JERICHO OIL CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
For the interim period ended June 30, 2018
(Expressed in CDN$ unless otherwise indicated)

The following Management’s Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Jericho Oil Corporation (“Jericho” or “the Company”) for the period ended June 30, 2018 is dated August 21, 2018 and should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the period ended June 30, 2018, as well as the Company’s audited consolidated annual financial statements for the year ended December 31, 2017. The unaudited condensed interim consolidated financial statements and the audited consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS” or “GAAP”) as issued by the International Accounting Standards Board.

INTRODUCTION

Jericho was incorporated on October 21, 2010 under the Laws of British Columbia and was listed on the TSX Venture Exchange after completion of its initial public offering on May 29, 2012. The Company’s name, formerly Dakar Resource Corp., was changed on February 27, 2014. The Company trades on the TSX Venture Exchange under the symbol “JCO”, and on the United States OTC exchange under the symbol “JROOF”. The head office, principal address and records office of the Company are located at Suite 350, 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7.

The Company incorporated a subsidiary, Jericho Oil (Kansas) Corp., in the State of Delaware, United States, on January 27, 2014, and another subsidiary, Jericho Oil (Oklahoma) Corp., also in the State of Delaware, on February 18, 2015.

Jericho is an independent crude oil and natural gas company engaged in the exploration, development and production of crude oil and natural gas. The Company derives its revenues, operating income, and cash flows from the sale of crude oil and natural gas and expects this to continue in the future. Jericho’s operations are primarily focused on exploration and development activities in the Mississippi Lime, Woodford Shale and Hunton formations in Central and Northeast Oklahoma. The Company has approximately 55,000 net acres of developed and undeveloped acreage.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Joint Venture and Equity Investment Operating Statements to June 30, 2018

The presentation below reflects the operations in the currency in which revenue prices are denominated. It also presents the combined joint ventures and Equity Investments as viewed by investors, lenders, and American readers of the financial performance of the combined entity. Please also refer to the Company’s share of investment in the Joint Ventures in Canadian dollars under IFRS in Note 5 of the unaudited condensed interim consolidated financial statements for the period ended June 30, 2018.

Statement of 100% joint venture partners' income (US$)

	Three Months ended June 30				Six Months ended June 30			
	2018		2017		**2018**		2017	
Oil (BBL)		**41,032**		39,728		**80,893**		76,067
NGL (BBL)		**13,924**		7,296		**30,562**		18,464
Natural gas (MCF)		**107,441**		31,018		**214,074**		76,523
Total sales (BOE)		**72,863**		52,193		**147,134**		107,285
Average daily sales (BOE/d)		**801**		574		**813**		593
Operating Results Per BOE:		**USD$**		USD$		**USD$**		USD$
Oil sales ($/BBL)	**$**	**65.50**	$	44.19	**$**	**63.36**	$	48.05
NGL sales ($/BBL)		**27.92**		20.80		**26.77**		22.41
Natural gas sales ($/MCF)		**2.24**		3.09		**2.38**		3.14
Total sales ($/BOE)		**45.52**		38.38		**43.86**		40.17
Lease operating expenses ($/BOE)	**$**	**19.24**	$	21.41	**$**	**19.01**	$	24.06

	Three Months ended June 30,				Six Months ended June 30,			
Operating Results:	**2018**		2017		**2018**		2017	
Oil sales	**$**	**2,687,601**	$	1,755,615	**$**	**5,125,713**	$	3,655,278
NGL sales		**388,780**		151,765		**818,231**		413,773
Natural gas sales		**240,290**		95,698		**510,067**		240,141
Product revenues		**3,316,671**		2,003,078		**6,454,011**		4,309,192
Lease operating expenses		**1,402,138**		1,117,267		**2,652,006**		2,581,111
Production taxes and deductions		**333,942**		152,685		**681,551**		337,361
Depreciation, depletion, and amortization		**960,524**		408,835		**1,929,176**		728,247
Accretion expense		**31,155**		45,153		**63,578**		90,306
General and administrative		**510,411**		168,478		**1,002,181**		318,372
Other operating expense (income)		**38,140**		(2,305)		**39,976**		2,475
Total operating costs and expenses		**3,276,309**		1,890,113		**6,368,467**		4,057,872
Operating income		**40,362**		112,965		**85,544**		251,320
Realized (gain) loss on hedging		**80,730**		51,053		**133,567**		212,125
Fair value (gain) loss adjustment on derivatives		**395,163**		(4,815)		**597,206**		249,500
Interest income		**(4,565)**		(4)		**(4,826)**		(36)
Interest expense		**88,594**		100,440		**169,711**		148,661
Joint venture net income (loss) as reported	**$**	**(519,561)**	$	(33,710)	**$**	**(810,115)**	$	(358,930)
Joint venture net income (loss) as reported	**$**	**(519,561)**	$	(33,710)	**$**	**(810,115)**	$	(358,930)
Depreciation, depletion, and amortization		**960,524**		408,835		**1,929,176**		728,247
Accretion, plus		**31,155**		45,153		**63,578**		90,306
Fair value (gain) loss adjustment on derivatives		**395,163**		(4,815)		**597,206**		249,500
Interest expense, plus		**88,594**		100,440		**169,711**		148,661
Prior period adjustments, net of write-offs		**38,184**		(83,685)		**117,409**		(83,685)
Total adjusted joint venture income (1)	**$**	**994,059**	$	432,219	**$**	**2,066,965**	$	774,099

(1) Adjusted income is a "Non-GAAP" term.

The following table present a reconciliation of 100% Joint Venture partners' income to the Company's share of Joint Venture income for the six-month period ended June 30, 2018, based on IFRS.

Six months ended June 30, 2018	Eagle Road	Lurgan	Buckmanville	Walnut	Total
100% Net income (loss) in US$	(568,166)	(47,826)	(332,811)	138,688	(810,115)
100% Net income (loss) in CDN$	(726,173)	(61,125)	(425,366)	177,258	(1,035,406)
Jericho's ownership	50%	50%	50%	26%	
Jericho's share of net income (loss) in US$	(284,083)	(23,913)	(166,406)	36,679	(437,722)
Jericho's share of net income (loss) in CDN$	**$ (363,087)**	**$ (30,563)**	**$ (212,683)**	**$ 46,880**	**$ (559,453)**

Note: The Company's interest in Buckmanville was increased from 25% to 50% on October 1, 2017. The Company acquired 11% interest of RSTACK Walnut on September 1, 2017. The Company increased its interest to 31% on December 29, 2017. Jericho's interest was subsequently reduced to 26.5% on January 4, 2018 upon the contribution of additional capital by its Joint Venture partner to fund development pursuant to the two new joint ventures.

Results for the three and six-month periods ended June 30, 2018

The Anadarko Basin STACK play is Jericho's primary focus in 2018 as it expands its position in the play as well as continues to prove up the various stacked formations. Jericho will also strategically divest non-core assets if the opportunity presents itself.

The Company continues to build upon its initial STACK investment by drilling multiple horizontal wells in the play to delineate its acreage position. On January 16, 2018 the Company through its RSTACK Walnut Joint Venture ("STACK JV", or "Walnut") entered into an agreement to swap a portion of its undeveloped acreage in Blaine and Major County with Staghorn STACK LLC ("Staghorn"). As part of the agreement, Jericho through its STACK JV elected to participate in the drilling of the Wardroom 19-13-12 (Section 12-19N-13W). The Wardroom achieved a peak 24-hour rate of 957 oil-equivalent barrels ("BOE") per day (68% oil) at 211 Boepd per 1,000 ft. The 30-day normalized rate (IP30) for this well is 770 BOE per day (67% oil). The STACK JV owns a 47% working interest in the well. The Wardroom well was placed on production in late first quarter. Jericho expects to participate in the drilling of one or two additional wells with Staghorn during the remainder of 2018.

Also in January 2018, the Company through its STACK JV entered into a farm-in agreement to participate in the drilling of between two and five horizontal wells in Major County, near the Company's core STACK operating area, with a private operator. At the STACK JV's option and upon the drilling and completion of two standard-lateral (4,500') horizontal wells targeting the Osage formation, the STACK JV will earn a 50% interest in approximately 6,000 net leasehold acres. The STACK JV participated in the drilling of the first Osage well, the Swordspear 23-10-15 1H, during the second quarter. This well (47.5% WI / 37.8% NRI to STACK JV) was placed on production in the latter part of the quarter and was producing approximately 500 barrels of oil equivalent per day at the end of July 2018. A second Osage well is scheduled to spud in August.

Total sales volumes of the joint ventures on a barrel of oil equivalent basis increased approximately 40% and 37% for the second quarter and first six months of 2018 compared with the same periods in 2017, primarily as the result of the addition of the Walnut joint venture with its interests in the STACK play of western Oklahoma.

During the first six months of 2018, there was a series of financing. See Liquidity and Capital Resources for additional disclosure.

On April 23, the Company announced it had retained Trapeze Capital Corporation to provide market making services in accordance with TSX Venture polices.

ENVIRONMENTAL LIABILITIES

We recognize that there are concerns over the potential environmental effects of developing oil and gas projects. We are researching methods to improve extraction and processing to enhance the sustainability of our projects. We accrue environmental and reclamation obligations over the life of our oil and gas production operation.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of the MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

SELECTED FINANCIAL INFORMATION

SUMMARY OF QUARTERLY RESULTS (CDN$)

Quarter Ended	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Gain/(Loss) for the period	(1,284,841)	(1,045,214)	(570,677)	(3,448,361)	(847,710)	(1,148,028)	3,135,659	(1,326,514)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)	(0.01)	0.02	(0.02)

During second quarter 2018, the Company recorded a loss of $1,284,841 compared to a loss of $847,710 in second quarter 2017. The comparable decrease in income was primarily a result of higher general and administrative expense compared with the same period of 2017. The Company's share of income from equity investments was also lower during second quarter 2018 compared with 2017. Despite higher realized oil prices in 2018, the joint venture's increased revenues were more than offset by the combination of higher depletion and general administrative expenses compared with the same period of 2017.

During first quarter 2018, the Company recorded a loss of $1,045,214 compared to a loss of $1,148,028 in first quarter 2017. The comparable increase in income was primarily a result of the Company experiencing a foreign exchange gain in 2018 compared with a foreign exchange loss during the same period of 2017. The comparable change in foreign exchange gains and losses was offset by higher general and administrative expense related to increased investor relations activity compared with first quarter 2017. The Company's share of income from equity investments was also lower during first quarter 2018 compared with 2017. Despite higher realized oil prices in 2018, the joint venture's increased revenues were more than offset by the combination of higher depletion and general administrative expenses compared with the same period of 2017.

During fourth quarter 2017, the Company recorded a loss for the period of $570,677 compared with a gain of $3,135,659 for the same period of 2016. The decrease in income for the fourth quarter 2017 was primarily a result of losses recorded from the Company's share of losses from its investments in joint ventures in 2017. In 2017, two of the Company's joint ventures recorded significant non-cash impairment charges. In contrast, the Company recorded significant bargain purchase gains during the fourth quarter of 2016. In addition, the impairment losses recorded by the joint ventures were partially offset by deferred tax recovery gains related to both the impairments and prospective changes in U.S. corporate tax laws enacted at the end of 2017.

The net loss for the quarter ended September 30, 2017, was $3,448,361 compared with $1,326,514 in the same quarter in 2016. Contributing substantially to this difference was a loss in foreign exchange of $1,063,888 as against a $196,659 foreign exchange gain in 2016, reflecting an upward move in the Canadian dollar against the US dollar. Stock compensation expense was $801,124 compared with $613,547 in the same period in 2016. Legal fees of $89,223 (2016 - $40,375) and transfer agency and filing fees of $69,033 (2016 $7,742) were higher in the current third quarter compared with 2016, as the Company was successful in raising equity funding.

The net loss for the quarter ended June 30th, 2017 comprised mainly a foreign exchange loss of $339,446 (2016 - $1,390,412 gain) and investor relations cost of $40,761 (2016 $110,440) and legal fees of $117,012 (2016 $74,366). The Company recorded stock compensation expense $34,892 (2016 $0) for bonus shares vesting. The second quarter also saw more travel costs $25,875 (2016 $7,744) as the Company increased its marketing scope.

The net loss for the quarter ended March 31, 2017, of $1,148,028 was higher than the same quarter in the previous year (2016 - $874,974), due substantially to the non-cash cost stock compensation for stock options in the quarter of $358,291(2016 - $0). Also, a foreign exchange loss of $173,301 compared with $101,299 contributed to the difference. The Company recovered legal costs of $19,444 currently compared with expenses of $47,437 in the first three months of 2016.

The net gain $3,135,659 for the quarter ended December 31, 2016 includes year-end adjustments of share of income from joint ventures of $5,662,629 and impairment of petroleum properties of $1,125,386. The net loss was also a result of a deferred tax expense recognized in the quarter of $1,470,000 due to the difference between accounting and tax value of investments in joint ventures.

The net loss for the quarter ended September 30, 2016 of $1,326,514 is substantially due to a foreign exchange gain $196,659 in the current quarter. Also, the company issued stock options during the quarter amounting to $613,547 in stock compensation expense.

SELECTED ANNUAL INFORMATION

The following table shows selected financial information for the years ended December 31, 2017, 2016, and 2015:

	Year ended 31-Dec-17	Year ended 31-Dec-16	Year ended 31-Dec-15
Revenue	391,431	410,235	678,711
Net income (loss)	(6,014,776)	1,542,032	(1,099,358)
Net income per share	(0.07)	0.02	(0.02)
Cash	5,292,783	5,045,170	1,675,131
Total assets	42,916,838	27,523,020	19,793,963
Total current financial liabilities	244,493	362,850	175,275

LIQUIDITY AND CAPITAL RESOURCES

The activities of the Company, principally the acquisition and development of prospective oil and gas properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants, credit financing and cash flow from production.

There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. The Company has increasing but limited operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and other financing equity or credit financing to maintain its capacity to meet ongoing operating activities.

Liquidity requirements are managed based upon forecast cash flows to ensure that there is sufficient working capital to meet the Company's obligations. The Company's liquidity as at the date of the MD&A is sufficient to meet the Company's corporate, administrative and commitments for the next twelve months, notwithstanding any unexpected events. The Company's main funding requirements are for its development of its Oklahoma oil interests and corporate overheads. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions and/or commodity price changes and economic downturn. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations.

The following section details the capital raises Jericho has achieved during the first six months of 2018 and during 2017.

During second quarter 2018, 365,729 warrants were exercised at $0.60 per share for proceeds of $219,437, and 375,000 options were exercised at $0.30 per share for proceeds of $112,500.

During first quarter 2018, 9,023,560 warrants were exercised at $0.60 per share for proceeds of $5,414,136.

On January 9, 2018 the Company closed a non-brokered private placement of 3,784,946 units at a price of $0.60 per unit for gross proceeds of $2,270,968. Each unit is comprised of one common share and one-half warrant with each full warrant entitling the holder to purchase one common share of the Company at a price of $0.90 per share for a period of 24 months from closing.

In August 2017 the Company closed a non-brokered private placement of 12,596,420 units at a price of $0.45 per unit for gross proceeds of $5,668,389. Each unit is comprised of one common share and one-half warrant with each full warrant entitling the holder to purchase one common share of the Company at a price of $0.60 per share for a period of 36 months from closing.

On September 6, 2017 the Company closed a non-brokered private placement of 22,033,557 units at a price of $0.48 per unit for gross proceeds of $10,576,287. Each unit is comprised of one common share and one-half warrant with each full warrant entitling the holder to purchase one common share of the Company at a price of $0.60 per share for a period of 36 months from closing.

During the year ended December 31, 2017, 400,000 stock options were exercised at an average price of $0.26 for gross proceeds of $105,000.

On September 30, 2017, 75,000 warrants were exercised at $0.60 per share for proceeds of $45,000.

During the year ended December 31, 2017, a total of 300,000 bonus shares vested, and the Company recorded a share-based payment expense in the amount of $139,568.

TRANSACTIONS WITH RELATED PARTIES

Key management are the officers and directors of the Company. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Six Months Ended			
		June 30, 2018		June 30, 2017
Management fees	$	399,644	$	178,165
Directors' fees		12,000		7,500
Share-based payments		99,413		70,816
	$	511,057	$	256,481

At June 30, 2018, included in accounts payable and accrued liabilities is an amount of $30,736 payable to directors of the Company (2017 - $Nil). These types of amounts are due on demand and have no specific terms of repayment.

NEW ACCOUNTING STANDARDS

New accounting standards adopted effective January 1, 2018:

a) IFRS 2 – Share-based payments
b) IFRS 15 – Revenues from Contracts with Customers
c) IFRS 9 – Financial Instruments

a) IFRS 2, Share-based Payments

The Company adopted IFRS 2 Share-based Payments which clarifies the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

b) IFRS 15, Revenue from Contracts with Customers

The Company adopted IFRS 15 'Revenue from Contracts with Customers on January 1, 2018. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The adoption of IFRS 15 was not material to our revenues or operating income (loss) or to our consolidated balance sheet because our performance obligations, which determine when and how revenue is recognized, are not materially changed under the new standard. Revenue associated with our contracts will continue to be recognized as control of product is transferred to the customer.

c) IFRS 9, Financial Instruments

The Company adopted IFRS 9 "Financial Instruments" on January 1, 2018. IFRS 9 replaces IAS 39 – "Financial Instruments: Recognition and Measurement". IFRS 9 reduces complexity in the classification and measurement of financial instruments. The adoption of IFRS 9 did not impact the Company's consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

IFRS 16, "Leases" will be effective for accounting periods beginning on or after January 1, 2019. This standard sets out a new model for lease accounting, bringing off-balance sheet leasing arrangements onto the balance sheet. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019 and does not anticipate that the adoption of IFRS 16 will have a material impact on the Company's financial statements due to the nature of its operations.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. As at June 30, 2018, the Company considers capital to consist of all components of shareholders' equity. The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares, or dispose of assets to increase the amount of cash on hand.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

At this stage of the Company's development, to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing instruments with maturities of 90 days or less from the original date of acquisition.

The Company expects its current capital resources to be sufficient to carry its exploration and development plans and operations through the next 12 months. Cost control measures have been implemented and best efforts will be made to raise additional capital.

FINANCIAL INSTRUMENTS AND RISK

As at June 30, 2018 and December 31, 2017, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable. The Company believes that the recorded values on the consolidated balance sheets of cash equivalents, accounts receivable and accounts payable approximate their current fair values because of their nature and relatively short maturity dates or durations and current market rates for similar instruments.

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous year as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risks exposures is described below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper. The Company's accounts receivable consists mainly of oil sales and purchase taxes remitted from the Government of Canada. The Company is exposed to a significant concentration of credit risk with respect to its trade accounts receivable balance because all its oil sales are with one counterparty. However, the Company has not recorded any allowance against its trade receivables because to-date all balances owed have been settled in full when due (typically within 60 days of submission).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its management of capital as outlined in Note 13 to the consolidated financial statements. The Company had cash at June 30, 2018 in the amount of $5,023,877 (December 31, 2017 - $5,292,783) to meet short-term business requirements, and strategic investments.

At June 30, 2018, the Company had current liabilities of $268,235 (December 31, 2017 - $244,493). Accounts payable and accrued liabilities are due within the current operating period.

Contractual undiscounted cash flow requirements for financial liabilities as at June 30, 2018, are as follows:

	<1 month	1-3 months	4 month - <1 year	2-4 years	Total
Accounts payable and accrued liabilities	294,744	-	-	-	294,744
	294,744	-	-	-	294,744

Market risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

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 has no interest-bearing obligations at June 30, 2018. The risk that the Company will realize a loss because of a decline in the fair value of the cash equivalents included in cash and cash equivalents because of lower interest rates is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars at June 30, 2018:

Cash and cash equivalents	USD$	2,917,411
Receivables		23,570
Accounts payable and accrued liabilities		(94,326)
Net exposure	USD$	2,846,655
Canadian dollar equivalents	CDN$	3,748,475

The result of sensitivity analysis shows an increase or decrease of 10% in US$ exchange rate, with all other variables held constant, could have increased or decreased the net loss and comprehensive loss by approximately CDN$374,848 or US$284,665.

Price risk

The Company's profitability and ability to raise capital to fund development of oil properties is subject to risks associated with fluctuations in oil prices. Management closely monitors oil prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Exploration, Development, and Production Risks

The acquisition of leasehold interests and the selection of prospects for oil and natural gas drilling, the drilling, ownership and operation of oil and natural gas wells, and the ownership of non-operating interests in oil and natural gas properties is highly speculative. There is no certainty that prospects will produce oil or natural gas or commercial quantities of oil or natural gas. Additionally, the amount of time it will take to recover any oil or gas is unpredictable. Oil and natural gas operations involve many risks that even experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves.

Without the continual addition of new reserves, any existing reserves the Company may have at any time, and the production there from, will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on its ability to explore and develop properties it may have from time to time, but also on its ability to select and acquire suitable producing properties and prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the Company may determine that current markets, terms of acquisitions and participation or pricing conditions make such acquisitions or participations uneconomic.

There is no assurance commercial quantities of oil and natural gas will be discovered or acquired by the Company. Further, completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Delays and added expenses may also be caused by poor weather conditions affecting, among other things, the ability to lay pipelines or otherwise transport or market hydrocarbons. In addition, ground water, impenetrable substances, various clays and lack of porosity and permeability may hinder or restrict production or even make production impractical or impossible. While diligent field operations and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Operational Dependence

An unrelated party operates all the producing wells in Kansas. Because of the Company's lack of exclusive control over the operation of the assets or their associated costs, the Company's financial performance could be adversely affected. The Company's return on assets operated by others therefore depends upon several factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise, the approval of other participants, and the selection of technology and risk management practices.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the Company's costs, any of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. To conduct oil and gas operations, the Company will require licenses from various government authorities. There can be no assurance that the Company will be able to obtain all the licenses and permits that may be required to conduct operations that it may wish to undertake.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal laws, local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it is in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material adverse effect on the Company's business, financial condition, results of operations and prospects. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

CONTINGENT LIABILITIES

The Company reported that in November 2016, Eagle Road Oil, LLC (Eagle Road), a joint venture entity in which its U.S subsidiary Jericho Oil Oklahoma Corp, owns a 50% interest, was named as one of 27 defendants in a class action petition filed in the district court of Pawnee County Oklahoma. The petition alleges that the named oil and gas companies caused man-made earthquakes through the disposal of fracking wastewater. No specific damage amount is alleged in the action. Eagle Road carries industry standard insurance for operational, general and environmental liabilities. Eagle Road conducts its operations in accordance with industry standard practices and adheres to state guidelines and regulations.

Eagle Road filed a motion to dismiss the case. The motion was heard on July 7, 2017. The motion was sustained in part and denied in part. The claim for ultra-hazardous activity was dismissed and the motion was denied as to the remaining claims. The court required the plaintiffs amend the petition with the photographs removed. Plaintiff's refiled their complaint with the ultra-hazardous activity claim replead as requested by the Court. The Court has ordered Plaintiff's to present evidence to the Court to attempt to establish an ultra-hazardous liability claim on August 23, 2018. This hearing has since been postponed as additional defendants are being added to the case. The Judge in Pawnee County District County has stated a hearing will be conducted in Q4 to determine whether plaintiffs may purse an ultrahazardous activity claim against Eagle Road and other defendants.

OUTLOOK

The Company's long-term goal is to evaluate and develop oil properties, to seek partners for some of its properties as market conditions permit, and to continue to seek out new opportunities. There is no guarantee that the Company will discover or successfully develop such properties.

PROPOSED TRANSACTIONS

None.

SHARE CAPITAL UPDATE

As at the date of this report, the Company had the following share capital outstanding:

Share Capital	$ 50,005,158
Common shares issued	127,994,616
Stock options outstanding	7,208,000
Warrants outstanding	25,704,658
Total share capital outstanding	160,907,274

DIRECTORS AND OFFICERS

The Company's directors and officers as at the date of this report are:

Directors	Officers	Officer Tittle
Brian Williamson	Brian Williamson	Chief Executive Officer
Allen Wilson	Allen Wilson	President
Nicholas Baxter	Benjamin Holman	Chief Financial Officer
Markus Seywerd		

On April 23, 2018 the Company announced due to an extended medical leave of its Chief Financial Officer, Robin Peterson, it has appointed Benjamin Holman as interim CFO of Jericho. Mr. Holman, based in Tulsa, Oklahoma, has more than 17 years' experience in accounting and business administration in the oil and gas industry, including senior positions at Apco Oil and Gas International Inc., a former subsidiary of The Williams Companies and WPX Energy. He has been working with Jericho at its Tulsa operational headquarters since November 2017. Mr. Holman is a CPA, with a MAcc, B.S. and *BSBA*, all from the University of Tulsa.

On January 17, 2017, the Company appointed Markus Seywerd to the Board of Directors. Mr. Seywerd is Chief Investment Officer and Co-Founder of Park Lane Capital SIVAC plc., a London based investment management firm. On May 24, 2017, at the Company's Annual General Meeting, the Company appointed Brian Williamson, President of Jericho Oil (Oklahoma) Corp. to its Board of Directors. On August 21, 2017 Brian Williamson became Chief Executive Officer of the Company, and Allen Wilson remained as President.

FORWARD-LOOKING STATEMENTS

This MD&A contains or incorporates, by reference, forward-looking statements. All statements other than statements of historical fact included or incorporated by reference and that address activities, events or developments that we expect or anticipate may or will occur in the future are forward-looking statements. While any forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business; actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other suggestions of future performance herein. Undue reliance should not be placed on these forward-looking statements, which are based upon our assumptions and are subject to known and unknown risks and uncertainties and other factors, some of which are beyond our control, which may cause actual results, levels of activity and achievements to differ materially from those estimated or projected and expressed in or implied by such statements. We undertake no obligation to update publicly or revise any forward-looking statements contained herein, and such statements are expressly qualified by this cautionary statement.

ADDITIONAL INFORMATION

Additional information relating the Company is available on SEDAR at **www.sedar.com**

Board Approval

The contents of this management's discussion and analysis have been approved and its filing has been authorized by the Board of Directors of the Company.

On Behalf of the Board of Directors

/s/ Brian Williamson

Brian Williamson