HORIZON PETROLEUM PLC.

Management's Discussion and Analysis

Three Months Ended November 30, 2015

This management's discussion and analysis of financial position and results of operations ("MD&A"), prepared as of January 28, 2016, provides an analysis of the operations and financial results of Horizon Petroleum Plc. ("Horizon" or the "Company") for the three months ended November 30, 2015, and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended November 30, 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 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 Company's 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.

The Company trades on the TSX Venture Exchange under the symbol "HPL".

Overview

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

During the three months ended November 30, 2015, the Company entered into a letter agreement with a significant international resource company to farm in to an offshore exploration block in West Africa. Under the agreement, the Company and the partner have agreed to the primary terms under which the Company can earn a 50% working interest in the block, and which will be contained within a definitive agreement to be entered into between the Company and the partner. Additional equity funds will be required to complete this transaction.

Furthermore, the Company announced its intention to undertake a non-brokered private placement for aggregate gross proceeds of up to $2,000,000, through the distribution of units at $0.05 per unit; each unit consisting of one share plus one-half warrant with each whole warrant exercisable at $0.075 per share for 24 months. The private placement will be subscribed for by management, board members and family, plus consultants, close associates and others. Due to market conditions, the Company has requested and received an extension from the TSX Venture Exchange for the closing of this private placement. The Company anticipates closing the private placement on or before February 24, 2016.

Changes to Management & the Board of Directors

During November, 2015, Dr. David Winter agreed to assume the role of president and chief executive officer of the Company, replacing David R. Robinson, the Company's interim chief executive officer. Mr. Robinson will continue in his role of vice-president, business development, of the Company.

Dr. Winter has over 28 years of international oil and gas industry experience in Latin America, the Middle East, North Africa, southeast Asia and North America. Dr. Winter acquired his extensive international oil and gas experience from senior management roles at Calvalley Petroleum, where he was senior vice-president, exploration and production, and at Alberta Energy Company, where he was vice-president, international exploration. He has also held senior management and technical positions with Canadian Occidental, Sun Oil and BP. Dr. Winter holds a BSc (honours), MSc and PhD in geology.

Result of Operations

During the three months ended November 30, 2015 (the “current period”), the Company incurred a loss of $183,200 compared to a loss of $346,951 during the three months ended November 30, 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 $17,509 during the comparative period. During the comparative period, the Company paid consulting fees of $16,000 to the former interim CEO (resigned November, 2015) for business development services. During the current period, the former interim CEO received management fees instead of consulting fees.

Directors’ fees of $43,560 were incurred during the current period which decreased from $73,642 incurred during the comparative period. A total of US$33,000 of directors’ fees was accrued to three current non-executive directors of the Company during the current period.

Management fees of $30,000 were incurred during the current period compared to $71,874 incurred during the comparative period. The decrease was a result of the Company paying or accruing fees to its former CEO (resigned November, 2014) the amount of US$11,000 per month through the comparative period, whereas the former interim CEO was paid $10,000 per month during the current period.

Professional fees incurred during the current period totaled $22,552 compared to $55,662 during the comparative period. The decrease was mainly a result of the Company paying or accruing $9,000 for services provided by the current CFO during the current period, compared to $3,000 paid to the current CFO combined with $33,074 paid to the former CFO during the comparative period. The decrease was also a result of the cessation of having the Company’s interim financial statements being reviewed by the Company’s auditor.

The Company incurred property investigation costs of $47,189 during the current period, comprised of consulting fees of $30,000 plus travel costs totaling $17,189, compared to $37,548 during the comparative period, comprised of consulting fees totaling $37,548. The property investigation costs for both periods related to the Company’s search for oil and gas properties within Africa.

Rent expense of $19,753 was incurred during the current period compared to $Nil incurred during the comparative period as a result of the fact that the Company commenced paying rent on a month-to-month basis during the current period.

Quarterly Information

	Three Months Ended November 30, 2015	Three Months Ended August 31, 2015	Three Months Ended May 31, 2015	Three Months Ended February 28, 2015
Total assets	$ 107,826	$ 260,056	$ 408,163	$ 562,242
Working capital (deficiency)	(117,908)	(42,313)	191,445	377,957
Loss and comprehensive loss for the period	(183,200)	(73,127)	(192,517)	(204,242)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)

		Three Months Ended Nov 30, 2014		Three Months Ended August 31, 2015		Three Months Ended May 31, 2015		Three Months Ended February 28, 2015
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		(346,921)		(344,630)		(390,084)		(426,470)
Loss per share (basic and diluted)		(0.01)		(0.01)		(0.01)		(0.01)

Fiscal 2016

During the first quarter of fiscal 2016, the Company continued to look for viable oil and gas properties located in Africa and for additional equity funding.

Fiscal 2015

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

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 consulting agreement during February 2014, for $12,500 per month for a three-month period.

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.

Liquidity and Capital Resources

The Company had a working capital deficiency of $117,908 and equivalents on hand of $75,734 as at November 30, 2015. This compares to a working capital position of $62,918 and cash and equivalents on hand of $243,273 as at August 31, 2015.

In addition, subsequent to November 30, 2015, the Company announced its intention to undertake a non-brokered private placement for aggregate gross proceeds of up to $2,000,000, through the distribution of units at $0.05 per unit; each unit consisting of one share plus one-half warrant with each whole warrant exercisable at $0.075 per share for 24 months. The private placement will be subscribed for by management, board members and family, plus consultants, close associates and others.

The development of the Company will 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. Factors that could affect the availability of financing include the state of international debt, equity and commodity markets as well as investor perceptions and expectations.

The Company's unaudited condensed interim financial statements for the three months ended November 30, 2015 were 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 annual 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. The Company has announced its intention to undertake a non-brokered private placement for aggregate gross proceeds of up to $2,000,000 (see details above). In addition, the Company is investigating the possibility of obtaining a short-term loan from certain insiders of the Company.

Related Party Transactions

During the three months ended November 30, 2015, the Company:

- Paid or accrued management fees of $Nil (2014 – $61,874 (US$55,000)) to the Company's former CEO (resigned November, 2014);
- Paid or accrued management fees of $30,000 (2014 - $10,000) and consulting fees of $Nil (2014 - $16,000) to the Company's former interim CEO (resigned November, 2015);
- Paid or accrued professional fees of $Nil (2014 - $33,074) to the Company's former CFO;
- Paid or accrued professional fees of $9,000 (2014 - $3,000) to the Company's current CFO;
- Paid or accrued professional fees of $Nil (2014 - $5,231) to Owen Bird, a law firm of which the corporate secretary of the Company is a partner;
- Paid or accrued property investigation costs of $30,000 (2014 - $9,920) to the current CEO of the Company (appointed November, 2015);
- Paid or accrued directors' fees of $43,560 (2014 – $57,824) to non-executive directors and former non-executive directors of the Company;
- Paid or accrued directors' fees of $Nil (2014 - $11,250) to former non-executive directors the Company; and
- Paid or accrued rent of $19,753 (2014 - $Nil) to a company with three directors of the Company in common.

Included in accounts payable and accrued liabilities at November 30, 2015 is $193,266 (August 31, 2015 - $148,836) 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, 2015	November 30, 2014
Executive compensation	$ 69,000	$ 150,349
Non-executive directors' fees	43,560	57,824
Rent	19,753	-
Share-based payments	1,079	50,198
	$ 133,392	$ 258,371

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 November 30, 2015 or 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 and 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 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, 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 and accounts payable and accrued liabilities are held in US Dollars (USD). The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The exposure of the Company's cash and cash equivalents is as follows:

	November 30, 2015			August 31, 2015		
	Amount in Foreign currency		Amount in CAD dollars	Amount in Foreign currency		Amount in CAD dollars
United States dollars:						
Cash and cash equivalents	3,054	$	4,082	3,072	$	4,065
Total financial assets		$	4,082		$	4,065

The exposure of the Company's accounts payable and accrued liabilities is as follows:

	November 30, 2015			August 31, 2015		
	Amount in Foreign currency		Amount in CAD dollars	Amount in Foreign currency		Amount in CAD dollars
United States dollars:						
Accounts payable and accrued liabilities	121,212	$	161,741	88,212	$	116,722
Great British Pounds:						
Accounts payable and accrued liabilities	1,212		2,435	5,257		10,712
Total financial liabilities		$	127,154		$	86,486

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 equivalents. The Company's cash and equivalents are currently invested in business bank accounts which are available on demand by the Company for its programs. As at November 30, 2015, the Company had cash and equivalents of $75,734 to settle liabilities of $225,734. Please also see Notes 1 and 13 to the Company's unaudited condensed interim financial statements for the three months ended November 30, 2015.

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 three months ended November 30, 2015, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

New accounting standards, amendments and interpretations:

On September 1, 2015, the Company adopted the IFRS 7 (Amendment): Standard amended to clarity requirements for mandatory effective dates and transition disclosures. There were no adjustments required on the adoption of this amendment.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Current Share Data

Subsequent to November 30, 2015, the Company granted 3,700,000 stock options to certain directors and officers of the Company with an exercise price of $0.10 per share, expiring December 4, 2022. These stock options vest as to 1/3 on December 4, 2016, 1/3 on December 4, 2017 and the final 1/3 on December 4, 2018.

As of January 28, 2016, 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 and 3,700,000 stock options outstanding with an exercise price of $0.10 per share and expiring on December 4, 2022.

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

Risk, Uncertainties and Outlook

As a company active in the mineral resource acquisition and exploration industry, the Company is exposed to a number of risks, including the financial risks associated with the fact that it has no operating cash flow and may need to access the capital markets to finance its activities.

The Company is reliant upon its existing management, and if the services of such personnel were withdrawn for any reason, this could have a material adverse impact on the Company's operating activities.

There is intense competition within the resource industry to acquire properties of merit, and the Company competes with other companies possessing greater technical and financial resources than itself. Even if desirable properties are secured, there can be no assurances that the Company will be able to execute its exploration programs on its proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring in areas that lack infrastructure, such as the availability of essential supplies and services.

The Company's future exploration activities may require permits from various governmental agencies charged with administrating laws and regulations governing exploration, labor standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Failure to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislation changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure document provided by the Company, which can be accessed www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

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.