HORIZON PETROLEUM PLC.

Management's Discussion and Analysis

For the Three and Nine Months Ended May 31, 2015

This management's discussion and analysis of financial position and results of operations ("MD&A"), prepared as of July 28, 2015, provides an analysis of the operations and financial results of Horizon Petroleum Plc. ("Horizon" or the "Company") for the three and nine months ended May 31, 2015, and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and nine months ended May 31, 2015. Those unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting and do not include all of the information required for full annual financial statements. This MD&A should also be read in conjunction with the Company's audited annual financial statements for the year ended August 31, 2014 and the related notes thereto. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the financial statements and MD&A, is complete and reliable.

This MD&A contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

The Company's registered office is located at Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1E. However, as approved at the Company's most recent annual general meeting, the Company is currently in the process of moving its domicile to Canada.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or on the Company's website at www.horizon-petroleum.com.

Overview

The Company is focused on acquiring oil and gas exploration and development assets in Africa.

The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "HPL".

Oil and Gas

The Company is evaluating several oil and gas exploration and development opportunities in Africa.

During the nine months ended May 31, 2015, the Company continued to evaluate several opportunities in Africa. The objective is to team up with quality indigenous partners to secure proven reserves with exploration upside that are either in production or that can be brought on production in the short-term. This may be augmented by entering into exploration plays identified or other opportunities.

The Company is currently evaluating a number of opportunities in West Africa, including having recently submitted a proposal for the farm-in to a producing field within onshore Cameroon. In addition to this, the Company is negotiating a potential farm-in to a block, offshore Cameroon, which is at the appraisal stage. The Company expects to be in a position to release further information on one or more of the opportunities in Cameroon during the current quarter.

Warrant re-pricing

On December 10, 2014, the Company received TSX-V approval to have certain of its outstanding share purchase warrants re-priced. There were 13,333,302 warrants outstanding, exercisable at $0.45. The Company received approval to re-price 12,811,053 of those warrants to $0.15 (thus excluding 522,249 warrants held by insiders). The Warrants have also been amended such that the exercise period can be reduced to 30 days if, for any ten consecutive trading days, the closing price of the Company's shares equals or exceeds $0.19 per share.

Result of Operations

Three months ended May 31, 2015

During the three months ended May 31, 2015 (the "current period"), the Company incurred a loss of $192,517 compared to a loss of $390,084 during the three months ended May 31, 2014 (the "comparative period"). The significant changes during the current period compared to the comparative period are as follows:

Consulting fees of $nil were incurred during the current period which decreased from $82,981 during the comparative period. During the current period, the Company paid management fees instead of consulting fees to David Robinson, the interim CEO of the Company. The other significant reason for the decrease is the fact that the Company no longer pays monthly fees of US$5,000 to a company controlled by a former director of the Company.

Office expenses increased to $22,711 during the current period, from $10,631 during the comparative period. The main reason for the increase is due to rent for office space (on a month-to-month basis) for a director of the Company and for the Company's CEO located in Calgary, Alberta. The Company entered into a lease agreement in November 2014.

Professional fees decreased to $34,000 during the current period, from $60,683 during the comparative period. The main reasons for the decrease are a result of the Company's new CFO charging $3,000 per month, compared to the former CFO charging US$8,000 per month for services and legal fees incurred during the comparative period by the Company for professional services provided in conjunction with its potential prospectus and for moving the Company's jurisdiction to Jersey.

The Company incurred property investigation costs of $38,292 during the current period, compared to $77,507 during the comparative period. The property investigation costs, comprised of $30,000 (2014 - $58,687) of consulting fees and $8,292 (2014 - $9,912) of travel expenses, related to the Company's search for oil and gas properties in Africa.

During the year ended August 31, 2013, the Company granted 1,714,000 stock options to its directors, officers and consultants and, as a result, recorded share-based payments expense during the current period of $6,005 and $39,592 during the comparative period relating to those options.

Nine months ended May 31, 2015

During the nine months ended May 31, 2015 (the "current nine-month period"), the Company incurred a loss of $743,680 compared to a loss of $1,127,463 during the nine months ended May 31, 2014 (the "comparative nine-month period"). The significant changes during the current nine-month period compared to the comparative nine-month period are as follows:

Consulting fees of $17,509 were incurred during the current nine-month period which decreased from $176,631 during the comparative nine-month period. During the current nine-month period, the Company paid management fees of $10,000 per month instead of consulting fees of $8,000 per month to the interim CEO of the Company. The other reason for the decrease is the fact that the Company no longer pays monthly fees of US$5,000 to a company controlled by a former director of the Company and that it paid $50,000 in marketing fees during the comparative nine-month period.

Directors' fees of $166,352 were paid or accrued during the current nine-month period compared to $105,527 during the comparative nine-month period. Directors' fees increased as a result of the appointment of new non-executive directors earning US$4,000 per month, and the payment of severance of $22,419 and $6,722 paid to John Patterson and to a company controlled by Peter Clutterbuck, respectively, both former directors of the Company.

Management fees of $131,874 were paid or accrued during the current nine-month period compared to $116,035 in the comparative nine-month period. The increase was a result of the Company paying severance of $36,970 to its former CEO.

Office expenses increased to $66,342 during the current nine-month period, from $31,351 during the comparative nine-month period. The main reason for the increase is due to rent of approximately $7,400 per month for office space (on a month-to-month basis) for a director of the Company and for the Company's CEO located in Calgary, Alberta. The Company entered into a lease agreement in November 2014.

Professional fees decreased to $109,723 during the current nine-month period, from $229,285 during the comparative nine-month period. The main reasons for the decrease are a result of the Company's new CFO charging $3,000 per month, compared to the former CFO charging US$8,000 per month and legal fees incurred during the comparative period by the Company for professional services provided in conjunction with its potential prospectus and for moving the Company's jurisdiction to Jersey.

The Company incurred property investigation costs of $121,321 during the current nine-month period, compared to $188,344 during the comparative nine-month period. The property investigation costs, comprised of $87,628 (2014 - $122,587) of consulting fees and $33,693 (2014 - $65,757) related to the Company's search for oil and gas properties in Africa.

Quarterly Information

	Three Months Ended May 31, 2015	Three Months Ended February 28, 2015	Three Months Ended November 30, 2014	Three Months Ended August 31, 2014
Total assets	$ 408,163	$ 562,242	$ 714,736	$ 1,041,039
Working capital	191,445	377,957	576,295	856,960
Loss and comprehensive loss for the period	(192,517)	(204,242)	(346,921)	(344,630)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.01)	(0.01)

	Three Months Ended May 31, 2014	Three Months Ended February 28, 2014	Three Months Ended November 30, 2013	Three Months Ended August 31, 2013
Total assets	$ 1,301,644	$ 1,699,475	$ 170,722	$ 520,555
Working capital	1,165,574	1,525,627	45,967	317,714
Loss and comprehensive loss for the period	(390,084)	(426,470)	(310,909)	(535,673)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.03)

Fiscal 2015

During the third quarter of fiscal 2015, the Company continued to look for viable oil and gas properties located in Africa and for additional equity funding.

During the second quarter of fiscal 2015, the Company continued to look for viable oil and gas properties located in Africa.

During the first quarter of fiscal 2015, the Company changed certain management and directors. As a result of the change in management and directors, additional payments were made to those who are no longer with the Company in accordance with their resignation agreements. The transactions led to increases in Directors' fees, professional fees, management fees, and share-based payments expense.

Fiscal 2014

During the fourth quarter of fiscal 2014, the Company recorded a loss and comprehensive loss of $344,630 compared to a loss and comprehensive loss of $390,084 recorded during the prior quarter. The primary reasons for the decrease in loss related to 1) a decrease in consulting fees of $29,366 as a result of the Company no longer receiving consulting services from certain vendors; 2) a decrease in property investigation costs of $12,334 as a result of the Company stepping back and reassessing its activities in Nigeria; and 3) a decrease in shareholder communications costs of $18,246 as a result of less activity to disseminate to its shareholders. The decreases were offset by an increase in travel costs of $17,997.
During the third quarter of fiscal 2014, the Company entered into a new consulting agreement during February 2014, for $12,500 per month.

During the second quarter of fiscal 2014, the Company recorded an increase in professional fees of $42,680, mainly a result of an accrual of $25,000 for legal work on the Company's activities in Nigeria.

During the first quarter of fiscal 2014, the Company recorded an increase in share-based payments expense to $39,162 from $11,619. The increase in share-based payments expense relates to a greater time period of vesting as the options were only granted in August 2013.

Liquidity and Capital Resources

The Company had working capital of $191,445 and cash and equivalents on hand of $399,173 as at May 31, 2015. This compares to a working capital position of $856,960 and cash and equivalents on hand of $1,008,699 as at August 31, 2014.

The development of the Company may depend on the Company's ability to obtain additional financings. In the past, the Company has relied on private placements to meet its cash requirements.

In order to continue as a going concern and to meet its corporate objective, which primarily consists of investigating new potential oil and gas properties in Africa, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the state of international debt, equity and commodity markets, and investor perceptions and expectations.

Related Party Transactions

During the nine months ended May 31, 2015, the Company:

- Paid or accrued management fees of $61,874 (US$55,000) (2014 – $108,535 (US$99,000)) to the Company's former CEO;
- Paid or accrued management fees of $70,000 (2014 - $nil) to the Company's current interim CEO;
- Paid or accrued professional fees of $33,074 (includes US$8,000) (2014 - $78,569 (US$72,000) to the Company's former CFO;
- Paid or accrued professional fees of $21,000 (2014 - $nil) to the Company's current CFO;
- Paid or accrued directors' fees of $11,250 (US$10,000) (2014 – $39,529 (US$36,000)) to former executive directors of the Company;
- Paid or accrued directors' fees of $54,547 (US$45,000) (2014 – $47,899 (US$44,000)) to an executive director of the Company;
- Paid or accrued directors' fees of $78,136 (US$68,000) (2014 - $7,083 (US$6,533)) to non-executive directors of the Company;
- Paid or accrued directors' fees of $22,419 (US$19,000) (2014 - $nil) to a former non-executive director of the Company;
- Paid or accrued consulting fees of $nil (2014 – $52,668 (US$48,000)) to a former non-executive director of the Company;
- Paid or accrued property investigation costs of $69,920 (2014 - $nil) to a non-executive director of the Company; and
- Paid or accrued professional fees of $19,731 (2014 - $36,705) and share issuance costs of $nil (2014 - $13,453) to a law firm of which the corporate secretary of the Company is a partner.

Included in accounts payable and accrued liabilities at May 31, 2015 is $184,871 (August 31, 2014 - $100,272) owing to related parties, all in respect of the above transactions.

Key Management Personnel Compensation

The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel:

	May 31, 2015	May 31, 2014
Executive compensation	$ 271,476	$ 312,309
Non-executive directors' fees	170,475	65,998
Share-based payments	78,165	88,971
	$ 520,116	$ 467,278

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at the date of this report.

Contingent Liabilities

The Company has no contingent liabilities as at the date of this report.

Investor Relations

The Company has no investor relations agreements as at the date of this report.

Proposed Transactions

The Company has no proposed transactions as at the date of this report.

Financial Instruments and Risk Management

IFRS 7, Financial Instruments: Disclosures ("IFRS 7") establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantively the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have any financial instruments recognized at fair value. The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values because of their short terms to maturity.

(a) Financial instrument risk exposure and risk management:

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided below:

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, advances from employee, receivable from related parties and other accounts receivable. The Company limits the exposure to credit risk by only investing its cash with high credit quality financial institutions in business and saving accounts, and guaranteed investment certificates, which are available on demand by the Company. The carrying amount of cash, and other accounts receivable represents the Company's maximum exposure to credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest bearing financial assets are comprised of cash and equivalents, which bear interest at fixed or variable rates. The Company is not exposed to material interest rate risk.

Foreign currency

The Company is exposed to foreign currency risk as some of its cash, receivables and accounts payable and accrued liabilities are held in British Pounds (GBP) and US Dollars (USD). The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short term business requirements, after taking into account cash used in operations and the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are currently invested in business accounts which are available on demand by the Company for its use. As at May 31, 2015, the Company had cash and equivalents of $399,173 to settle liabilities of $216,718.

Capital Management

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to acquire, explore, and develop oil and gas properties.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- To obtain the necessary financing to complete the future acquisition, exploration and development of oil and gas properties, if and when it is required.

In the management of capital, the Company includes shareholders' equity and loans and borrowings in the definition of capital. The Company is not exposed to externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets.

In order to maximize ongoing exploration and future development efforts, the Company does not pay dividends. Notwithstanding the risks described in note 1 of the accompanying unaudited condensed interim financial statements for the nine months ended May 31, 2015, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

New accounting standards not yet effective

The following standards, amendments and interpretations, which may be relevant to the Company have been introduced or revised by the IASB:

(i) On July 24, 2014, the IASB issued the complete IFRS 9 (IFRS 9 (2014)). In November 2009, the IASB issued the first version of IFRS 9, Financial Instruments (IFRS 9 (2009)) and subsequently issued various amendments in October 2010, (IFRS 9 Financial Instruments (2010)) and November 2013 (IFRS 9 Financial Instruments (2013)). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company does not intend to adopt the new standard prior to its effective date and has not yet determined the impact of this new standard on the financial statements.

Current Share Data

As of July 28, 2015, the Company has:

a) 44,129,654 common shares issued and outstanding;

b) 12,811,053 share purchase warrants outstanding with an exercise price of $0.15 per share and 522,249 share purchase warrants outstanding with an exercise price of $0.45 per share, all expiring on March 16, 2016; and

c) 572,000 stock options outstanding with an exercise price of $0.15 per share and expiring on August 4, 2023.

Additional information is available on SEDAR at www.sedar.com

Risks and Uncertainties

The business of hydrocarbon and mineral exploration and extraction involves a high degree of risk and few properties and licenses that are explored ultimately become producing assets.

Other risks facing the Company include competition for mineral and hydrocarbon properties, environmental risks, fluctuations in commodity prices, fluctuations in exchange rates, political and regulatory risk, share price volatility and uncertainty of obtaining additional financing. Given the nature of capital market demand for speculative investment opportunities, there is no assurance that additional financing will be available for the appropriate amounts and at the times required. Fluctuations in commodity prices can severely impact the Company's future profitability and cash flow and accordingly its ability to raise capital. As the price for most commodities is denominated in U.S. dollars, the Company is exposed to fluctuations in currency exchange rates between the Canadian and U.S. dollar and other currencies in which its costs are denominated. If the Canadian dollar strengthens against the U.S. dollar, revenue from future commodity sales would convert to fewer Canadian dollars available to pay for operating costs. Many of the above risks are beyond the Company's control.

Cautionary Statement on Forward Looking Information

This MD&A may contain forward-looking statements that involve risks and uncertainties. When used in this Management Discussion and Analysis, the words "believe," "anticipates," "expects" and similar expressions are intended to identify such forward looking statements. The Issuer's actual results may differ significantly from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.