

NG ENERGY INTERNATIONAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

The following is management's discussion and analysis ("MD&A") of the operating and financial results of NG Energy International Corp. ("NG Energy" or the "Company"), for the three and nine months ended September 30, 2022, as well as information and expectations concerning NG Energy's outlook based on currently available information.

This MD&A should be read in conjunction with NG Energy's interim condensed consolidated financial statements for the three and nine months ended September 30, 2022, as well as the audited annual consolidated financial statements for the year ended December 31, 2021 (the "Financial Statements") prepared in accordance with International Financial Reporting Standards ("IFRS," as defined below), together with the accompanying notes.

This MD&A contains forward-looking information about our current expectations, estimates, projections, and assumptions. See the reader advisory for information on the risk factors that could cause actual results to differ materially and the assumptions underlying our forward-looking information. Additional information on the Company, its financial statements, this MD&A, and other factors that could affect NG Energy's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

All dollar values are expressed in US dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

This MD&A is prepared as of November 24, 2022.

Non-GAAP Measures

Certain financial measures in this document may not have a standardized meaning as prescribed by IFRS, and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-GAAP measure is presented in the Operating Results, Financial Results and Liquidity and Capital Resources sections of this MD&A.

PRESENTATION OF OIL AND GAS RESERVES AND PRODUCTION INFORMATION

Caution Respecting Reserves Information

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability

of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, natural gas liquids ("NGLs") and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed oil and natural gas reserves does not represent the fair market value of these reserves.

Caution Regarding Use of Barrels of Oil Equivalent (BOEs)

BOEs/boes may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Definitions

Certain terms and abbreviations used in this MD&A, but not defined or described, are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the meanings herein as in NI 51-101 or the COGE Handbook.

Reserves

Reserves are estimated remaining quantities of commercially recoverable oil, natural gas, and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

"**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"**Probable reserves**" are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

"**Possible reserves**" are those additional reserves that are less certain to be recovered than Probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves. There is a 10 percent probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves.

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities" (which refers to the lowest level at which reserves calculations are performed) and to "reported reserves" (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90% probability that the quantities actually recovered will equal or exceed the estimated Proved reserves; and
- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved plus Probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories as follows:

"Developed Producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing reserves" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"Undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved, Probable and Possible) to which they are assigned and expected to be developed within a limited time.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped subclasses or to subdivide the developed reserves for the pool between developed producing and developed nonproducing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Interests in Reserves, Production, Wells and Properties

"Gross" means:

- (a) in relation to the Company's interest in production or reserves, its "Company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Company;
- (b) in relation to wells, the total number of wells in which the Company has an interest; and

- (c) in relation to properties, the total area of properties in which the Company has an interest.

"Net" means:

- (a) in relation to the Company's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;
- (b) in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and
- (c) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

Description of Exploration and Development Wells and Costs

"**Development Costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering, and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct, and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

"**Development well**" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

"**Exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property.

Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological, and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");

- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defense, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

"**Exploratory well**" means a well that is not a development well, a service well or a stratigraphic test well.

CORPORATE OVERVIEW AND UPDATE

NG Energy is an oil and gas company incorporated in Canada and is engaged in the acquisition, exploration, development, and exploitation of oil and natural gas assets in Colombia. The Company's current asset portfolio consists of one appraisal and two exploration natural gas assets in Colombia. NG Energy's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "GASX."

Drilling of the Brujo-1 Well

In October 2022, the Company announced the successful drilling of the Brujo-1 well, at a final total depth of 8,019 feet (7,200 feet true vertical depth) in the Lower Magdalena Basin, located within the SN-9 Block, encountering 680 feet of prospective gas-bearing thickness in the Ciénaga de Oro formation and 103 feet in the Porquero formation, for a total of 783 feet between the two formations. Subsequently, in November 2022, the Company announced the completion of testing of the well with 3 successful Drill Stem Tests ("DSTs") in the intermediate and upper section of the Ciénaga de Oro formation. A total of 276.5 feet (out of a total of 389 feet of thickness in this formation) were perforated with the resulting gas production rate as follows: 11.2 MMcf/d from DST-2; 18.2 MMcf/d from DST-3; and 21.2 MMcf/d from DST-4. Based on the successful tests in the Ciénaga de Oro formation, the Company has decided to analyze the best way to complete the well and test the remaining prospective zones, including 103 ft of thickness in the Porquero formation, to achieve the maximum possible production from the three zones.

Private Placement Offering of Convertible Debentures

In November 2022, the Company is finalizing a non-brokered private placement offering for the issuance and sale of up to 35,000 convertible senior secured debenture units at an issuance price of \$1,000 per debenture unit, for aggregate total gross proceeds of up to \$35 million (the "Debenture Offering"). Each debenture unit will consist of: (i) one 10.0% convertible senior secured debenture with a principal amount of \$1,000 maturing three (3) years from the closing of the Debenture Offering (the "Maturity Date"); and (ii) 1,000 common share purchase warrants of the Company, with each warrant entitling the holder thereof to purchase one common share of the Company at an exercise price equal to \$1.08 for a period of three (3) years from the closing date.

The principal amount of each convertible debenture will be convertible, for no additional consideration, at the option of the holder, in whole or in part, at any time and from time to time, into common shares prior to the earlier of: (i) the close of business on the Maturity Date; and (ii) the business day immediately

preceding the date specified by the Company for redemption of the convertible debentures upon a change of control (as defined in the indenture that will govern the convertible debentures) at a conversion price equal to \$0.90 per share. In connection with the Debenture Offering, the Company may pay a finder's fee. Such finders' fees may be paid in cash or Units, or any combination of cash or Units.

Completion of the Debenture Offering is contingent upon approval of the TSX-V, compliance with applicable Canadian securities laws, and completion of satisfactory due diligence by the investor group. The Debenture Offering is expected to close on or about November 30, 2022.

Bridge Loan

In October 2022, the Company obtained a bridge loan from a certain officer and director of the Company in the amount of \$2 million at a rate of 10% per annum and matures on the second anniversary from the closing date. If the Company is to complete a financing of convertible debentures prior to the maturity date, the principal and interest payable of the bridge loan is to be paid in convertible debenture units under that financing. If no convertible debenture units are issued, the loan principal and interest is to be paid back in cash on the maturity date.

Commencement of Gas Production from Aruchara-1 Well

In August 2022, the Company announced the initiation of gas production from the Istanbul Platform where the Aruchara-1 and the Istanbul-1 wells are connected. With the completion of the connection point to the Colombian National Gas Transportation System ("SNTE") through the gas trunk line Transportadora de Gas Internacional ("TGI"), delivery of early-stage gas production commenced in late September while the surface plant continues the stabilization process of current gas flow that is injected into the SNTE from the Aruchara-1 well. Sale revenue from gas production will commence in October 2022, with the Company continuing to evaluate opportunities to increase production in the months to follow.

Magico-1 Well Gas Discovery

In July 2022, the Company announced the discovery of significant gas within the Ciénaga de Oro sandstone formation from the newly-drilled Magico-1 well located in the SN-9 Block. Upon reaching target depth, the Company conducted two successful DSTs and a comingled test within three prospective zones in the Magico-1 well, realizing over 15 MMcf/d of dry gas with no water from the sandstone formation between 3,572 feet and 3,724 feet measured depth ("MD") with a combined prospective gas-bearing thickness of 76 feet. Other identified prospective zones will be tested in the future.

Prospectus Offering of Convertible Debentures

In May 2022, the Company closed a best-efforts brokered prospectus offering of 17,147 convertible debenture units (the "Debenture Units") of the Company at a price of C\$1,000 per Debenture Unit for total gross proceeds of C\$17,147,000. Each Debenture Unit consists of one 8.0% unsecured convertible debenture of the Company in the principal amount of C\$1,000 (each a "Convertible Debenture") and 400 purchase warrants of the Company. Each warrant will entitle the holder thereof to purchase one common share at an exercise price equal to C\$1.40 for a period of five years following the closing date of the offering, expiring on May 20, 2027.

The Convertible Debentures bear interest at a rate of 8.0% per annum from the date of issue, payable monthly in arrears on the last day of each month, with the first interest payment covering accrued interest for the period from the closing date to June 30, 2022. The Convertible Debentures will mature on the date which is five years from the closing of the offering (the "Maturity Date"). An amount equal to the interest payable under the Convertible Debentures from the closing date of the offering until the first anniversary of the offering was placed in escrow upon closing of the Offering and shall be paid out to holders of Convertible Debentures on a monthly basis. Interest thereafter shall be paid out of the Company's cash flow.

The principal amount of each Convertible Debenture is convertible, for no additional consideration, at the option of the holder in whole or in part at any time into common shares of the Company prior to the earlier of: (i) the close of business on the Maturity Date, and (ii) the business day immediately preceding the date specified by the Company for redemption of the Convertible Debentures upon a change of control, at a conversion price equal to C\$1.20, subject to adjustment in certain events.

In connection with the offering, the underwriters received cash commissions of C\$662,585 on gross proceeds raised.

The Company is entitled, at its sole option at any time after the second anniversary of the closing date of the offering to accelerate the expiry date of all of the outstanding warrants on not less than 30 days nor more than 60 days' notice, if the volume weighted average trading price of the common shares on the TSXV is greater than C\$2.00 for the ten consecutive trading days preceding the notice.

SN-9 Loan Conversion to Royalty

In August 2022, debt holders of the SN-9 loan (see below) exercised the conversion option to convert the loan principal and cumulative interest payable to the additional 3.0% overriding royalty on NG Energy's working interest in the gross production of the SN-9 block. Due to the conversion, the Company no longer has an outstanding balance owed to the SN-9 debt holders.

Non-Brokered Private Placement

In October 2021, the Company closed a non-brokered placement of eight million units, at a price of C\$1.00 per unit, for gross proceeds of \$6,474,063 (C\$8,000,000). Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional share at a price of C\$1.20 for a period of 24 months from the date of issuance, expiring on October 22, 2023, and are subject to potential accelerated expiry in the event the closing price of the common shares of the Company on the TSXV is equal to or exceeds C\$2.00 for twenty consecutive trading days.

In connection with the completion of the placement, the Company has paid a C\$6,000 cash commission and issued an aggregate 141,600 units, on the same terms as those issued in the financing, to eligible parties who introduced subscribers.

Bought Deal Financing

In February 2021, the Company closed a bought deal private placement, pursuant to which a syndicate of underwriters purchased 7,400,000 units and exercised its option to purchase an additional 1,110,000

units, an aggregate of 8,510,000 units at a price of C\$1.15 per unit for aggregate gross proceeds to the Company of \$7,712,586 (C\$9,786,500). Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share at a price of C\$1.75 until February 10, 2024.

In connection with the offering, the underwriters received a cash commission equal to 6% of the gross proceeds raised and 510,600 non-transferable broker warrants equal to 6% of the aggregate number of units sold. Each broker warrant is exercisable into one common share at a price of C\$1.15 per share until February 10, 2024. The net proceeds of the offering will be used for working capital and general corporate purposes.

Repayment of Maria Conchita Loan by way of Non-Brokered Private Placement

In parallel with the aforementioned bought deal financing, the Company completed a non-brokered private placement offering of 429,300 units, on the same terms as those issued pursuant to the bought deal financing, for a deemed value of \$388,452 (C\$493,695). No fees or commissions were paid to the underwriters in connection with the private placement. The issuance of these units was completed as repayment of the outstanding balance of the Maria Conchita Loan of \$350,000 plus accrued interest. Of the units issued, 253,000 units were indirectly acquired by two of the Company's directors.

Settlement of Services for Shares

In February 2021, pursuant to a Memorandum of Understanding with Panacol Oil and Gas Corp. ("Panacol"), the Company issued an aggregate of four million common shares at a deemed price of C\$1.49 per share. 2,800,000 common shares were issued in satisfaction of project management services provided by Panacol and 1,200,000 common shares to Landsons Investment Corp. ("Landsons") for services provided towards obtaining the environmental and social licenses for the SN-9 project.

COLOMBIAN OIL AND NATURAL GAS PROPERTIES

The Company is engaged in the acquisition, exploration, development and exploitation of oil and natural gas assets in Colombia. The Company's current asset portfolio consists of one appraisal and two exploration natural gas assets in Colombia. It has also identified light oil unrisked prospective resources (leads) at its SN-9 Block in Colombia. NG Energy has working interests in the Maria Conchita Block, the SN-9 Block and the Tiburon Block.

The Company has a Colombian-based management team with significant in-country experience, strong technical experience within the Colombian basin, and strong capital markets expertise having led large public resource companies in the past.

Maria Conchita Block

The Maria Conchita Block is located in the Department of La Guajira, Colombia, and neighbours the Chuchupa Block to its north, which is one of Colombia's largest gas fields with an initial 900 MMboe in place and currently accounts for approximately 7.2% of Colombia's daily natural gas output. The Chuchupa Block has been under production for over 35 years, operated by Chevron in association with Ecopetrol, S.A. Production from the Chuchupa Block has been decreasing over the last several years, creating a need

for new natural gas discoveries to replace it. The Maria Conchita Block is in close proximity to both of Colombia's gas trunk lines, TGI and Promigas.

The Exploration & Production ("E&P") Contract for the Maria Conchita Block (the "Maria Conchita E&P Contract") is a 2009 contract between the Agencia Nacional de Hidrocarburos ("ANH") of Colombia and MKMS Enerji Sucursal Colombia ("MKMS"), a Colombian branch of MKMS Enerji AS (BVI), a wholly owned subsidiary of NG Energy, for the exploration and production of conventional hydrocarbons in the Maria Conchita area. The Company maintains an 80% working interest in the Maria Conchita Block with 20% being held by private joint operation partners. MKMS is the operator of the Maria Conchita Block. The Maria Conchita E&P Contract had an initial exploration term consisting of six one-year exploration phases, which are followed by a 24-year production period from the date when commerciality is declared. Phase 1 was completed with the acquisition, processing, and interpretation of 120 km² of 3D seismic. The Phase 2 commitment was fulfilled with the drilling of the Istanbul-1 well (see below). In late 2018, NG Energy notified the ANH of its intention not to proceed to Phase 3 of the exploration program and to relinquish the areas of the Maria Conchita Block not covered by the ongoing evaluation program. The Maria Conchita Block originally covered an area of approximately 60,076 acres. Subsequent to the relinquishment, the Company maintains 32,518 acres under the evaluation program.

Reserves Analysis

In March 2022, the Company announced the results of the year end 2021 reserves report for the Maria Conchita Block prepared by Petrotech and Associates Ltd. ("Petrotech") in accordance with the COGE Handbook. Using available 3D seismic data and amplitude-variation-with offset seismic techniques in the Maria Conchita Block, the structures with potential gas reservoirs of Miocene were mapped within the areas of the Aruchara 1 and Tinka 1 wells. The volumetric method is then used to estimate the proved and probable undeveloped reserves. The Company currently has total proved plus probable reserves of 27,666 MMcf gross, 25,859 MMcf net in the Maria Conchita Block. Since the results of the tests conducted in the Istanbul-1 well were not considered to be stable, and the gas production was estimated, no reserves have been assigned to the Istanbul-1 well until actual results are available.

Current Objectives

The Company's primary focus in the Maria Conchita Block is the monetization of its natural gas resources and capitalizing on a premium pricing market in Colombia of over \$5 MMBtu with the construction of the production facilities and pipeline by GTX International Corp. ("GTX") that extends from the Company's Maria Conchita field in Colombia to the existing national gas transportation infrastructure. The GTX production facilities have capacity to handle up to 20 MMcf/d of gas production from the Aruchara-1 and Istanbul-1 wells.

In February 2022, the National Authority of Environmental Licenses (the "ANLA") granted to the Company an amended environmental license for Maria Conchita to include the Aruchara-1 well. The ANLA license shall expire at the time that the Company enters into the commercialization phase at the Aruchara-1 well. This permits production from the Aruchara-1 well and allowed the Company to lay the flow line connecting the well to the GTX production facilities.

Exploration Activities

The current evaluation program for the Maria Conchita Block consists of geological and geophysical studies and an evaluation of re-entries on the existing wells, which has been extended into 2022 with the option to present a development plan of the field in late 2022. In early 2021, the Company decided to complete a feasibility study on the covered Istanbul-1 well prospective area, evaluating the following aspects: condition of environmental licensing; social aspects of the area of direct influence of the project; mechanical integrity; integral costs of intervention; and new wells to be drilled to sustain a production capacity close to 20 MMcf/d. Based on the results of this study, the Company re-entered the Istanbul-1 well and preliminary testing in several zones encountered gas that was tested for flow rates. The purpose of the re-entry of the Istanbul-1 well was to repair wellbore damage, evaluate the potential extension of the Aruchara-1 well producing zones, and define the production potential of new identified gas zones.

The existence of gas was tested in all the evaluated zones, with presence of water, and it was established that the 8,396 to 8,416 feet and 8,426 to 8,438 feet intervals present good gas production potential, expanding the prospects of the area. Based on the above, it was decided by management to complete the well temporarily, while identifying the best procedure to prevent water from influencing gas production. With this objective, existing dewatering technologies were analyzed, and the best mechanism defined. The Company has received the authorization of the ANH for well testing and minimum gas vent and is planning to move forward with these objectives in Q4 2022.

SN-9 Block

The SN-9 Block is located in the Lower Magdalena Valley, 75 km from Colombia's Caribbean coast. The SN-9 Block, which covers an area of approximately 311,353 acres in the Department of Córdoba, Colombia, has a 6-year exploration period, divided in two phases of three years each, followed with a 24-year production period from the date when commerciality is declared. The SN-9 Block is adjacent to blocks held by Canacol Energy Ltd and Hocol S.A. The area has excellent infrastructure with good roads and access to the northern gas trunk line. In previous years, the Hechizo well was drilled on the block by Ecopetrol, S.A. in 1992 and tested gas in the Ciénaga de Oro formation at a depth of approximately 4,250 feet. The SN-9 Block has 730 km of 2D seismic.

The E&P Contract for the SN-9 Block (the "SN-9 E&P Contract"), dated October 2014, was entered into between the ANH and Clean Energy Resources S.A.S., a Colombian corporation ("Clean"). The SN-9 E&P Contract is currently in the first phase of the exploration program which includes a minimum work obligation of drilling two exploration wells. The current deadline of January 2023 was approved by the ANH after an extension request was made by NG. The Company's working interest is 72%, subject to payment of ANH sliding scale royalties.

In September 2021, the Company received the necessary environmental license from the ANLA required to commence exploratory drilling in the SN-9 Block, including the construction of civil works, production infrastructure and the construction of up to eleven locations for a total of twenty-two wells to be developed. The ANLA license shall expire at the time that the Company completes the first phase of the exploration program and proceeds into the commercialization phase.

Resources Analysis

In September 2022, the Company announced the results of the evaluation in the Reserves and Prospective Resources within the SN-9 Block with an effective date of August 31, 2022 (the “Oil Resources Report”) as prepared by Petrotech Engineering Ltd. (“Petrotech Engineering”) in accordance with the COGE Handbook. At 100% working interest, the Company confirmed proved plus probable reserves of 16,938 MMcf and best estimate unrisked prospective resources (leads) of 24,790 MMcf, low estimate unrisked prospective resources (leads) of 11,766 MMcf, and high estimate unrisked prospective resources (leads) of 39,390 MMcf at the SN-9 Block. No risk assessment has been conducted until the leads can be upgraded to prospects. It is important to note that there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Current Objectives

The Company is in the process of carrying out the exploration activities in stages which will satisfy the minimum work obligations. The first stage consisted of the finalization of the environmental impact study and prior consulting processes in order to obtain the necessary environmental licenses to be able to drill. The Company finished the environmental impact study and received the requisite environmental licenses to commence drilling operations, which was followed by the drilling of the Mágico-1 well in Q2 2022 and the Brujo-1 well in Q3 2022. Current plans are to continue with the drilling of two further exploration wells in the Brujo and Hechicero areas. The second stage will focus on evaluating the Milagroso and Hechico areas, including drilling two additional exploration wells and acquiring 3D seismic for the development of the field, completing the second phase of the exploration program through these activities. Each exploration well will focus on the Ciénaga de Oro formation, similar to other producing wells in the area. Testing of the identified formations of the recently drilled Brujo-1 well is ongoing, and continued testing of the Mágico-1 well in other prospective zones will also be conducted at a future date in parallel with the aforementioned drilling projects. The Hechicero-1 will be the next well drilled from the same drilling pad as the Brujo-1 well with all approvals in place from the ANH to commence drilling immediately.

Exploration Activities

The Magico-1 well was drilled in Q2 2022, targeting the Ciénaga de Oro sandstone reservoir, with testing performed upon reaching the formation to assess initial production rates. The Company decided to start the SN-9 Phase 1 drilling campaign in the Mágico area due to the fact that, in February 2022, as part of the continuous evaluation of SN-9, a new seismic review of the Mágico area, including AVO anomalies re-interpretation, was carried out and it showed the presence of several class 3 bright spots and new evidence of deeper prospective zones with possible higher production expectations. Accordingly, management of the Company decided to start the drilling program with the Mágico-1 well followed by the other attractive Brujo, Hechicero, and Milagroso areas.

In July 2022, the Company announced that the Company encountered significant gas within the Ciénaga de Oro sandstone formation from the Magico-1 well. Upon reaching target depth, the Company conducted two successful DSTs and a comingled test within three prospective zones, realizing over 15 MMcf/d of dry gas with no water from the sandstone formation between 3,572 feet and 3,724 feet MD with a combined prospective gas-bearing thickness of 76 feet. Other identified prospective zones will be tested in the future.

In October 2022, the Company announced the successful drilling of the Brujo-1 well, at a final total depth of 8,019 feet (7,200 feet true vertical depth) in the Lower Magdalena Basin, encountering 680 feet of prospective gas-bearing thickness in the Ciénaga de Oro formation and 103 feet in the Porquero formation, for a total of 783 feet between the two formations. Subsequently, in November 2022, the Company announced the completion of testing of the well with 3 successful DSTs in the intermediate and upper section of the Ciénaga de Oro formation. A total of 276.5 feet (out of a total of 389 feet of thickness in this formation) were perforated with the resulting gas production rate as follows: 11.2 MMcf/d from DST-2; 18.2 MMcf/d from DST-3; and 21.2 MMcf/d from DST-4. Based on the successful tests in the Ciénaga de Oro formation, the Company has decided to analyze the best way to complete the well and test the remaining prospective zones, including 103 ft of thickness in the Porquero formation, to achieve the maximum possible production from the three zones.

Existing Agreements

The terms of the original agreement between the Company and Clean regarding the Company's acquisition from Clean of an economic beneficial interest in the SN-9 Block are as follows:

- The Company's participation interest is 72%. Clean's participation in the SN-9 Block will be 13%, and will comprise two components:
 - First component - carried working interest of 8%
 - Second component - Clean will acquire an additional 5% by one of two options:
 - Option 1 - payment of \$1.2 million to the Company if Clean chooses to only participate in the first phase of the exploration program.
 - Option 2 - payment of \$2.9 million to the Company if Clean chooses to participate in both phases of the exploration program.

Payment to the Company for either option will be received through the sale of 62.5% of Clean's production on the SN-9 Block corresponding to this 5% interest. Furthermore, the share of Net Profit Interest and Overriding Royalties (as defined in the SN-9 purchase and sale agreement) related to this additional 5% working interest will be the obligation of Clean and not carried by the Company.

Tiburon Block

The Tiburon Block currently covers an area of approximately 245,850 acres in the Department of La Guajira, Colombia. The E&P Contract for the Tiburon Block (the "Tiburon E&P Contract") is a contract for the exploration and production of conventional hydrocarbons, dated June 2006 and entered into between the ANH and Omimex de Colombia Ltd., which later changed its name to ColPan Oil & Gas Ltda. ("ColPan").

The Tiburon E&P Contract initially provided for an exploration period divided into six phases of twelve months each. The Tiburon E&P Contract is currently in Phase 3 of the exploration period with an existing minimum work obligation to acquire, process, and interpret 69.75 km² of 3D seismic. The Phase 3 commitment is currently suspended due to "Force Majeure and Third-Party Acts" due to local community issues within the region that are outside the control of the Company.

Exploration Activities

In light of the force majeure situation, the Company has carried out technical studies of the area in order to present for the consideration of the ANH a request to change the identified area within the Tiburon Block where the current minimum work obligation of 3D seismic is to be completed, and alternatively, complete the acquisition, processing and interpretation of 112 km of 2D seismic in the Bahia Honda area within the Tiburon Block, which is equivalent to the current Phase 3 commitment of the Tiburon E&P Contract of 69.75 km² of 3D seismic.

At present, the Phase 3 program is currently suspended due to the pre-existing community issues that are impeding any progress in the area. The Company will comply with the Phase 3 commitments of the Tiburon E&P Contract once the community conflicts existing in the area have been resolved. The timing of any conflict resolution is unknown at this time. Meanwhile, the Company intends to start environmental and social analyses to execute seismic activities.

Existing Agreements

The terms of the original agreement between the Company and ColPan outlining the Company's acquisition from ColPan of an economic beneficial interest in the Tiburon Block are based on the execution of the following work program:

- Ten percent working interest upon the completion of the Phase 3 3D seismic commitment.
- An additional 15% working interest upon the drilling and testing of one exploration well.
- A further 15% working interest upon the drilling and testing of a second exploration well.

After completing the seismic commitment, NG Energy is not obligated to drill any of the exploration wells and can exit the contract with no further commitments but will lose the original \$300,000 performance guarantee currently held on deposit with the ANH. Alternatively, NG Energy may elect to stay in the license with a 10% working interest. \$120,000 of management fees paid by the Company will be returned to NG Energy if the Company is still participating in the block when the ANH performance guarantee is returned at the end of the Phase 3 commitment. In the event that NG Energy does not fulfill the Phase 3 commitment, except for reasons beyond its control, NG Energy will cede a 1.5% carried working interest in the SN-9 Block to ColPan and forfeit the aforementioned \$120,000 payment.

OUTLOOK

The Company's primary short-term focus is the monetization of its natural gas resources and capitalizing on a premium pricing market in Colombia of over \$5 MMBtu now with the connection of the Aruchara-1 and Istanbul-1 wells to the nearby TGI main line complete. This now turns the Company into a revenue producing entity, realizing potential production of up to 20 MMcf/d into the Colombian gas system given the Company's production facilities at Maria Conchita will be programmed to produce between 16 and 20 MMcf/d. Given the current shortage of gas in Colombia, the Company has a reasonable expectation that any gas that it produces will be purchased. The commencement of this revenue stream will assist the Company with improving its working capital position and service debt payments for interest payable on the Convertible Debentures.

The Company continues to move forward with its planned exploration program in the Maria Conchita and SN-9 Blocks as was mentioned above, prioritizing the current SN-9 exploration program. The Company believes the SN-9 Block could be an important new source of natural gas in Colombia. Through a phased approach, NG Energy expects to increase reserves and provide a stable supply of natural gas in the country. The Company has also commenced communications with prominent Colombian gas transportation companies to develop necessary surface infrastructure in order to bring SN-9 gas production from the Magico-1 and Brujo-1 wells to the Colombian market. As well, the aforementioned evaluation program is underway in the Maria Conchita Block to define total resources and determine the most appropriate development plan for the Uitpa and Jimol formations.

The Company continues to pursue asset prioritization strategies, additional and/or alternative production and exploration opportunities, and the development of its reserves. The Company may choose to delay development, depending on a number of circumstances including the existence of higher priority expenditures, prevailing commodity prices and the availability of funds.

DISCUSSION OF OPERATING RESULTS

General and Administrative Expenses

General and administrative (“G&A”) expenses for the nine months ended September 30, 2022, totaled \$2,722,357 (2021 comparative period - \$2,170,591). The G&A expenses relate to the normal course of the Company’s operations, and are constituted as follows:

	Q3 2022	Q3 2021	Q2 2022	Q1 2022	Q4 2021
Wages & Salaries	200,946	122,675	224,960	188,940	242,130
Professional Fees	237,749	173,368	348,317	229,523	658,393
Other	367,916	324,953	293,908	630,098	715,156
Total	806,611	620,996	867,185	1,048,561	1,615,679

Professional fees are composed of legal, audit, tax, and other fees that have been incurred by the Company for operations. Wages and salaries are amounts paid to employees of the Company. Other expenses comprise the normal operations of the Company and include office rent, public relations, insurance, travel, and other general and administrative expenses.

Share-Based Payments

In August 2022, The Company granted 2,640,893 options to acquire common shares to certain directors, officers employees and consultants of the Company at a price of C\$1.14 per common share. The options were for a ten-year term, expiring on August 8, 2032. All options granted vested immediately on the date of grant.

The value of the stock options vesting in the nine months ended September 30, 2022, equated to \$1,860,743 (2021 comparative periods - \$ 1,298,396).

Finance Income and Expense

The Company's finance-related income and expenses for each of the reporting periods are as follows:

	Q3 2022	Q3 2021	Q2 2022	Q1 2022	Q4 2021
Interest income	(84,183)	(18,319)	(59,759)	(24,715)	(22,607)
Interest expenses and bank charges	332,582	169,281	246,826	115,951	143,243
Accretion on decommissioning obligation	6,498	1,380	4,011	2,849	2,326
Accretion on liability component of convertible debentures	141,961	-	55,179	-	-
Interest expense on lease liabilities	62,734	-	-	-	-
Amortization of transaction costs on Loans	3,362	11,926	8,551	8,292	11,258
Net finance expenses	462,954	164,268	254,808	102,377	134,220

Foreign Exchange

The Company incurred foreign exchange losses of \$875,142 and \$1,470,060 for the three months and nine months ended September 30, 2022, respectively (2021 comparative periods – foreign exchange losses of \$265,416 and \$618,832, respectively). Foreign exchange losses are due to the decrease in the value of the Canadian dollar and the Colombian peso when compared to the US dollar in the period. Conversely, foreign exchange gains are due to an increase in the value of these other currencies in comparison to the US dollar. For the three months ended September 30, 2022, a decrease of 10% occurred in the value of the Colombian peso when compared to the US dollar, resulting in a significant foreign exchange loss in the period (14% decrease for the nine months ended September 30, 2022). The three and nine-month periods ended September 30, 2022 also saw decreases in the value of the Canadian dollar in comparison to the US dollar, although not as significant as those decreases related to the Colombian peso.

Gain on Disposition

The Company held 12,250,000 common shares of Horizon Petroleum Ltd. ("Horizon Shares"). As of December 31, 2019, it was determined that a disposition of the investment in Horizon Shares in the next 12 months was not highly probable and was deemed to have no recoverable value as Horizon Petroleum Ltd. was delisted from the TSX-V, resulting in a devaluation to a balance of \$nil. During the three months ended September 30, 2022, the Horizon Shares were re-listed and consequently sold for total proceeds of \$280,863, net of transaction costs.

Cash used in Operating Activities

For the nine months ended September 30, 2022, the Company used cash in operating activities of \$3,932,005 (2021 comparative period - \$3,150,114). The cash used in operations is primarily comprised of G&A expenses and finance expenses incurred during the period.

CAPITAL ADDITIONS

For the nine months ended September 30, 2022, the Company had additions (prior to recognition of any impairments, disposals, or revisions of estimates) of \$13.4 million relating to exploration and evaluation assets and \$33,221 relating to property, plant, and equipment. Additions to exploration and evaluation

assets relate primarily to 1) ongoing capital activities for the Aruchara-1 and Istanbul-1 wells tie-in to pipeline infrastructure; and 2) the commencement of the SN-9 drilling program beginning with the drilling of the Mágico-1 well.

LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN

The Company's capital management objective is to have sufficient capital to be able to execute its business plan. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying oil and natural gas assets. The continued development of the Company's oil and natural gas assets is dependent on the ability of the Company to secure sufficient funds through operations, credit facilities and other sources. Such funds may not be available on acceptable terms or at all.

The Company currently has no production and had no source of revenue. Further, during the nine months ended September 30, 2022, the Company recognized a net loss of \$6.5 million and cash used in operating activities of \$3.9 million. As of September 30, 2022, the Company had a working capital deficit of \$3.4 million. For 2022, the Company has contractually committed exploration and development amounts of \$25.3 million with a substantial portion of those contractual commitments being fulfilled through the current SN-9 drilling program discussed previously. The need to obtain capital to fund the Company's ongoing operations, and capital commitments, and the ultimate development of the Company's exploration and evaluation assets give rise to a material uncertainty that creates significant doubt on the Company's ability to continue as a going concern.

In May 2022, the Company closed the offering of convertible debentures for aggregate gross proceeds of \$13.4 million. In February 2021 and October 2021, the Company closed separate private placements for aggregate gross proceeds of \$7.7 million and \$6.5 million, respectively. The Company also received proceeds of \$1.0 million on the exercise of purchase warrants through the second quarter of 2022. For the year ended December 31, 2021, the Company received proceeds of \$1.7 million on the exercise of purchase warrants. These proceeds are and continue to be used to fund general working capital needs and capital work programs as well as to settle outstanding liabilities, however, as indicated above are not sufficient to fund the Company's ongoing operational and capital commitments. The Company will require additional sources of capital to fund ongoing operational requirements and capital commitments which may not be available when needed.

Due to the conditions noted above, there remains a material uncertainty surrounding the Company's ability to obtain sufficient financing to meet its operational requirements and capital commitments. These conditions noted above indicate a material uncertainty exists that may cast significant doubt with respect to the Company's ability to continue as a going concern.

Management believes that the going concern assumption is appropriate for the Financial Statements and that the Company will be able to meet its operational requirements and capital commitments as well its other potential capital commitments during the upcoming year and beyond. There is no guarantee that the Company will be successful in its endeavors and no certainty as to the timing of the Company's impending exploration commitments. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, the Financial Statements of the Company would require adjustments to the amounts and classifications of assets and liabilities, and these adjustments could be significant.

The Company's Colombian oil and gas interests are in the exploration stage and the Company has yet to establish operations to achieve sustainable production from its oil and gas assets. Accordingly, the recoverability of amounts recorded as oil and natural gas properties is dependent upon successful development of its assets in order to put them into production and then achieve future profitable production, the ability of the Company to secure adequate sources of financing to continue to fund the development of its assets, and the political stability of Colombia. The outcome of these matters cannot be predicted with certainty at this time.

SN-9 Loan

In August 2020, the Company entered into a loan in the amount of \$2.5 million, secured by the assets of the Company. The loan was denominated in US dollars, was to mature in August 2022, and bore interest at the rate of 15% per annum. The proceeds of the loan were utilized for the costs of exploratory activities in the SN-9 Block. Under the terms of the loan agreement, the lenders were also granted a 3% overriding royalty on NG Energy's working interest in the gross production of the SN-9 Block. Total interest and principal was payable at the maturity date, although the lenders had an option to convert the loan principal and interest into another 3% overriding royalty on NG Energy's working interest in the gross production of the SN-9 Block at the lenders' discretion at any point prior to the maturity date.

As mentioned previously, in August 2022, debt holders of the SN-9 loan exercised the conversion option to convert the loan principal and cumulative interest payable to the additional 3.0% overriding royalty on NG Energy's working interest in the gross production of the SN-9 block. Due to the conversion, the Company no longer has an outstanding balance owed to the SN-9 debt holders.

Convertible Debentures

As previously mentioned, in May 2022, the Company completed the offering of Convertible Debentures for aggregate proceeds of \$13.4 million (C\$17.1 million). Each debenture unit is denominated in Canadian dollars and consists of: (i) one 8% convertible unsecured debenture in the principal amount of \$1,000 maturing on May 20, 2027; and (ii) 400 common share purchase warrants of the Company, with each warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of C\$1.40 per share for a period of five years ending May 20, 2027. Under the terms of the debentures, the lenders may at any time prior to the maturity date convert any or all the principal amount of the debentures into shares of the Company at a conversion price of C\$1.20 per share.

Interest on the debentures is payable monthly in arrears on the last day of each month. An amount equal to the interest payable under the debentures from the closing date of the offering until the first anniversary of the offering was placed in escrow upon closing of the offering and shall be paid out to holders of debentures on a monthly basis. Interest thereafter shall be paid out of the Company's cash flow. As of September 30, 2022, total balance of deposit in escrow was \$647,214.

In August 2022, certain debenture holders elected to convert C\$350,000 face value of their debentures to shares of the Company at the conversion price of C\$1.20 per share, resulting in the issuance of 291,666 common shares.

Restricted Cash

As of September 30, 2022, funds totaling \$2,078,227 (December 31, 2021 - \$2,340,244) comprised the balance represented in restricted cash. The composition of this amount is as follows:

	September 30, 2022	December 31, 2021
SN-9 ANH Guarantee	1,803,781	2,039,321
Tiburon ANH Guarantee	274,446	300,923
	2,078,227	2,340,244

Term deposits of \$2.4 million and \$0.3 million were originally established to secure performance guarantees required by the ANH under the E&P Contracts for the SN-9 and Tiburon Block. The SN-9 and Tiburon deposits amounts are defined in US dollars by the ANH but are held in Colombian pesos with Colombian banks and are subject to foreign currency fluctuation risks in relation to the US dollar. These deposits are to be released to the Company once current phase commitments under each E&P Contract are completed. As of September 30, 2022, the balances of the SN-9 term deposit and Tiburon term deposit were \$1,803,781 and \$274,446, respectively.

SHARE CAPITAL

Common shares

As at September 30, 2022, the Company was authorized to issue an unlimited number of common shares, with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared. Outstanding common shares as of September 30, 2022, are as follows:

	Common shares	Amount (\$)
Balance, December 31, 2020	89,597,033	89,676,395
Shares issued through private placements (net of costs)	17,080,900	9,800,062
Shares issued to service provider	4,000,000	1,099,592
Shares issued through warrant exercise	9,082,222	2,923,959
Shares issued through option exercise	170,000	72,797
Balance, December 31, 2021	119,930,155	103,572,805
Shares issued through warrant exercise	5,011,111	1,205,561
Shares issued through option exercise	30,000	11,108
Conversion of debentures	291,666	192,445
Shares cancelled through share buyback	(140,800)	(106,279)
Balance, September 30, 2022	125,122,132	104,875,640

Stock Options

The Company's stock option plan provides for the issue of stock options to directors, officers, employees, charities, and consultants. The plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding shares. Vesting terms are determined by the Board of Directors as

they are granted and currently include periods ranging from immediately to one-third on each anniversary date over three years. The options' maximum term is ten years.

As at September 30, 2022, a total of 12,526,293 (December 31, 2021 – 9,915,400) options were issued and outstanding under this plan. Options which are forfeited/expired are available for reissue.

A summary of the changes in stock options is presented below:

	Stock options	Weighted average exercise price (C\$)
Balance, December 31, 2020	7,912,600	1.01
Options issued	2,250,000	0.91
Options exercised	(170,000)	0.33
Options forfeited	(77,200)	7.95
Options amended (old price)	(125,000)	8.00
Options amended (new price)	125,000	0.91
Balance, December 31, 2021	9,915,400	0.85
Options exercised	(30,000)	0.275
Options issued	2,640,893	1.14
Balance, September 30, 2022	12,526,293	0.91

The following summarizes information about stock options outstanding as at September 30, 2022:

Exercise prices (C\$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.275	1,346,000	7.73	1,346,000
0.45	2,125,000	6.76	2,125,000
0.91	2,375,000	8.58	2,375,000
1.00	3,900,000	8.15	3,900,000
1.14	2,640,893	9.86	2,640,893
6.10	29,400	3.89	29,400
8.00	110,000	4.86	110,000
	12,526,293	8.27	12,526,293

In August 2022, the Company granted 2,640,893 stock options to directors, officers, employees, and consultants of the Company. The options are exercisable at a price of C\$1.14 per share for a period of 10 years. With incorporation of this stock option grant, the balance of outstanding stock options has increased to 12,526,293.

Warrants

As at September 30, 2022, a total of 21,712,062 (December 31, 2021 – 25,489,373) warrants were issued and outstanding. A summary of the change in total warrants is presented below:

	Warrants	Weighted average exercise price (C\$)
Balance, December 31, 2020	21,449,745	3.03
Warrants issued on private placement	12,469,650	1.40
Broker warrants issued on private placement	652,200	1.16
Warrants exercised	(9,082,222)	0.23
Balance, December 31, 2021	25,489,373	3.18
Warrants issued with convertible debentures	6,858,800	1.40
Warrants expired	(5,625,000)	10.50
Warrants exercised	(5,011,111)	0.26
Balance, September 30, 2022	21,712,062	1.40

The following summarizes information about total purchase warrants outstanding as at September 30, 2022:

Exercise prices (C\$)	Number of warrants outstanding	Weighted average term to expiry (years)	Number of warrants exercisable
1.15	475,600	1.36	475,600
1.20	8,141,600	1.06	8,141,600
1.40	6,858,800	4.64	6,858,800
1.50	2,036,412	1.25	2,036,412
1.75	4,199,650	1.36	4,199,650
	21,712,062	2.27	21,712,062

On July 31, 2022, 5,625,000 warrants at an exercise price of C\$10.50 expired, reducing the balance of outstanding warrants to 21,712,062.

Outstanding Securities

As of the date of this MD&A, the Company has 125,122,132 common shares, 12,526,293 stock options, and 21,712,062 warrants issued and outstanding.

COMMITMENT SUMMARY UPDATE

Capital Commitments

A summary of the Company's estimated capital commitments (in millions of dollars) are as follows:

Block	2022	2023	Total
SN-9 Block ⁽¹⁾	-	22.3	22.3
Tiburón Block ⁽²⁾	-	3.0	3.0
Total	-	25.3	25.3

- 1) NG Energy's ANH commitment to carry out the minimum requirement to drill two exploration wells (for which the Company will pay 100% of the costs under the terms of the SN-9 Acquisition) according to Phase 1 of the contractual exploration program. The aforementioned ANH commitment was approved by the ANH in May 2022 to replace the previous minimum requirement to process and interpret 204.4 km of 2D seismic and drill one exploration well, with an extension up to January 2023 for the completion of the Phase 1 exploration program. The first exploration well (Magico-1) was completed in August 2022 and drilling of the second exploration well (Brujo-1) was commenced in September 2022. With the completion of the Brujo-1 well, the Company will seek confirmation from the ANH that the Phase 1 exploration commitments have been fulfilled.
- 2) Relates to NG Energy's share of the ANH commitment to carry out the minimum requirement to acquire, process, and interpret 69.75 km² of 3D seismic according to Phase 3 of the contractual exploration program. Currently, operations are delayed due to community disputes in the region, with 148 days to fulfil the commitment after the local disputes are resolved and the activities carried out in the previously proposed area. The Company assumes that activities related to the permits for the new seismic survey will commence in 2023.

The expenditures provided in the above table only represent the Company's estimated cost to satisfy contract requirements. Actual expenditures to satisfy these commitments, initiate production or create reserves may differ from these estimates. The expenditures in the above table are based on the latest possible date required per contract and may be incurred at an earlier date.

Contractual Commitments

Natural Gas Transportation Services

In August 2022, the Company entered into a Build-Own-Operate-Maintain-Transfer agreement (the "BOOMT") with GTX International Corp. ("GTX") pursuant to which GTX has built and will operate production facilities and pipeline (the "Pipeline Facilities") with capacity of 20 million cubic feet per day ("MMcf/d") that will extend from the Company's Maria Conchita field in Colombia to existing national infrastructure. The BOOMT outlines the take-or-pay ("ToP") arrangement pursuant to which NG Energy will agree to transport, or pay for, 16 MMcf/d through the Pipeline Facilities for a period of six years (the "Guaranteed Commitment") at a tariff of \$0.90/Mcf of gas, commencing from the time of commercial production begins to be delivered to the market. The Company's Guaranteed Commitment will convert after six years into payment for only the capacity that is used at the same tariff rate. The ToP arrangement will have a term of 10 years, after which ownership of the Pipeline Facilities will transfer to the Company.

Natural Gas Compression Services

In November 2021, the Company entered into a take-or-pay service contract with Surenergy SAS ESP ("Surenergy") for the compression of natural gas production derived from the Maria Conchita Block. Under the terms of the contract, Surenergy will install and maintain necessary infrastructure and equipment in order to provide daily natural gas compression services for a capacity of 16 million cubic feet per day ("MMcf/d") of natural gas production for a term of six years from the commencement of commercial natural gas production within the Maria Conchita Block. For these services, the Company has committed to pay a monthly service fee of \$96,240 to Surenergy over the six-year term of the service contract. The monthly service fee is to be paid to Surenergy each month regardless of whether the Company fully utilizes the daily stipulated gas compression capacity made available by Surenergy under the terms of the service contract. Future amendments to the service contract may be made upon mutual agreement of both parties. The Company may unilaterally terminate the service contract prior to the completion of the six-year term with 30 days notices, but a final fee equal to 20% of the monthly service fee for the remaining life of the service contract would be assessed and paid by the Company. As of the date hereof, commercial natural gas production has not commenced within the Maria Conchita Block.

There are no other significant commitments outstanding as of September 30, 2022.

RELATED PARTIES

During the periods ended September 30, 2022 and 2021, there were separate related party transactions as follows:

- I. The Company paid a monthly advisory fee to a firm affiliated with a director of NG Energy. As per the consulting agreement, NG Energy paid the firm \$77,175 and \$79,118 for the nine months ended September 30, 2022 and 2021, respectively. Furthermore, additional fees are paid pursuant to the closing of successful financing arrangements, divestitures, or acquisitions for which the firm provides advisory services. Administrative success fees of \$133,661 were paid upon closing of the 2022 convertible debenture offering and \$81,017 upon closing of the 2021 private placements through units for the nine months ended September 30, 2022 and 2021, respectively. As at September 30, 2022, there were no outstanding payables owed to the firm.
- II. The Company incurred professional fees for general corporate services as well as technical services related to exploration activities in Colombia of \$871,729 and \$269,103 for the nine months ended September 30, 2022 and 2021, respectively. Such services were provided by a contracted service provider affiliated with a certain director of the Company. As at September 30, 2022, there were no outstanding payables owed to the service provider.
- III. The Company incurred office rental costs in Colombia expenditures of \$58,989 and \$31,728 for the nine months ended September 30, 2022 and 2021, respectively. The related office space was rented from an entity affiliated with a certain director of the Company. As at September 30, 2022, there were no outstanding payables owed to the lessor entity.
- IV. In May 2022, the Company completed a prospectus offering of convertible debentures of 17,147 debenture units at \$1,000 per unit, with four hundred common share purchase warrants issued per unit. Of the units issued, 7,135 units were issued for subscriptions by directors of the Company or investors related to directors of the Company.
- V. In August 2022, debt holders of the SN-9 loan exercised the conversion option to convert the loan principal and cumulative interest payable to the additional 3.0% overriding royalty on NG Energy's working interest in the gross production of the SN-9 block (see Note 8). Of the original loan proceeds of \$2,500,000, approximately \$1,512,500 were provided by directors of the Company.
- VI. In August 2022, the Company entered into a BOOMT agreement with GTX for installation and operation of production facilities and pipeline in the Company's Maria Conchita field for a ten-year period (see "Contractual Commitments"). Of the ownership of GTX, 26% is held by directors or affiliates of directors of the Company.
- VII. In October 2021, the Company completed a non-brokered private placement through units for proceeds of \$6,474,063 before issue costs. Of the total proceeds, approximately \$50,579 were from subscriptions by directors or by investors related to directors of the Company.
- VIII. In February 2021, the Company completed a non-brokered private placement offering of 429,300 units on the same terms as those issued pursuant to the February 2021 bought deal financing, for a deemed value of \$388,452. The issuance of the non-brokered private placement through units

was completed as repayment for the outstanding balance of the Maria Conchita Loan of \$350,000 plus accrued interest. Of the units issued, 253,000 units were issued to the Company's directors.

SELECTED QUARTERLY INFORMATION

The following table sets out selected quarterly financial information of NG Energy and is derived from unaudited quarterly financial data prepared by management.

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net loss	(3,844,417)	(1,856,666)	(798,255)	(2,128,480)
Comprehensive loss	(3,362,029)	(1,730,924)	(826,278)	(2,297,814)
Net loss per share (basic & diluted):	(0.03)	(0.02)	(0.01)	(0.02)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net loss	(2,350,803)	(936,492)	(1,298,672)	(4,509,344)
Comprehensive loss	(2,231,135)	(897,121)	(1,282,873)	(4,659,277)
Net loss per share (basic & diluted):	(0.02)	(0.01)	(0.01)	(0.05)

Over the past eight quarters, fluctuations in net losses on a quarter-over-quarter basis have been impacted by factors such as G&A expenses, finance expenses, impairment expenses, share-based compensation expense, and fluctuations in exchange rates.

The following outlines the significant events over the past eight quarters:

In the third quarter of 2022, G&A expenses of \$806,611, increased finance expenses of \$462,954, share-based compensation expense of \$1,860,743, and foreign exchange losses of \$875,142 contributed to the quarterly net loss. Reductions in professional services rendered to the Company during Q3 2022 when compared to these same expenses in Q2 2022 was the primary cause of the reduction in G&A expenses, quarter to quarter. Increased finance expenses are due to the additional interest expense incurred in Q3 2022 in relation to the Convertible Debentures as well as the GTX lease liability that commenced September 23, 2022.

In the second quarter of 2022, G&A expenses of \$867,185 as well as increased finance expenses of \$265,038 and foreign exchange losses of \$997,668 contributed to the quarterly net loss. Reductions in investor relation expenses during Q2 2022 when compared to these same expenses in Q1 2022 was the primary cause of the reduction in G&A expenses, quarter to quarter. Increased finance expenses are due to the additional interest expense incurred in Q2 2022 with the completion of the Convertible Debenture offering.

In the first quarter of 2022, the Company incurred G&A expenses of \$1,048,561, partially offset by foreign exchange gains of \$402,750. The decreased G&A expenses are due to reduced expenses for professional services rendered to the Company in the quarter in comparison to Q4 2021.

In the fourth quarter of 2021, the Company experienced foreign exchange losses of \$182,944 as well as increased G&A expenses of \$1,615,679. The increased G&A expenses are due to increased growth and activity of the Company in anticipation of revenue-generating operations in 2022.

In the third quarter of 2021, the Company issued stock options with an assessed fair value of \$1,298,396 that was recognized as share-based compensation expense in the quarter, with G&A expenses of \$620,996 and a foreign exchange loss of \$265,416.

The results of the first two quarters of 2021 consisted primarily of G&A expenses (\$766,921 and \$782,674 for Q1 and Q2 2021, respectively) and foreign exchange gains/losses. Foreign exchange losses of \$370,049 were recognized in Q1 2021 while a small foreign exchange gain of \$16,663 was recognized in Q2 2021.

In the fourth quarter of 2020, \$1,920,397 in share-based compensation expenses was recognized as the Company issued stock options in the quarter that vested immediately upon grant. G&A expenses of \$212,033 were incurred in the quarter. \$2,663,000 in transaction costs were also recognized in the quarter as transaction costs of a private placement in December 2020.

USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of the financial statements are outlined below.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements:

i) *Identification of cash-generating units*

Natural gas and crude oil assets and processing facilities are grouped into cash generating units ("CGUs") identified as having largely independent cash flows and are geographically integrated. The determination of the CGUs was based on management's interpretation and judgment. The recoverability of development and production asset carrying values is assessed at the CGU level. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

ii) *Impairment of property, plant and equipment and exploration and evaluation assets*

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land, transaction values and other relevant assumptions.

iii) *Exploration and evaluation assets*

The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found in assessing economic and technical feasibility.

iv) *Income taxes*

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

v) *VAT recoverability*

Judgment is required by management in evaluating the likelihood of whether or not VAT on purchases is recoverable from the Colombian government.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities.

i) *Reserves and resource assessment*

The assessment of reported recoverable quantities of proved and probable reserves and prospective resource estimates include estimates regarding production profile, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation, and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in anticipated recoveries. The economical, geological, and technical factors used to estimate reserves and prospective resources may change from period to period. Changes in reported reserves and prospective resources can impact the carrying values of the Company's petroleum and natural gas properties and exploration and evaluation assets and equipment, the calculation of depletion and depreciation, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows.

The Company's petroleum and natural gas reserves, if any, represent the estimated quantities of petroleum, natural gas, and natural gas liquids which geological, geophysical, and engineering data demonstrate with a specified degree of certainty to be economically recoverable in future years from known reservoirs and which are considered commercially viable. Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon (i) a reasonable assessment of the future economics of such production; (ii) a reasonable expectation that there is a market for all or substantially all the expected petroleum and natural gas production; and (iii) evidence that the necessary production, transmission and transportation facilities are available or can be made available. Reserves may only be considered proven and probable if the ability to produce is supported by either actual production or conclusive formation tests. Prospective resources are determined using an externally prepared valuation report which reflects estimated prospective resources and external pricing and costs assumptions reflective of the current market. The Company's petroleum and gas reserves and prospective resources are determined pursuant to National Instrument 51-101, Standard of Disclosures for Oil and Gas Activities.

ii) *Decommissioning obligations*

The Company estimates future remediation costs of production facilities, wells, and pipelines at different stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

iii) *Share-based payments*

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates must be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate, and estimated forfeitures at the initial grant date. Share-based payments to non-employees are measured at the date when goods and services are received. Where the fair value of goods and services received cannot be reliably measured, the measure of the goods and services received and the corresponding increase in equity indirectly by reference to the fair value of the equity instruments granted, measured at the date goods are obtained or services rendered. Assessing the fair value based on services rendered are subject to measurement uncertainty given that it is dependent upon obtaining reasonable data as to the value of services rendered or good obtained based on readily available market metrics.

iv) *Tax provisions*

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

Risks and Uncertainties

Exploration, development, production of oil and natural gas involves a wide variety of inherent risks because of the geological, social, and economic conditions in the various areas of operation. Therefore, the Company is subject to several financial, operational, and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management, and planning of its facilities, hiring qualified personnel and developing their skills through training and development programs, these risks cannot be eliminated. Such risks include:

- Unforeseen title defects;
- Inability to obtain additional capital required to implement business plan;
- Joint venture risks;
- Global financial conditions;
- COVID-19 pandemic;
- Personnel;
- Directors and officers;
- Changes in laws or regulations;

- Forward-looking statements may prove inaccurate;
- Going concern risk;
- Changes in E&P contracts by government regulators;
- Volatility of pricing for oil and natural gas;
- Exploration, production and general operational risks;
- The Company may not be able to develop oil and natural gas reserves on an economically viable basis;
- Estimated oil resources and gas reserves are based on assumptions that may prove inaccurate;
- Delays in production, marketing and transportation;
- Drilling costs and availability of equipment;
- Drilling wells could result in liabilities;
- Insurance;
- Inability to obtain necessary facilities;
- Decommissioning costs;
- Licenses and permits;
- Competition;
- Difficulty transporting and distributing production;
- Environmental, health and safety risks;
- Climate change;
- Natural disasters and weather-related risks;
- Operations in emerging market country;
- Economic and political developments in Colombia;
- Oil and natural gas companies in Colombia do not own any of the oil and natural gas reserves in the country;
- Sanctions by the United States on Colombia;
- Violence and instability in Colombia;
- Natural gas industry in Colombia is less developed;
- Land, communities, prior consultation, and zoning restrictions.
- Activities in areas classified as Indigenous reserves and Afro-Colombian lands; and
- Volatility in the prices of crude oil, oil products and natural gas.

If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently aware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the prices of the Company's securities could decline, and investors may lose all or part of their investment.

Readers are encouraged to read and consider the risk factors listed above, which are more specifically described in the Company's Annual Information Form dated April 13, 2022, which is available at www.sedar.com. Such risk factors could materially affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

FINANCIAL AND OTHER INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations. The carrying amount of cash and cash equivalents, deposits in escrow, accounts receivable, VAT receivable and restricted cash represent the maximum credit exposure. As at September 30, 2022, the Company had \$2,078,227 (December 31, 2021 - \$2,340,244) in restricted cash towards development activity and joint operations in Colombia.

As at September 30, 2022, the Company had \$1,058,549 (December 31, 2021 - \$682,799) in accounts receivable and prepaids. The majority of which related to prepaid expenses. The Company does not consider any of its receivables past due.

The Company maintained a VAT receivable balance of \$2,560,970 as of September 30, 2022 (December 31, 2021 - \$2,284,965), which is classified as a non-current asset. The Company considers these VAT balances to be collectible in the future as such VAT amounts will be utilized to offset future VAT charged on sales realized by the Company on future oil and gas production that would otherwise be required to be paid to the Colombian tax authorities.

The Company held cash and cash equivalents of \$1,953,148 (December 31, 2021 - \$5,848,957) and deposits in escrow of \$647,214 (December 31, 2021 - \$nil) as at September 30, 2022. The Company manages the credit exposure related to cash and cash equivalents and deposits in escrow by ensuring

counter parties (e.g., banks) maintain satisfactory credit ratings and monitors all investments to ensure a stable return.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due and describes the Company's ability to access cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due, without incurring unacceptable losses or risking harm to the Company's reputation. The Company's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, coordinating, and authorizing project expenditures, and authorization of contractual agreements. The Company seeks additional financing based on the results of these processes. The budgets are updated when required as conditions change.

The following table outlines the contractual maturities of the Company's financial liabilities at September 30, 2022:

	Year 1	Years 2-3	Thereafter	Total
Trade accounts payable	2,113,551	-	-	2,113,551
Capital payables	2,782,574	-	-	2,782,574
Lease obligations (undiscounted)	5,039,688	10,526,400	15,782,400	31,348,488
Convertible debentures (undiscounted)	-	-	12,254,323	12,254,323
	9,935,813	10,526,400	28,036,723	48,498,936

Market risk

Market risk is the risk or uncertainty that changes in price, such as commodity prices, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. From time to time, the Company may utilize financial derivative contracts to manage market risks in accordance with the risk management policy that has been approved by the Board of Directors. There were no financial derivative contracts or embedded derivatives outstanding at September 30, 2022, nor were there any in the previous year ended December 31, 2021.

Commodity price risk

Commodity price risk is the risk that the fair value of the future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are affected not only by the United States dollar, but also by world economic events that dictate the levels of supply and demand. The Company currently has no production revenue as of September 30, 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. Some of the Company's business transactions and commitments occur

in currencies other than US dollars. A portion of the Company's oil and natural gas activities in Colombia transact in Colombian Peso (COP\$). In addition, the majority of the Company's financing and a portion of the administrative costs will be based and paid in Canadian dollars and COP\$. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between US dollars, COP\$ and Canadian dollars.

As at September 30, 2022, the Company had not entered into any foreign currency derivatives to manage its exposure to currency fluctuations, nor were there any foreign currency derivatives as at the previous year ended December 31, 2021.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. Fluctuations of interest rates for the periods ended September 30, 2022 and 2021, would not have had a significant impact on cash and cash equivalents and short-term investments. Furthermore, the Company is not currently exposed to interest rate risk on its interest-bearing loans given these debt instruments are all subject to fixed interest rates.

READER ADVISORIES

Forward-Looking Statements

This MD&A may include forward-looking statements including opinions, assumptions, estimates and management's assessment of future plans and operations, capital expenditures and the timing and funding thereof. When used in this document, the words "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "plan," "should" and similar expressions are intended to be among the statements that identify forward-looking statements. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, risks associated with petroleum and natural gas exploration, development, exploitation, production, marketing and transportation, the volatility of petroleum and natural gas prices, currency fluctuations, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, changes in petroleum and natural gas acquisition and drilling programs, delays resulting from inability to obtain required regulatory approvals, delays resulting from inability to obtain drilling rigs and other services, labour supply risks, environmental risks, competition from other producers, imprecision of reserve estimates, changes in general economic conditions, ability to execute farm-in and farm-out opportunities, and other factors, all of which are more fully described under the caption "*Risk Factors*" in the Company's Annual Information Form dated as of April 13, 2022, which is available for review on SEDAR at www.sedar.com.

Management believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking information included in this MD&A should not be unduly relied upon as the plans, assumptions, intentions, or expectations upon which it is based may not occur. Actual results or events may vary from the forward-looking information.

In particular, this MD&A may contain forward-looking information pertaining to the following:

- the resource potential of the Company's assets;
- the Company's strategy and opportunities;
- performance characteristics of the Company's oil and gas properties and estimated capital commitments and probability of success;
- gas production and recovery estimates and targets;
- the existence and size of the oil and gas reserves and resources, if any;
- the Company's drilling plans;
- capital expenditure programs and estimates, including the timing of activity;
- the Company's plans for, and results of, exploration and development, activities, and factors that may affect such activities;
- projections of market prices and costs;
- the supply and demand for natural gas and oil;
- expectations regarding the ability to raise equity and debt capital on acceptable terms and to add continually to reserves through acquisitions and development, including the ability to negotiate and complete the agreements contemplated in this MD&A;
- the timing for receipt of regulatory approvals; and
- treatment of the Company under governmental regulatory regimes and tax laws.

The purpose of providing any financial outlook in this MD&A is to illustrate how the business of the Company might develop without the benefit of specific historical financial information. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking information herein is based on certain assumptions and analysis by the management of the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors that it believes are appropriate and reasonable under the circumstances. The forward-looking information herein is based on a number of assumptions, including but not limited to:

- the availability on acceptable terms of funds for capital expenditures;
- the availability in a cost-efficient manner of equipment and qualified personnel when required;
- continuing favourable relations with Latin American governmental agencies;
- continuing strong demand for natural gas and oil;
- the stability of the regulatory framework governing royalties, taxes and environmental matters in Colombia and any other jurisdiction in which the Company may conduct its business in the future,
- the Company's future ability to market production of natural gas or oil successfully to customers,
- the Company's future production levels and natural gas and oil prices;
- the applicability of technologies for recovery and production of the Company's natural gas and oil reserves or resources, as applicable;
- the existence and recoverability of any oil and gas reserves;
- geological and engineering estimates in respect of the Company's resources and reserves;
- the geography of the areas in which the Company is exploring; and
- the impact of increasing competition on the Company.

The actual results, performance and achievements of the Company could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth

elsewhere in the MD&A and the risks and uncertainties more specifically described in the Company's Annual Information Form dated April 13, 2022, which is available at www.sedar.com.

Readers are cautioned that the foregoing lists of assumptions, risks and uncertainties are not exhaustive; there may be other factors that cause actions, events, or results not to be anticipated, estimated or intended. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The forward-looking information speaks only as of the date of this MD&A, and the Company does not undertake any obligation to publicly update or revise any forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws.

Analogous Information

Certain information in this MD&A may constitute "analogous information" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), including, but not limited to, information relating to areas, assets, wells, industry activity and/or operations that are in geographical proximity to or believed to be on-trend with lands held by NG Energy. In particular, this document notes specific analogous oil and gas discoveries and corresponding details of said discoveries in the Chuchupa Block as well as blocks owned by Canacol Energy Ltd. and makes certain assumptions about the Maria Conchita Block and SN-9 Block as a result of such analogous information and potential recovery rates as a result thereof. Such information has been obtained from public sources, government sources, regulatory agencies, or other industry participants. Management of NG Energy believes the information may be relevant to help define the reservoir characteristics within lands on which NG Energy holds an interest and such information has been presented to help demonstrate the basis for NG Energy's business plans and strategies. However, management cannot confirm whether such analogous information has been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook and NG Energy is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. NG Energy has no way of verifying the accuracy of such information. There is no certainty that the results of the analogous information or inferred thereby will be achieved by NG Energy and such information should not be construed as an estimate of future production levels or the actual characteristics and quality NG Energy's assets. Such information is also not an estimate of the reserves or resources attributable to lands held or to be held by NG Energy and there is no certainty that such information will prove to be analogous in the future. The reader is cautioned that the data relied upon by NG Energy may be in error and/or may not be analogous to such lands to be held by NG Energy.

Barrels of Oil Equivalent

Where amounts are expressed in a barrel of oil equivalent ("boe"), or barrel of oil equivalent per day ("boe/d"), natural gas volumes have been converted to barrels of oil equivalent on the basis that six thousand cubic feet ("Mcf") is equal to one barrel of oil. Use of the term boe may be misleading, particularly if used in isolation. This boe conversion ratio is based on an energy equivalence methodology and does not represent a value equivalency. Indeed, the energy and value relationships may differ widely with market conditions. The conversion does conform to the Canadian Securities Regulators' National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

Abbreviations

<i>\$/bbl</i>	<i>dollars per barrel</i>
<i>\$/boe</i>	<i>dollars per barrel of oil equivalent</i>
<i>\$/GJ</i>	<i>dollars per gigajoule</i>
<i>\$/Mcf</i>	<i>dollars per thousand cubic feet</i>
<i>bbl</i>	<i>barrel</i>
<i>bbl/d</i>	<i>barrels per day</i>
<i>bcf</i>	<i>billion cubic feet</i>
<i>boe</i>	<i>barrel of oil equivalent</i>
<i>boe/d</i>	<i>barrel of oil equivalent per day</i>
<i>GJ</i>	<i>gigajoule</i>
<i>GJ/d</i>	<i>gigajoules per day</i>
<i>km</i>	<i>kilometer</i>
<i>Mcf</i>	<i>thousand cubic feet</i>
<i>Mcf/d</i>	<i>thousand cubic feet per day</i>
<i>Mbbl</i>	<i>thousand barrels</i>
<i>MMbbl</i>	<i>million barrels</i>
<i>MMboe</i>	<i>million barrels of oil equivalent</i>
<i>MMcf</i>	<i>million cubic feet</i>
<i>MMcf/d</i>	<i>million cubic feet per day</i>
<i>NGLs</i>	<i>natural gas liquids</i>
<i>API</i>	<i>American Petroleum Industry gravity</i>
<i>m³</i>	<i>meters cubed</i>
<i>ppm</i>	<i>parts per million</i>
<i>psig</i>	<i>pounds per square in gauge</i>