and installation of processing facilities.

The Company's operating team has previously worked on the fields in the area, and therefore are familiar with this type of operations. These highly productive oil wells are supported by strong aquifers and require the produced water to be reinjected back into the reservoir. The Company intends to develop the Bretaña oil field on a modular basis, whereby the production and water reinjection facilities are installed as needed.

OSHEKI

PetroTal opened a data room for Block 107 in September 2018 to present the Osheki prospect and other leads to potential partners. Based on an independent assessment completed by Netherland Sewell & Associates, Inc., with an effective date of June 30, 2018, and prepared in accordance with the Canadian Oil and Gas Evaluation Handbook and the standards established by NI 51-101, the Osheki prospect is estimated to have 534 MMBO of mean prospective recoverable oil resources. This estimate is based on a recovery factor of 30 percent of the estimated 1.78 billion barrels of mean prospective original oil in place ("OOIP"), using maps generated from seismic acquired in 2007 and 2014. The mean risked prospective resources figure for the Osheki prospect is 85 MMBO. The prospect was de-risked with a new 3D geologic model supporting Cretaceous age reservoirs with high quality Permian source rocks. Block 107 has four additional leads that, with Osheki, could contain a total of 4.6 billion barrels of recoverable resource in the high estimate case. Drilling permits for the Osheki prospect have been approved and the Company is seeking joint venture partners to drill the first exploration well and are looking to spud the well in 2020.

FINANCIAL AND OPERATING SUMMARY

($ thousands unless otherwise indicated)	Three Months Ended Mar 31, 2019	Three Months Ended Dec 31, 2018	% Change	Years Ended December 31, 2018	2017	% Change
Gross revenues	4,529	6,186	-27%	10,487	-	-
Royalties	214	336	-36%	493	-	-
Net revenues	4,315	5,850	-26%	9,994	-	-
Net loss	(1,611)	(2,184)	-26%	(4,621)	(2,754)	68%
Oil production - BOPD	944	1,158	-18%	958	-	-
Oil sales - BOPD	923	1,199	-23%	964	-	-
Netback ($ per barrel)						
Oil sales	53.32	58.08	-8%	59.52	-	-
Royalties	(2.52)	(3.15)	-20%	(2.80)	-	-
Operating expenses	(40.85)	(33.27)	23%	(27.80)	-	-
G&A	(19.19)	(23.24)	-17%	(35.08)	-	-
Corporate netback	(9.24)	(1.59)	481%	(6.15)	-	-
Capital expenditures	9,771	4,673	109%	23,207	154	14969%
Assets	100,808	96,097	5%	96,097	98,766	-3%
Liabilities	24,842	18,570	34%	18,570	16,723	11%
Shareholders' equity	75,966	77,527	-2%	77,527	82,043	-6%
Common shares outstanding ('000s)	537,741	537,741	0%	537,741	537,741	0%

On June 1, 2018, five months earlier than anticipated, the Company announced that the Bretaña discovery well was placed on production through long-term testing, allowing for the start of the commissioning of the newly installed oil production facilities. The Company restricted the well flow rates to minimize water production until the required water injection facilities and oil well hydraulic pump was commissioned and installed. Current facilities are currently designed to manage approximately 5,000 BOPD and engineering is complete on the second phase of production facilities to allow the Company to increase production to 10,000 BOPD.

PRODUCTION

	Quarters Ended Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	Years Ended 2018	2017
Oil - BOPD	944	1,158	757	-	-	958	-

The Company has completed refurbishment and construction on the existing drilling pad and is now able to drill additional wells without causing material interruptions to production. In 1Q 2019 the Company mobilized a rig to drill and complete the BN 95-2-2-2XD well in the northern section of the field. This second oil well was drilled down to the Chonta Formation to comply with the current exploration commitment and investigate the potential for light oil but was completed as an oil producer at the top of the target Vivian Formation. The Company received the permit to drill Bretaña's third oil well, the BN 95-3H well, allowing for time to receive the full field environmental impact assessment permit expected in May 2019. The BN 95-3H well will be a horizontal completion and is expected to be brought online in mid-June 2019. This well is expected to bring full field production to over 5,000 BOPD.

Note the production average for 2018 is calculated on the six months the Bretaña field was online.

The engineering studies for the next phase of production facilities are complete. This expansion is necessary in order to allow the expected increase in future volumes of oil and water.

REVENUES AND ROYALTIES

($ thousands, US dollars unless otherwise indicated)	Quarters Ended					Years Ended	
	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	2018	2017
Gross revenues	4,529	6,186	4,301	-	-	10,487	-
Royalties	214	336	157	-	-	493	-
Net revenues	4,315	5,850	4,144	-	-	9,994	-
$ per barrel	53.32	58.08	61.73	-	-	59.52	-
Average Brent oil price	63.14	67.75	75.18	74.52	66.86	71.19	54.15
Discount from Brent as a %	16%	14%	18%			16%	
Royalties as a % of revenues	5%	5%	4%	-	-	5%	-

Following the Company's July 3, 2018 announcement of first oil production from the Bretaña field, the Company executed an initial oil sales contract with PetroPeru, Peru's state oil company and owner of the Iquitos refinery. The Company successfully negotiated a discount equivalent to approximately 14 percent from Brent; however, the Company does not pay pipeline tariffs during the contract term, as all oil is barged directly to the refinery. The crude oil is currently picked up at the Bretaña field and transported to the refinery by PetroPeru. The Company believes that new contracts for crude oil sales to the Iquitos refinery could average 17 percent discount to Brent, partially offset by the barging tariff being reduced from $5.50 per barrel to $3.50 per barrel by securing a long-term contract with the barging company in May 2019.

Royalties

The royalty regime in Peru is negotiated on a block by block basis. In our current blocks, we pay a royalty based on production and ranges between five percent and twenty percent. The royalty calculation is five percent based on production of 5,000 BOPD or less and twenty percent when production reaches 100,000 BOPD or more, with a straight-line calculation between. Currently the Company is paying a royalty of five percent, and at peak production will be approximately eight percent once the field has been fully developed. For royalty calculation purposes, PetroPeru subtracts transportation from revenue prior to calculation.

OPERATING EXPENSES

($ thousands except $ per barrel)	Quarters Ended					Years Ended	
	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	2018	2017
Operating expenses	3,470	3,544	1,354	-	-	4,898	-
$ per barrel	40.85	33.27	19.44	-	-	27.80	-

Expense per barrel is affected by lower production in the first quarter. Overall operating expenses have stabilized as shown above with production of 1,158 BOPD and 944 BOPD in the fourth quarter of 2018 and first quarter of 2019, respectively. Management believes that operating costs on a per unit basis should decrease in the future due to production increases and fixed operating expenses being spread over a greater number of barrels produced.

GENERAL AND ADMINISTRATIVE

($ thousands except $ per barrel)	Quarters Ended					Years Ended	
	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	2018	2017
G&A expenses	1,630	2,415	1,478	991	1,296	6,180	910
$ per barrel	19.19	23.24	20.33	n/a	n/a	35.08	n/a

Details of general and administrative costs are included in the chart below. The increase in general and administrative costs in the quarter ended March 31, 2019 were higher than quarter ended March 31, 2018, primarily driven by an increase in headcount as the Company has now begun operating the field and drilling development wells. Additionally, the Company is now listed on the London Stock Exchange's AIM marketplace which management believes is important to achieving its goals.

For the three months ended March 31 ($ thousands)	2019	2018
Salary and stock compensation	1,816	1,097
Office and information technology	341	250
Accounting, legal and consultants	351	268
Directors and related insurance	15	25
Travel	96	69
Other	69	28
Total gross G&A	2,688	1,737
Less recoveries	(1,058)	(441)
Total net G&A	1,630	1,296

CAPITAL EXPENDITURES

	Quarters Ended					Years Ended	
($ thousands)	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	2018	2017
Exploration and evaluation	281	293	966	8,208	4,731	14,198	154
Oil and gas properties	9,469	4,351	4,385	-	-	8,736	-
Furniture and fixtures	21	29	244	-	-	273	-

Capital expenditures for the three months ended March 31, 2019 are primarily related to the drilling of the Company's second well, BN 95-2-2-2XD and the procurement of long lead items for the Company's third well, BN 95-3H.

The Board of Directors has approved PetroTal's capital budget for 2019, with key spending at Block 95 as follows:

- Drilling of three oil wells expected to produce oil at an average cost of $12.1 million each;
- Additional processing facilities to be installed in 4Q2019, with an expected total spend in 2019 to approximate $16.0 million, increasing capacity to 10,000 BOPD;
- One water disposal well for approximately $7.0 million;
- Abandonment costs of approximately $2.0 million associated with a legacy drilling site approximately 4.5 miles south of the Bretaña drill and production pad.

The Company does not intend to spend material amounts of capital in Block 107 and Block 133 as the primary effort in those locations at this time is to secure a joint interest partner.

In addition, IFRS 16 "Leases" was applied by the Company on January 1, 2019, and as such, a right-of-use asset relating to the head office lease of $0.4 million (included in property, plant and equipment) was booked, with a corresponding increase to lease obligations.

Property Plant and Equipment

($ thousands)	Oil and Gas Properties	Furniture, Fixtures and Lease Obligations	Total
Balance at December 31, 2017	-	109	109
Transfer of exploration and evaluation assets	48,160	(118)	48,042
Change in estimates - decommissioning obligations	(3,575)	-	(3,575)
Additions	8,736	273	9,009
DD&A charge in period	(1,492)	(48)	(1,540)
Net book value PP&E December 31, 2018	51,829	216	52,045
Additions	9,469	21	9,490
Change in estimates - decommissioning obligations	482	-	482
Right-of-use asset	-	385	385
DD&A charge in period	(749)	(39)	(788)
Net book value PP&E March 31, 2019	61,031	583	61,614

The accumulated DD&A on the balance sheet is different to what is recorded in the income statement as there is an allocation to Inventory.

Exploration and Evaluation

($ thousands)	
Balance at December 31, 2017	38,571
Additions	14,198
Impairment of exploration and evaluation assets	(40)
Transfer to property plant and equipment	(48,042)
Balance at December 31, 2018	4,687
Additions	281
Balance at March 31, 2019	4,968

DEPLETION, DEPRECIATION AND AMORTIZATION ("DD&A")

	Quarters Ended					Years Ended	
($ thousands except $ per barrel)	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018	2018	2017
DD&A	745	815	566	6	17	1,404	2
$ per barrel	8.77	7.66	8.12	n/a	n/a	7.97	n/a

Depletion and amortization are calculated based upon capital expenditures, production rates and proved plus probable reserves. At March 31, 2019, $251.1 million of future development costs have been included in the depletion calculation.

FINANCING ACTIVITIES AND LIQUIDITY

Working capital was $15.8 million at March 31, 2019 compared to $26.1 million at December 31, 2018. The reduction is primarily due to capital expenditures in the period. A breakdown of the Company's net working capital as at March 31, 2019, December 31, 2018, September 30, 2018, and June 30, 2018 is provided below:

($ thousands)	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Cash	17,781	26,259	27,905	34,986
VAT receivables	7,277	6,848	1,905	2,234
Trade and other receivables	1,729	1,848	1,553	104
Inventory	465	178	539	294
Advances and prepaid expenses	3,231	502	391	350
Trade and other payables	(12,792)	(7,462)	(4,035)	(5,335)
Current income taxes payable	(12)	-	-	-
Deferred income taxes	-	(17)	-	-
Lease liabilities	(76)	-	-	-
Decommisioning obligations	(1,814)	(2,103)	-	-
Total	15,789	26,053	28,258	32,633

The increase in trade payables quarter-on-quarter is due to the increased activity associated with drilling development wells in the Bretaña field.

Capital Resources

As of March 31, 2019, the Company holds the following commitments in the exploration blocks in Peru, which are guaranteed by letters of credit:

Block	Beneficiary	Amount - $000s	Commitment
107	PeruPetro S.A.	1,500	Minimum work – 5th exploratory period - 1st exploratory well (expires December 6, 2021)
107	PeruPetro S.A.	1,500	Minimum work – 5th exploratory period - 2nd exploratory well (expires December 6, 2021)
133	PeruPetro S.A.	1,000	Expires two years after Perupetro lifts Force Majeure due to permitting process

The Company is working on approval of the work program for Block 133 from the local environmental agency, and once approved the letter of credit for this Block will be extended a further two years.

Decommissioning Obligations

The Company has estimated decommissioning liabilities to be $16.7 million. The net present value of its estimated decommissioning liabilities is $11.7 million, which includes an adjustment of $0.5 million in the first quarter related to the drilling of the Company's second well in the Bretaña oil field. The present value of the obligations was calculated using a credit-adjusted risk rate of 4.69 percent to reflect the market assessment of the time value of money as well as risks specific to the liabilities that have not been included in the cash flow estimates. The inflation rate used in determining the cash flow estimates ranges from 1.9 percent to 2.1 percent. The following table sets out the continuity of decommissioning obligations:

($ thousands)	
Balance at December 31, 2017	14,048
Changes in estimates	(3,575)
Accretion of decommissioning discount	618
Balance at December 31, 2018	11,091
Changes in estimates	482
Accretion of decommissioning discount	85
Balance at March 31, 2019	11,658
This is represented by:	
Current	1,814
Non Current	9,844

SUMMARY OF QUARTERLY RESULTS

	2019	2018				2017		
($ thousands unless otherwise indicated)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net Revenues	4,315	5,850	4,144	-	-	-	-	-
Net Income (loss)	(1,611)	(2,184)	507	(1,400)	(1,544)	(2,754)	-	-
Net Income (loss) per weighted average Common Share – basic and diluted ($)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.01)	-	-
Total assets	100,808	96,097	91,322	98,918	97,363	98,766	-	-
Total liabilities	24,842	18,570	11,655	19,819	16,864	16,723		
Shareholders' equity	75,966	77,527	79,667	79,099	80,499	82,043		
Capital expenditures	9,771	4,673	5,595	8,208	4,731	154	-	
Cash, End of Period	17,781	26,259	27,905	27,905	34,986	48,783	-	-
Common shares outstanding (000's)	537,741	537,741	537,741	537,741	537,741	537,741	-	

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Management is required to make judgments, assumptions and estimates that have a significant impact on the Company's financial results. Significant judgments in the financial statements include going concern, financing arrangements, impairment indicators, assessment of transfers from E&E to PPE, asset acquisition and joint arrangements. Significant estimates in the financial statements include commitments, provision for future decommissioning obligations, recoverable amounts for exploration and evaluation assets and accruals. In addition, the Company uses estimates for numerous variables in the assessment of its assets for impairment purposes, including oil and natural gas prices, exchange rates, discount rates, cost estimates and production profiles. By their nature, all of these estimates are subject to measurement uncertainty, may be beyond management's control and the effect on future consolidated financial statements from changes in such estimates could be significant.

RELATED PARTY TRANSACTIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company had no related party transactions or off-balance sheet arrangements.

TAXATION

Peruvian law requires the Company to pay a two percent tax on gross revenues, which is booked as a Deferred Tax Asset and is recoverable once the prior net operating losses of approximately $310 million are exhausted. Due to prior net operating losses the Company does not anticipate having a significant tax liability for the next few years. At such time as there is a tax liability, the amounts pre-paid through the two percent payment will reduce the amount of future tax to be paid. Corporate tax rates for the Company's license contracts in Peru is 32 percent.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date hereof, there are issued and outstanding:

- 537,740,991 common shares;
- 3,446,361 performance stock units;
- 26,750,000 performance warrants; and
- 2,086,500 compensation warrants.

For a description of the performance warrants and compensation warrants, refer to PetroTal's annual information form available via SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS AND BUSINESS RISKS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. 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 "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "intend", "could", "might", "should", "believe" and similar 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 those 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 this MD&A should not be unduly relied upon by investors. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

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. The risks and other factors, some of which are beyond the Company's control, could cause results to differ materially from those expressed in the forward-looking statements contained in this MD&A.

The forward-looking statements contained in this MD&A are expressly qualified by the foregoing cautionary statement. Subject to applicable securities laws, the Company is under no duty to update any of the forward-looking statements after the date hereof or to compare such statements to actual results or changes in the Company's expectations. Financial outlook information contained in this MD&A about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information should not be used for purposes other than for which it is disclosed herein.

ADDITIONAL INFORMATION

Additional information about PetroTal Resources Ltd. and its business activities, including PetroTal's annual information form and audited financial statements for the years ended December 31, 2018 and 2017 are available via SEDAR at www.sedar.com.