HORIZON PETROLEUM PLC.

Management's Discussion and Analysis

For the Three Months Ended November 30, 2014

This management's discussion and analysis of financial position and results of operations ("MD&A"), prepared as of January 28, 2015, provides an analysis of the operations and financial results of Horizon Petroleum Plc. ("Horizon" or the "Company") for the three months ended November 30, 2014, and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended November 30, 2014. 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. 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 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 discussion 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.

Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Overview

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

Details of its activities are discussed below.

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 year ended August 31, 2014 the Company:

1. Entered into a Memorandum of Understanding ("MOU") with Grupo Suninvest-Investimentos, Participações E Empreendimentos S.A. ("Suninvest"), an Angolan company, to evaluate onshore exploration potential and proven oil and gas assets. Under the terms of the MOU, the Company was to establish a joint venture company with Suninvest (49% to be owned by the Company) during calendar 2014. However, during the three months ended August 31, 2014, the MOU was terminated with no further commitments on the part of Horizon; and

2. Formed a bidding group with Niger Delta Exploration & Production Plc and its subsidiary Niger Delta Petroleum Resources Ltd to bid on certain assets being divested by an third party international oil company. Whilst the consortium was not the preferred bidder, Horizon continues to review opportunities with Niger Delta in Nigeria.

The Company continues to evaluate several other opportunities elsewhere in Africa. The objective is to team up with quality indigenous partners to secure proven reserves with exploration upside that can be brought on production in the short-term. This may be augmented by entering into exploration plays identified or other opportunities.

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 are 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.

Private Placements

On January 22, 2014, the Company issued 16,666,667 common shares for gross proceeds of $2,000,000 pursuant to the completion of a private placement. In conjunction with the issuance of the shares, the Company incurred total share issuance costs of $279,595, which included finders' fees comprised of payments of $80,908 and the issuance of 674,230 finders' warrants valued at $137,432. Each finders' warrant enabled the holder to acquire one additional common share for $0.16 per share by July 22, 2014. None of these warrants were exercised and have expired unexercised. The fair value of the warrants was determined using the Black-Scholes option-pricing model with the following assumptions: expected life six months; volatility – 119%; dividend rate – nil; risk free interest rate – 1.01%.

On November 4, 2014, the Company announced its intention to undertake a non-brokered private placement for aggregate gross proceeds of up to $800,000, through the distribution of units at $0.05 per unit; each unit consisting of one share plus ½ warrant with each whole warrant exercisable at $0.075 per share for 24 months. The private placement is expected to be subscribed for by new and existing management, Board members, consultants, their associates, and others.

Funds raised under the private placement will be used to continue the Company's search for oil and gas development opportunities in Africa and for general working capital purposes.

Result of Operations

During the three months ended November 30, 2014 (the "current period"), the Company incurred a loss of $346,951 compared to a loss of $310,909 during the three months ended November 30, 2013 (the "comparative period"). The significant changes during the current period compared to the comparative period are as follows:

Consulting fees of $17,509 were incurred during the current period which decreased from $39,934 during the comparative period. During November 2014, the Company paid management fees instead of consulting fees to David Robinson, the interim CEO of the Company. The other reason for the decrease was the Company no longer paying monthly fees of US$5,000 to a company controlled by a former director of the Company.

Directors' fees of $73,642 were paid or accrued during the current period compared to $25,135 during the comparative period. Directors' fees increased as a result of the appointment of new non-executive directors being paid US$4,000 per month, and severance of $22,419 and $6,722 paid to John Patterson and a company controlled by Peter Clutterbuck, respectively, both former directors of the Company.

Management fees of $71,874 were paid or accrued during the current period compared to $42,006 in the comparative period. The increase was a result of the Company paying severance of $36,970 to its former CEO.

The Company incurred property investigation costs of $37,548 during the current period, compared to $51,703 during the comparative period. The property investigation costs 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 $66,286 and $39,162 during the comparative period relating to those options.

Shareholder communications decreased to $nil during the current period, from $22,263 during the comparative period. The reason for the decrease is a result of the Company making a concerted effort to minimize costs.

Quarterly Information

	Three Months Ended November 30, 2014	Three Months Ended August 31, 2014	Three Months Ended May 31, 2014	Three Months Ended February 28, 2014
Total assets	$ 714,736	$ 1,041,039	$ 1,301,644	$ 1,699,475
Working capital	576,295	856,960	1,165,574	1,525,627
Loss and comprehensive loss for the period	(346,951)	(344,630)	(390,084)	(426,470)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)

	Three Months Ended November 30, 2013	Three Months Ended August 31, 2013	Three Months Ended May 31, 2013	Three Months Ended February 28, 2013
Total assets	$ 170,722	$ 520,555	$ 569,478	$ 809,185
Working capital	45,967	317,714	132,180	359,270
Loss and comprehensive loss for the period	(310,909)	(535,673)	(335,835)	(180,703)
Loss per share (basic and diluted)	(0.01)	(0.03)	(0.02)	(0.01)

Fiscal 2015

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.

Fiscal 2013

During the fourth quarter of fiscal 2013, the Company wrote down the costs associated with the King property by $161,056 to $1 as a result of market conditions. The increases were offset by a decrease in property investigation costs of $133,591 as the Company was dealing with general corporate matters during the fourth quarter.

During the third quarter of fiscal 2013, management fees increasing by $26,215 due to the Company providing the former CEO with a $15,000 payment upon his resignation, and as a result of the fact that the newly-appointed CEO of the Company commenced receiving a monthly management fee of $11,215 (US$11,000) in May 2013.

During the second quarter of fiscal 2013, the Company incurred property investigation costs of $152,235 which related to reviewing oil and gas opportunities in Africa. Additionally, during the second quarter of fiscal 2013, the Company incurred $108,745 of deferred acquisition costs which were subsequently written off.

Liquidity and Capital Resources

The Company had working capital of $576,295 and cash and equivalents on hand of $700,878 as at November 30, 2014. This compares to a working capital position of $856,960 and cash 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 objectives, 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.

On November 4, 2014, the Company announced its intention to undertake a non-brokered private placement for aggregate gross proceeds of up to $800,000, through the distribution of units at $0.05 per unit; each unit consisting of one share plus ½ warrant with each whole warrant exercisable at $0.075 per share for 24 months. The private placement is expected to be subscribed for by new and existing management, Board members, consultants, their associates, and others.

The condensed interim financial statements for the three months ended November 30, 2014 have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. If this assumption were not appropriate, adjustments to those condensed interim financial statements may be necessary. When assessing the Company's ability to continue on a going concern basis, material uncertainties as to the Company's ability to obtain additional financing to fund future operations may cast significant doubt on the Company's ability to continue as a going concern. The successful future operations of the Company are dependent on the ability of the Company to secure sufficient funds through financing or other sources, and there are no assurances that such financing will be obtained.

Related Party Transactions

During the three months ended November 30, 2014, the Company:

- Paid or accrued management fees of $61,874 (US$55,000) (2013 – $34,506 (US$33,000)) to the Company's former CEO;
- Paid or accrued management fees of $10,000 (2013 - $nil) to the Company's current interim CEO;
- Paid or accrued consulting fees of $16,000 (2013 - $24,000) to the Company's current interim CEO;
- Paid or accrued professional fees of $33,074 (includes US$8,000) (2013 - $25,246 (US$24,000) to the Company's former CFO;
- Paid or accrued professional fees of $3,000 (2013 - $nil) to the Company's current CFO;
- Paid or accrued directors' fees of $11,250 (US$10,000) (2013 – $12,647 (US$12,000)) to former executive directors of the Company;
- Paid or accrued directors' fees of $17,132 (US$15,000) (2013 – $12,488 (US$12,000)) to an executive director of the Company;
- Paid or accrued directors' fees of $22,841 (US$20,000) (2013 - $nil) to non-executive directors of the Company;
- Paid or accrued directors' fees of $22,419 (US$19,000) (2013 - $nil) to a former non-executive director of the Company;
- Paid or accrued consulting fees of $nil (2013 – $15,934 (US$15,000)) to a former non-executive director of the Company;
- Paid or accrued property investigation costs of $9,920 (2013 - $nil) to a non-executive director of the Company;
- Paid or accrued professional fees of $5,231 (2013 - $12,141) to a law firm of which the corporate secretary of the Company is a partner.

Included in accounts payable and accrued liabilities at November 30, 2014 is $103,081 (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:

	November 30, 2014	November 30, 2013
Executive compensation	$ 157,561	$ 121,028
Non-executive directors' fees	55,180	15,934
Share-based payments	66,286	39,162
	$ 279,027	$ 176,124

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 flows from 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 programs. As at November 30, 2014, the Company had cash and cash equivalents of $700,878 to settle liabilities of $138,441.

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 condensed interim financial statements for the three months ended November 30, 2014, 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) IFRIC 21 Levies. The Company intends to adopt IFRIC 21 in its financial statements for the annual period beginning September 1, 2014. The Company does not expect the amendments to have a material impact on the consolidated financial statements.

(ii) 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 January 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) 1,664,000 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.