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MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT JUNE 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED JUNE 30, 2014

This management's discussion and analysis ("MD&A") covers the period from April 1, 2014 to June 30, 2014.

This MD&A was approved by the Board of Directors on August 21, 2014.

This MD&A presents the view of management on current Company activities and is accompanied by the financial results as at June 30, 2014. It may also provide information on significant events that occurred after June 30, 2014, and provides an overview of the activities planned for the months ahead.

In this MD&A, the reporting currency is the Canadian dollar (C$) and all amounts presented in this MD&A are in Canadian dollars.

1. DATE

The effective date of this MD&A for the quarter ended June 30, 2014 is August 21, 2014.

2. HIGHLIGHTS

- The Superior Court of Québec has issued a judgment approving a settlement with the Centre québécois du droit à l'environnement (CQDE) regarding the stratigraphic survey program on Anticosti Island (June 30, 2014 press release).

- The limited partnership Anticosti Hydrocarbons L.P. has begun stratigraphic testing at 15-18 locations on Anticosti Island (June 17, 2014 press release).

- Alexandre Gagnon was promoted to President and Chief Executive Officer of Pétrolia, thereby completing the implementation of the succession plan initiated in September 2013. In addition, all other senior management incumbents were confirmed (May 27, 2014 press release).

- In light of new undertakings at the Company and its current growth period, four new employees were hired in the past few months, one in communications, one in logistics and procurement and one in accounting, as well as a Manager, Regulatory Affairs.

- The hydrogeological characterization study on the Haldimand area conducted by the Institut national de la recherche scientifique – Centre Eau Terre Environnement (INRS-ETE) was released last May (May 26, 2014 press release).

- André Proulx resigned from Pétrolia's Board of Directors (May 22, 2014 press release).

- Closing of a $3 million financing (April 23, 2014 press release).

- Partnership agreement entered into in respect of 38 exploration licences for Anticosti Island between Pétrolia Inc., Ressources Québec, Corridor Resources Inc. and Saint-Aubin E&P (Québec) inc., which have formed a limited partnership called Anticosti Hydrocarbons L.P. (April 1, 2014 press release).

- Pétrolia Anticosti inc., a wholly owned subsidiary of Pétrolia, was appointed operator of Anticosti Hydrocarbons L.P.

3. COMPANY'S INCORPORATION AND MISSION

Incorporated under Part 1A of the Québec *Companies Act* and governed by the provisions of the Québec *Business Corporations Act*, Pétrolia is an oil and gas exploration company. It has been listed on the TSX Venture Exchange since February 16, 2005, under the symbol PEA.

The Company's oil and gas properties are in the exploration stage, and the Company's long-term profitability depends in part on the costs and success of the exploration programs and subsequent development. The Company has yet to determine whether its properties contain economically feasible reserves.

The Company is primarily engaged in exploration and development under oil and gas exploration licences. In pursuing its objectives, the Company is required to enter into partnership agreements specific to the oil and gas industry.

4. FORWARD-LOOKING STATEMENTS

Some of the statements made in this MD&A may constitute forward-looking statements. Such statements relate to future events or future economic results anticipated by Pétrolia and are therefore subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance and achievements to differ from those expressed or implied by such statements. The difference from actual events or results could be material. Accordingly, a decision to invest in Pétrolia's shares should at no time be based on these forward-looking statements. Pétrolia disclaims any intention or obligation to update these forward-looking statements.

5. STRATEGIC OBJECTIVES AND PLANS

The Company aims to discover marketable oil resources and put them into production as quickly as possible, with a view to ensuring profitability. The Company pursues this objective while ensuring its operations meet personal safety standards and factor in environmental and social impacts.

Pétrolia achieves this objective by securing promising licences and associating with partners with the necessary technical and financial expertise. The Company drills wells on the basis of scientific expertise and employs leading drilling techniques in accordance with industry best practices. Occupational and community health and safety are key concerns for the Company in the planning and performance of exploration work. Special attention is also paid to local community and business relationships, as well as environmental protection.

Pétrolia is a responsible Québec oil company that strives to produce enough oil to meet a significant portion of Québec demand.

6. TERRITORIES UNDER LICENCE AND PARTNERSHIPS

Pétrolia holds licences for and interests in an area of 16,475.85 square kilometres (“sq km”), amounting to nearly 23% of Québec’s territory under licence. Located in Eastern Québec, these areas are largely known for their oil potential. Pétrolia’s territories under licence also offer the potential of discovering natural gas possibly containing liquid natural gas.

As at June 30, 2014, there were three partnership agreements covering portions of the Company’s territories under licence:

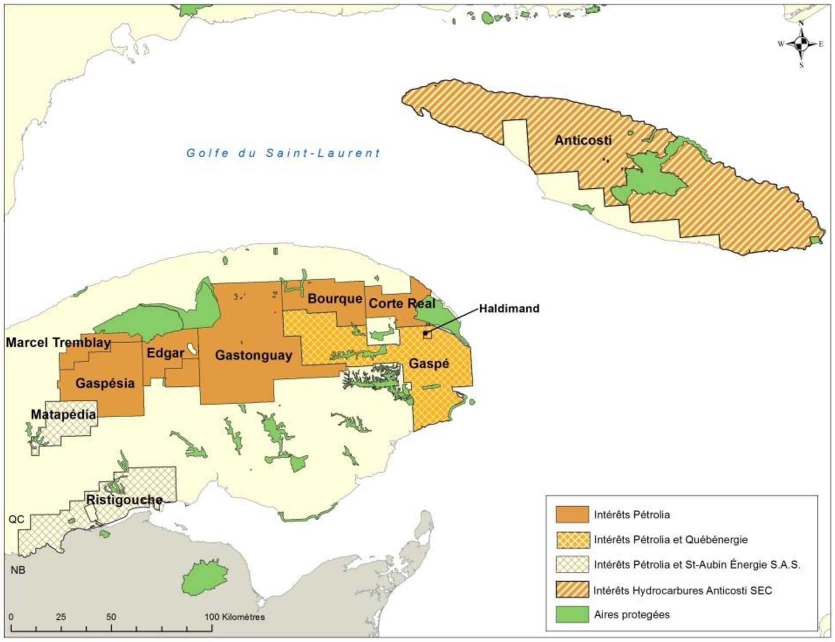
- A new partnership agreement in respect of 38 exploration licences (6,195 sq km) on Anticosti Island was entered into on March 31, 2014 between Ressources Québec (35%), Pétrolia Inc. (21.7%), Saint-Aubin E&P (Québec) inc. (21.7%) and Corridor Resources Inc. (21.7%). This limited partnership is named Anticosti Hydrocarbons L.P.

- On the Gaspé licences, Pétrolia and Québénergie each hold a 50% interest in each of the 13 licences, covering a total area of approximately 2,500 sq km.

- On the Baie-des-Chaleurs–Matapédia and Ristigouche licences, Pétrolia and Saint-Aubin Énergie S.A.S. (a subsidiary of Maurel & Prom and Maurel & Prom International) each hold a 50% interest in 13 licences that cover an area of over 1,800 sq km.

- The remaining licence blocks are wholly owned by Pétrolia, except for the Bourque project, in which it holds a 99% interest.

➢ The following map plots the locations of the licences held by Pétrolia and its partners.



7. PROJECTS, WORK PROGRAMS AND OUTLOOK

7.1 Haldimand project (Gaspé block)

➢ Discovered in 2006, Haldimand is a conventional deposit located in the York River Formation, which consists of naturally fractured sandstone. An independent assessment by Sproule Associates Limited in 2010 placed the best estimate of the oil-initially-in-place (P50) at 69.7 million barrels and the recoverable (contingent) portion of that volume at 7.7 million barrels.

➢ At end of fall 2012, drilling began at the Haldimand 4 well, but then stopped following the passing of a municipal bylaw by the Town of Gaspé. This will be a directional well, whose horizontal portion is expected to reach 2,000 m. The horizontal drilling will be done at an optimal angle so as to cut across as many natural rock fractures as possible. With this exploratory well, the Company will strive to determine how far the reservoir extends to the northwest and thus increase the resources contained in the deposit. A positive outcome for Haldimand 4 would allow the partners to begin the process of obtaining a lease to produce petroleum so that the deposit can be put into production.

Legislative developments

➢ After the Town of Gaspé adopted a municipal bylaw on December 22, 2012 imposing restrictions on drilling activities, drilling work was suspended by the Company. The rig has been idle onsite since work was suspended.

➢ In early 2014, the Superior Court of Québec heard the interlocutory motion filed by Pétrolia in May 2013 to invalidate the bylaw adopted by the Town of Gaspé. In a decision handed down on February 10, 2014, the

Superior Court found in favour of Pétrolia and declared the municipal bylaw ultra vires. On March 6, 2014, the Town of Gaspé decided to appeal the Superior Court decision. The parties are currently awaiting the Court's decision.

- On May 30, 2014, the Québec Liberal government unveiled its action plan for Québec hydrocarbon development. The government announced the adoption of the *Regulation respecting water withdrawals and water protection* (RRWWWP) on July 23, 2014. The standards under this regulation are among the strictest in North America.

- Subsequent to the adoption of the RRWWWP, the Company indicated it intended to resume drilling the Haldimand 4 well. The RRWWWP effectively rendered the applicable municipal bylaws null and void. However, drilling will not resume for several weeks.

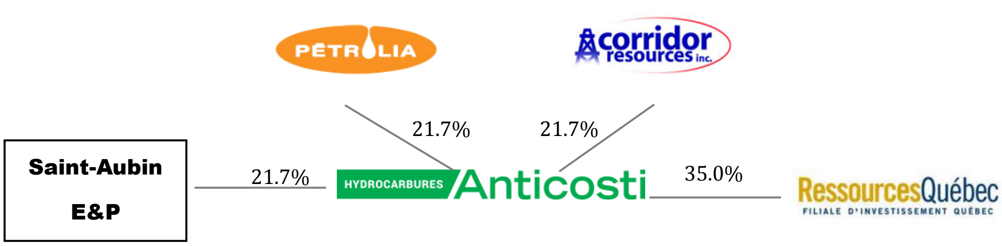
- In May 2014, the hydrogeological characterization on the Haldimand area conducted by the Institut national de la recherche scientifique – Centre Eau Terre Environnement (INRS-ETE) was released. This independent study assessed the environmental risk of groundwater quality degradation linked to oil and gas exploration and extraction. The study showed that Pétrolia's activities in Haldimand have had no impact on the quality of water samples in the area, and confirmed that the risk of drinking water contamination is low and can be mitigated by the use of standard measures (May 26, 2014 press release).

- Pétrolia created a special website for the Haldimand project providing visitors with information on the project and the ability to follow developments: haldimand.petrolia-inc.com.

7.2 Anticosti project

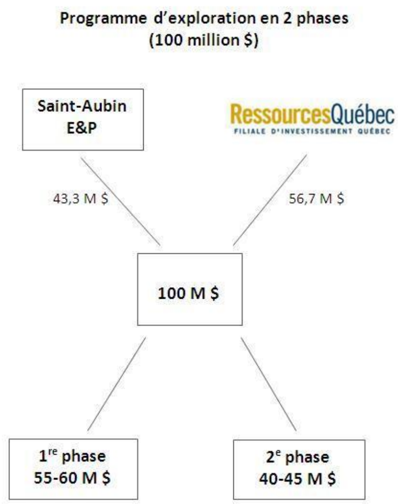
- The main goal of the Anticosti project is to develop the hydrocarbon source rock contained in the Macasty Formation and determine whether this type of deposit can be developed economically. According to Sproule Associates Limited, the best estimate (P50) of the undiscovered total petroleum-initially-in-place volume amounted to 33.9 billion barrels. That estimate was based on the information available on June 1, 2011 for the 38 licences held by Anticosti Hydrocarbons L.P.

- An agreement was entered into on March 31, 2014 between Pétrolia and its partners and covers 38 licences on Anticosti Island:



- Anticosti Hydrocarbons L.P. is managed by a five-member Board of Directors comprising one member representing each of the partners and an independent director, Mr. Kjell Pedersen.

- Saint-Aubin E&P and Ressources Québec will assume the cost of the first two exploration program phases up to a maximum of $100 million:



- Pétrolia Anticosti inc., a wholly subsidiary of Pétrolia, was appointed operator of limited partnership Anticosti Hydrocarbons L.P.

7.2.1 – Work

- First phase:
  - 2014:
    - ✓ Stratigraphic testing at 15-18 locations will take place using four mining drills equipped with oil drilling security devices;
    - ✓ With these stratigraphic surveys, boring cores will be taken from the Macasty Formation and will be used, in particular, to identify the best locations for the oil wells to be drilled in 2015.
  - 2015:
    - ✓ Drilling of 3 horizontal exploration wells with fracking;
    - ✓ Costs for this phase are expected to total between $55 million and $60 million, of which 56.7% will be borne by Ressources Québec and 43.3% by Saint-Aubin E&P.

In the event of a positive outcome and a green light from Anticosti Hydrocarbons L.P.'s Board of Directors, a second phase will follow in 2016.

- Second phase:
  - 2016 :
    - ✓ Horizontal oil wells will be drilled with fracking;
    - ✓ Costs for this second phase are currently being estimated. Under the current agreements, the first $40 million–$45 million will be borne by Ressources Québec (56.7%) and Saint-Aubin E&P (43.3%). Thereafter, costs will be assumed according to each limited partner's proportionate interest.

- Pétrolia Anticosti inc. aims to integrate community concerns throughout the survey period to improve the project's social acceptability, particularly by:

    - Setting up a community round table;
    - Serving as a resource member on the newly created citizen committee, the "Centre de vigilance et d'information sur les enjeux pétroliers à Anticosti";
    - Maximizing the local direct economic benefits.

Legislative developments

- On June 24, 2014, the Superior Court of Québec issued a judgment approving a settlement between the parties in connection with the motion brought by the Centre québécois du droit à l'environnement (CQDE). The judgment pertained to the issue of the stratigraphic surveys to be carried out on Anticosti Island this summer and allows Anticosti Hydrocarbons L.P. to continue drilling as planned. The CQDE dropped its motion for an interlocutory injunction and confirmed that a settlement had been reached, given that:

    - ✓ The July 4, 2014 ministerial order from the Ministère de l'Énergie et des Ressources naturelles provides an appropriate framework to govern stratigraphic surveys on Anticosti Island;
    - ✓ Pétrolia will comply with said order;
    - ✓ Pétrolia acknowledges that a certificate of authorization from the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques is required for oil drilling work.

The settlement with the CQDE only pertains to the stratigraphic surveys on Anticosti Island (June 30, 2014 press release).

7.3 Bourque project

- The Bourque project is located in a non-urbanized area, about 30 km from the town of Murdochville.

- When the Bourque 1 and Bourque 2 wells were drilled in 2012, samples of wet natural gas (containing up to 20% natural gas liquids and condensates) were taken from the Forillon Formation. The presence of gas liquids and condensates adds significant commercial value to the Bourque discovery. The discovery of this type of deposit adds value to Pétrolia's licences in the Gaspé peninsula where similar geological conditions exist and are conducive to new discoveries.

- The drilling of Bourque 1 and 2 wells and the 3D seismic interpretation revealed four geological prospects in the Forillon Formation for which Sproule Associates Limited provided an estimate of the resources initially in place. Based on information available on March 31, 2013, Sproule estimated the undiscovered gas volume initially in place at over 1 Tcf (one trillion cubic feet; one thousand billion).

- During the second quarter of 2013, Pétrolia developed a work program to confirm a portion of the resources in place and determine the potentially recoverable volumes.

- Pétrolia is currently studying the best way to finance this work program and is searching for a partner for that purpose. Potential clients are currently being identified. In the circumstances, it was deemed advisable for Pétrolia to defer the work.

7.4 Other properties

Matapédia

- In July 2013, Pétrolia and Saint-Aubin Énergie S.A.S. acquired two blocks totalling 13 licences from Gastem in the Baie-des-Chaleurs and Matapédia areas. These licences cover an area of over 1,800 sq km. Each company holds a 50% interest in the licences.

- In fall 2013, the partners carried out a stratigraphic survey to evaluate the potential of a known anticlinal structure in the Casault Lake area of Matapédia Regional County Municipality. Drilling reached a depth of 1,416 m and found indicators of natural gas in the Silurian sandstone. The results of analyses, coupled with the petrophysical assessment, indicate the presence of a low-porosity sandstone, probably airtight, containing natural gas. The two companies have pooled their expertise to put together an exploration program for these areas.

Other

- Pétrolia is reviewing all of its data on its other properties in the Gaspé peninsula to identify areas with similar characteristics to those found in the Bourque project.

8. COMPANY EXPERTISE

- Pétrolia has a dynamic, motivated team, with highly skilled technical personnel, making it an industry leader in Quebec.

- Driven by its anticipated development projects, Pétrolia is entering a growth cycle. To adapt to the challenges of those new undertakings, the Company embarked on a major recruitment campaign, which resulted in the hiring of additional resources in regulatory affairs, communications, logistics and procurement. In addition, in light of the upcoming Anticosti Island work program, several contractual positions will have to be filled, as well as drilling supervisor, geologist and drilling engineer positions.

- All Company worksites employ industry best practices. As a result, every effort is made to reduce environmental and social risk as much as possible. On that front, an emergency measures plan tailored to the reality of each region is prepared to prevent and react effectively to emergency situations.

MANAGEMENT'S ANALYSIS

OF FINANCIAL INFORMATION

OPERATING RESULTS AND CASH POSITION

Revenues for the three-month period ended June 30, 2014 consisted of $13,298 in interest income from short-term investments, compared with $9,794 for the quarter ended June 30, 2013, and $2,874 in project management revenues, compared with $21,894, year over year. The growth in interest income resulted from the increase in the Company's cash position.

As at June 30, 2014, the Company had $3,762,949 in cash and cash equivalents, including $343,225 held for exploration, and $4,012,961 in positive working capital.

The Company recognized a loss of $975,907 for the second quarter of fiscal 2014, compared with a loss of $500,545 for the three-month period ended June 30, 2013.

Management considers that those funds might prove insufficient to meet the Company's obligations and anticipated expenses through to December 31, 2014. Any shortfall could be met in a number of ways in future, including but not limited to the issuance of new debt or equity instruments, additional cost-cutting measures or the introduction of new partners.

ANALYSIS OF OPERATING AND ADMINISTRATIVE EXPENSES

Operating and administrative expenses grew by $858,365, owing primarily to professional services, bonuses tied to the attainment of corporate objectives and the president and chief executive officer succession plan.

The main differences in the operating and administrative expenses were as follows:

- Fees: $207,750 in fees were paid for the second quarter of 2014 to the interim president.
- Professional services: costs related to professional services for the second quarter totalled $349,642 (2013 – $105,616).
- Salaries and employee benefits: $239,000 in bonuses related to the Anticosti Island property agreement were paid in the second quarter (2013 – nil).

SUMMARY OF QUARTERLY RESULTS

The information for the summary of quarterly results is based on International Financial Reporting Standards (IFRS).

	2014		2013			
	June **$**	**March** **$**	**December** **$**	**September** **$**	**June** **$**	**March** **$**
Revenues (including financial income)	50 346	192,453	32,516	21,029	34,682	58,053
Net income (loss)	(975,907)	24,531,465	(2,139,356)	(1,205,541)	(500,545)	(538,863)
Net earnings (loss) per share						
Basic	(0.013)	0.363	(0.031)	(0.014)	(0.007)	(0.008)
Diluted	(0.013)	0.360	(0.031)	(0.014)	(0.007)	(0.008)

Revenues consist primarily of interest income, rental income and project management revenues for each quarter. Operating and administrative expenses are relatively stable from quarter to quarter. The main changes in quarterly income (loss) resulted from the following:

2013 – May	Recognition of share-based payment of $94,500;
2013 – August	Recognition of share-based payment of $52,265;
2013 – September	Recognition of share-based payment of $280,000;
2013 – December	Recognition of share-based payment of $485,586;
2014 – May	Recognition of share-based payment of $148,843.

RELATED PARTY TRANSACTIONS

The Company’s related parties include other related parties and key management personnel, as described below.

Unless otherwise indicated, none of the transactions involve special terms or conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

	For the six-month period ended	
	June 30, 2014	June 30, 2013
	$	$
Short-term employee benefits:		
Salaries and employee benefits	787,428	299,083
Attendance fees	59,433	53,893
Total short-term benefits	846,861	352,976
Fees	207,750	-
Share-based payments	-	-
Total compensation	1,203,453	352,976

During the 2014 reporting period, key management personnel exercised nil options (400,000 in 2013) granted under the stock option plan.

Related companies and other parties

The Company entered into the following transactions:

	For the six-month period ended	
	June 30, 2014	June 30, 2013
	$	$
With a company in which a director is a majority shareholder:		
Statement of comprehensive income:		
Other expenses	15,000	-

These transactions were in the normal course of business and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

FINANCIAL INSTRUMENT DISCLOSURE

Risk management policy

The Company's financial assets and liabilities expose it to various risks. The following analysis provides an assessment of those risks as at the statement of financial position date.

Credit risk

The financial instruments that give rise to potential credit risk exposure for the Company consist primarily of cash and cash equivalents, accounts receivable and investments. The Company's cash and cash equivalents are held with or are issued by high-credit quality financial institutions. Accounts receivable consist primarily of amounts due from governments and partners. Therefore, management considers the risk of non-performance of these instruments to be remote.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they come due or can do so only at excessive cost. The Company finances its growth by issuing shares, selling interests in some of its oil assets and by obtaining short-term loans. One of management's primary financial goals is to maintain an optimal level of liquidity through the active management of its exploration activities. All of the Company's financial liabilities have a current maturity.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is exposed to one of those risks, namely interest rate risk.

Interest rate risk

The Company is exposed to interest rate risk on its fixed- and variable-rate financial instruments. Fixed-rate financial instruments expose the Company to fair value risk, whereas variable-rate instruments expose it to cash flow risk.

A 1% change in the base rate would have little impact on the fair value of the Company's investments due to their nature and would result in a $21,922 increase or decrease in net financial debt costs.

Fair value

The fair value of investments is measured as follows:

Guaranteed investment certificates: cost represents fair value due to their recent issuance.

Money market funds: cost represents fair value due to their short-term maturities.

As regards the loan, the carrying amount approximates fair value due to the variable interest rate on the debt.

Fair value hierarchy

Financial instruments measured at fair value in the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1– Quoted prices (unadjusted) in active markets for identical assets or liabilities: cash is categorized within this level.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): cash equivalents, investments, and loans and borrowings are categorized within this level;

Level 3 – Valuation techniques for which any significant input for the asset or liability is not based on observable market data (unobservable inputs).

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

There were no transfers between Level 1 and Lever 2 fair value measurements during the period.

Judgments, estimates and assumptions

For a complete description of the judgments, estimates and assumptions made by management in the preparation of its annual financial statements, see Note 4 to the annual financial statements.

Future changes in accounting policies

On January 1, 2014, the Company retrospectively adopted IFRIC 21, *Levies*, which clarifies the timing of accounting for a liability for outflow of resources that is imposed by governments in accordance with legislation, based on the activity that triggers the payment. The adoption of this interpretation did not have a material impact on the consolidated financial statements.

For a complete description of future changes in accounting policies, see Note 2 to the annual financial statements as at December 31, 2013.

Capital management

For a complete description of the Company's capital management policy, see Note 18 to the annual financial statements as at December 31, 2013.

Other information

(a) Supplemental documents

Certain supplemental documents, including prior MD&As and press releases, are available online at **www.sedar.com** or on Pétrolia's website at **www.petrolia-inc.com**.

(b) Regulation 51-102 Section 5.2

Exploration expenses for the three-month period ended June 30, 2014 are detailed as follows:

	Geology $	Geophysics $	Completion and drilling $	Analysis $	Fracturing $	General expenses $	Options $	Provision $	Site maintenance $	Total $
Anticosti	64,345	7,500	9,133	-	-	(9,379,056)	-	-	-	(9,298,078)
Gastonguay	215	-	-	-	-	153	-	-	-	468
Gaspésia Marcel-Tremblay Edgar	663	-	-	-	-	555	-	-	-	1,218
Gaspé	22,651	8,250	260	-	-	69,681	-	-	600	101,442
Bourque	1,655	7,950	23,686	-	-	71,942	-	-	-	105,233
Haldimand	5,860	-	93,486	1,860	-	229,019	-	-	26,794	357,019
Tar Point	140	-	-	-	-	16,231	-	-	-	16,371
Dalhousie	-	-	-	-	-	-	-	-	-	-
Matapédia	453	1,050	28,388	-	-	10,572	-	-	-	40,463
	95,982	**24,750**	**154,953**	**1,860**	**-**	**(8,980,903)**	**-**	**-**	**27,394**	**(8,675,964)**

Exploration expenses for the three-month period ended June 30, 2013 are detailed as follows:

	Geology $	Geophysics $	Completion and drilling $	Analysis $	Fracturing $	General expenses $	Options $	Provision $	Site maintenance $	Total $
Anticosti	69,572	35,760	364,851	65,155	-	34,077	-	-	-	569,415
Gastonguay	56	-	-	-	-	-	-	-	-	56
Gaspésia Marcel-Tremblay Edgar	1,744	1,520	-	-	-	3,856	-	-	-	7,120
Gaspé	13,869	4,400	720	5,441	-	44,088	-	-	-	68,518
Bourque	21,752	12,936	1,867,106	5,400	400	14,253	-	-	-	1,921,847
Haldimand	91,997	640	1,841,855	-	(60)	7,997	-	-	37,327	1,979,756
Tar Point	-	-	-	-	-	3,239	-	-	-	3,239
Dalhousie	-	-	-	-	-	-	-	-	-	-
	198,990	**55,256**	**4,074,532**	**75,996**	**340**	**107,510**	**-**	**-**	**37,327**	**4,549,951**

(c) Regulation 51-102 Section 5.3

Information regarding shares issued, stock options and warrants as at August 21, 2014:

Common shares: 74,667,372 shares are issued and outstanding.

Stock options outstanding: The stock options granted to directors, members of senior management, employees and service providers are as follows:

- 90,000 options exercisable at a price of $0.89 per share until February 25, 2015;
- 647,500 options exercisable at a price of $0.50 per share until December 8, 2015;
- 75,000 options exercisable at a price of $1.31 per share until February 25, 2016;
- 500,000 options exercisable at a price of $1.69 per share until May 18, 2016;
- 1,080,000 options exercisable at a price of $1.52 per share until December 4, 2016;
- 75,000 options exercisable at a price of $1.51 per share until February 22, 2017;
- 2,171,000 options exercisable at a price of $1.02 per share until December 10, 2017;
- 150,000 options exercisable at a price of $1.14 per share until February 28, 2018;
- 250,000 options exercisable at a price of $0.89 per share until August 21, 2018;
- 400,000 options exercisable at a price of $0.98 per share until September 14, 2018;
- 650,000 options exercisable at a price of $0.67 per share until December 5, 2018;
- 405,000 options exercisable at a price of $0.67 per share until May 28, 2019;

Warrants outstanding: Each warrant entitles the holder to purchase one common share of the Company at the stipulated exercise price until the expiry date:

- 48,840 warrants exercisable at a price of $1.15 per share until September 25, 2014;
- 5,545,776 warrants exercisable at a price of $1.78 per share until May 15, 2015;
- 100,000 warrants exercisable at a price of $0.70 per share until July 11, 2015;
- 714,286 warrants exercisable at a price of $1.00 per share until July 11, 2016.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management is responsible for Pétrolia's financial statements, which have been approved by the Board of Directors on recommendation of the Audit Committee. The financial statements have been prepared by management in accordance with International Financial Reporting Standards. These financial statements have not been audited by the Company's auditors. The financial statements include certain amounts that are based on the use of estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

Québec City, August 21, 2014

On behalf of the Board,

(signed) Alexandre Gagnon	*(signed) Karl McLellan*
President and Chief Executive Officer	Chief Financial Officer and Corporate Secretary