Management's Discussion & Analysis

For the three and nine months ended September 30, 2022

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The following management discussion and analysis ("MD&A") of the financial condition and results of operations of Courser Energy Ltd. ("Courser" or the "Company") is dated December 8, 2022 and should be read in conjunction with the accompanying unaudited financial statements and related notes for the three and nine months ended September 30, 2022 with comparisons to the year ended December 31, 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Unless otherwise stated, reporting and the measurement currency amounts stated herein are in Canadian dollars ("$ or "CDN$"). The Company may also reference the United States dollars ("US$"). In this MD&A, production and reserves information may be presented on a "barrel of oil equivalent" or "boe" basis with six thousand cubic feet ("mcf") of natural gas being equivalent to one barrel ("bbl") of crude oil or natural gas liquids. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

In accordance with Canadian industry practice, production volumes, reserve volumes and revenues are reported on a Company interest basis (working interest plus royalty interest), before deduction of Crown and other royalties, unless otherwise indicated. The Company's results of operations are dependent on production volumes of heavy crude oil, natural gas and natural gas liquids and the prices received for this production. Prices for these commodities have shown significant volatility during recent years and are determined by supply and demand factors, including weather, general economic conditions, and changes in the Canadian/United States ("US") currency exchange rate.

About Courser Energy Ltd.

Courser is a Calgary based energy company primarily focused on heavy oil development and production in Saskatchewan and was incorporated in Alberta, Canada on November 6, 2012. The Company's principal place of business is located at 2000, 715 5th Avenue S.W, Calgary, Alberta, Canada, T2P 2X6.

THIRD QUARTER HIGHLIGHTS

- Production for the third quarter was 420 boe/d, up from 367 boe/d in the prior year comparative quarter due to well reactivations.
- Exit rates in September were 497 boe/d.
- Realized $3,234,117 in petroleum and natural gas sales ($83.76/boe), an increase from the prior year comparative quarter as both prices and production volumes have increased.
- Recorded a funds flow from operations of $355,209 compared to a funds flow of $68,851 in the same quarter of 2021.

FINANCIAL AND OPERATING RESULTS SUMMARY

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Operating				
Average daily production (boe/d)	**420**	367	**388**	245
WCS heavy oil benchmark price (C$/bbl)	**93.53**	71.77	**105.55**	65.40
Operating netback[1] ($/boe)				
Realized sales price	**83.76**	64.25	**94.91**	61.08
Royalties	**(14.51)**	(11.96)	**(16.36)**	(12.28)
Saskatchewan resource tax	**(0.94)**	(0.87)	**(1.08)**	(0.82)
Operating expenses	**(49.99)**	(38.94)	**(43.21)**	(39.90)
Transportation expenses	**(2.59)**	(2.42)	**(2.69)**	(2.46)
Operating netback	**15.73**	10.06	**31.57**	5.62
Financial ($'s except for share amounts)				
Petroleum and natural gas sales	**3,234,117**	2,169,379	**10,060,152**	4,077,054
Funds flow from operations (loss)[1]	**355,209**	68,851	**8,566,773**	(403,770)
Per share – basic and diluted	-	-	**0.02**	(0.01)
Net income (loss)	**(127,737)**	(337,957)	**6,921,897**	(1,285,705)
Per share – basic and diluted	-	(0.01)	**0.02**	(0.03)
Expenditures on oil and gas properties	**377,995**	43,750	**861,502**	133,280
Net debt[1] – end of period				
Working capital [1][2]	**(1,434,663)**	5,169,861	**(1,434,663)**	5,169,861
Promissory notes	-	1,025,000	-	1,025,000
Government loan	-	40,000	-	40,000
Term loan	-	1,850,000	-	1,850,000
	(1,434,663)	8,084,861	**(1,434,663)**	8,084,864
Issued convertible debentures – end of period		6,577	-	6,577
Weighted average shares outstanding				
Basic	**510,729,851**	53,920,029	**381,807,739**	53,920,029
Diluted	**510,729,851**	53,920,029	**381,807,739**	53,920,029
Outstanding shares – end of period	**510,729,851**	53,920,029	**510,729,851**	53,920,029

[1] Refer to "Non-GAAP Measures"

[2] Working capital is defined as current assets net of current liabilities excluding risk management contracts

Third Quarter Operating Results

Production averaged of 420 boe/d during the third quarter of 2022, a 14% increase over the same quarter in 2021. Well reactivations were largely completed during the quarter with September production averaging 497 boe/d. Production may still increase as reactivated well production stabilizes, but a handful of wells were not responsive to reactivation efforts and were shut-in again. Operating costs were higher in the quarter as non-routine maintenance and re-activation efforts resulted in around $8.00/boe in additional operating costs. Additionally, there was between $5.00-$7.00/boe in costs associated with rate increases and inflation on various field services and fuel surcharges that may not be temporary in nature.

Third Quarter Financial Results

The Company recorded a positive operating netback of $607,642, or $15.73/boe during the third quarter of 2022 compared to an operating netback of $339,660, or $10.06/boe recorded in the third quarter of 2021. This variance is largely attributed to recovery of commodity prices and the restoration of well production. Royalties were $2.55/boe higher than the prior year comparative quarter as improved commodity pricing results in a higher per boe royalties. Operating expenses were $11.05/boe higher than the third quarter of 2021 due primarily to non-routine issues, well reactivations and dewatering costs along with inflationary pressures.

During the three months ended September 30, 2022, the Company recorded a funds flow from operations of $355,209 versus $68,851 in the prior year comparative period. The improvement in funds flow from operations was largely due to increased commodity prices and production rates. The Company did not incur any realized gains or losses on risk management contracts in either period. The Company recorded a net loss of $127,737 in the third quarter of 2022 compared to net loss of $337,957 in the third quarter of 2021.

The Company exited the quarter with a working capital balance of $1,434,663 compared to a working capital deficit of $5,169,861 and net debt totaling $8,084,861 in the third quarter of 2021.

Economic Environment

The volatility of global commodity pricing has continued during the third quarter of 2022 as the supply disruptions of the Ukraine conflict are weighed against recession indicators. As a result, oil prices have come down, but remain relatively strong. WCS prices averaged $93.53/bbl during the quarter.

2022 THIRD QUARTER FINANCIAL AND OPERATING RESULTS

Oil and Gas Production Volumes

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Sales volumes				
Crude oil (bbl/d)	**410**	360	**373**	241
Natural gas liquids ("NGL") (bbl/d)	**2**	2	**2**	1
Natural gas (Mcf/d)	**48**	30	**77**	17
Total average daily production (boe/d)	420	367	**388**	245
Production by area (boe/d)				
Lone Rock, Saskatchewan	**52**	20	**35**	18
Edam, Saskatchewan	**88**	72	**63**	32
Lloydminster, Saskatchewan	**112**	106	**121**	80
Coleville, Saskatchewan	**82**	71	**78**	51
Other	**86**	98	**91**	63
Total average daily production (boe/d)	**420**	367	**388**	245

Courser production averaged 420 boe per day during the third quarter of 2022, representing a 14% increase from the prior year comparative quarter. The well increases are due to well reactivations that largely occurred during the second and third quarters of 2022.

Oil and Gas Realized Revenues and Pricing

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Petroleum and natural gas revenues ($)				
Crude oil	**3,199,913**	2,150,917	**9,901,406**	4,050,093
Natural gas	**17,691**	8,913	**101,186**	12,465
NGL's	**16,513**	9,549	**57,560**	14,496
	3,234,117	2,169,379	**10,060,152**	4,077,054
Realized prices				
Crude oil ($/bbl)	**84.83**	64.87	**97.27**	61.56
Natural gas ($/mcf)	**4.01**	3.25	**4.84**	2.77
NGL's ($/bbl)	**89.74**	61.05	**87.85**	66.37
Corporate average realized price ($/boe)	**83.76**	64.25	**94.91**	61.08
Average benchmark prices				
WTI oil (US$/bbl)(1)	**91.56**	70.56	**98.09**	64.82
WCS differential (US$/bbl)(2)	**(19.87)**	(13.58)	**(15.74)**	(12.51)
WCS heavy oil (US$/bbl)	**71.69**	56.98	**82.35**	52.31
WCS differential %	**(22)**	(19)	**(16)**	(19)
AECO natural gas (CDN$/mcf)(3)	**4.46**	3.58	**5.49**	3.27
Cdn$/US$	**0.77**	0.79	**0.78**	0.80
WCS heavy oil (CDN$/bbl)	**93.53**	71.77	**105.55**	65.40

(1) WTI represents posting price of West Texas Intermediate oil.

(2) WCS refers to the average posting price for benchmark WCS heavy oil.

(3) AECO refers to the AECO Alberta spot price as published by Sproule.

Realized Pricing

The Company realized oil prices of $84.83 per barrel during the three months ended September 30, 2022, representing a per barrel increase of 31% over the prior year comparative period. While much improved compared to 2021 and prior, WCS prices decreased during the third quarter of 2022. This was largely due to widening differentials caused in part by the release of strategic petroleum reserves by the U.S. government. The barrels released during the third quarter were largely sour and effectively displaced WCS barrels.

Risk Management Contracts

The Company routinely enters crude oil financial contracts to manage the volatility of commodity prices and may, from time to time, also enter into foreign exchange financial contracts. The Company's current policy is to hedge no more than 60% of forecasted net production volumes using a combination of financial instruments including puts, costless collars, swaps, or fixed price contracts to limit exposure to fluctuations in commodity prices. Gains and losses on risk management contracts are composed of both realized gains or losses, representing the portion of risk management contracts that have settled in cash during the period, and unrealized gains or losses that represent the change in the mark-to-market position of those contracts throughout the period.

The Company did not have any risk management contracts in place for the three or nine months ended September 30, 2022, resulting in nil losses (2021 - nil). For further information, refer to the "Risk Management" section of this MD&A.

Crown and Freehold Royalties

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Crown	**$259,987**	$92,624	**$716,807**	$117,469
Freehold	300,253	311,298	**1,017,496**	702,322
Royalties	**$560,240**	$403,922	**$1,734,303**	$819,791
$ per Boe	**$14.51**	$11.96	**$16.36**	$12.28
% of revenue	**17.4**	18.6	**17.2**	20.1

Approximately 80% of Courser lands are held under Crown leases with the remaining held under freehold leases. Crown royalty rates range from ~2% to 30% depending upon the type and vintage of wells, commodity type, volume of daily production, and market prices. As a percentage of revenue, royalties were 17.4% and 17.2% for the three and nine months ended September 30, 2022 (2021 – 18.6 and 20.1%). On a per boe basis, royalties for the three months ended September 30, 2022 increased as increased commodity prices have resulted in higher total royalties on various properties.

Saskatchewan Resource Tax

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Saskatchewan resource tax	**$36,252**	$29,284	**$114,252**	$54,455
$ per Boe	**$0.94**	$0.87	**$1.08**	$0.82

Under Saskatchewan provincial legislation, the Company is charged a resource tax based on its Saskatchewan production. The resource tax rate is 1.70% for all oil and gas wells with a finished drilling date on or after October 1, 2002, and for incremental oil related to new or expanded enhanced oil recovery projects or water flood projects having a commencement date on or after October 1, 2002. The resource tax rate for all other oil and gas wells is 3.0%. For the three and nine months ended September 30, 2022, the Company incurred Saskatchewan resource taxes of $0.94/boe and $1.08/boe (2021 - $0.87 and $0.82/boe).

Operating Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Operating expenses	**$1,929,995**	$1,314,903	**$4,579,878**	$2,663,364
$ per Boe	**49.99**	38.94	**43.21**	39.90

Operating expenses, excluding crude oil transportation costs, are driven by both fixed and variable costs. The Company's primary fixed cost drivers include contract operator wages, property taxes, freehold mineral rentals, and surface rentals, while primary variable cost drivers include emulsion treating, produced wastewater and sand trucking and disposal, utilities, heating fuel, and routine maintenance. Primary non-routine expenses include minor and major workovers. Courser continually works closely with suppliers and service providers to seek out cost reductions, increased operating efficiencies, and decreased labor costs.

Operating costs averaged $49.99 per boe during the third quarter of 2022, a 28% increase from the $38.94 per boe recorded in the third quarter of 2021. The increase is largely resulting from non-routine maintenance, well reactivation and dewatering costs incurred during the third quarter of 2022 totaling around $8/bbl. These costs are expected to taper off now that the reactivation efforts are largely completed, although the fourth quarter had around $270K in turnaround and workover costs that addressed various regulatory issues. Inflationary pressures continue to affect operating costs, particularly field services.

Transportation Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Transportation expenses	**$99,988**	$81,610	**$284,673**	$164,004
$ per boe	**2.59**	2.42	**2.69**	2.46

Transportation expenses relate specifically to the cost of trucking produced emulsion to the sales point where it is then cleaned and blended for market. Costs related to water and sand transportation are included within operating costs. The majority of the Company's crude oil production is trucked to sales facilities near Lloydminster, Edam, and Coleville, Saskatchewan. Bottlenecking of trucks at sales facilities and road restrictions may impact the cost of transportation in any given period; however, the Company's transportation expense has typically been in the $2.00 to $3.00 per boe range since inception. During the three and nine months ended September 30, 2022, the Company recorded transportation expenses of $2.59 and $2.69 per boe (2021 – $2.42 and $2.46 per boe respectively).

Operating Netback

The components of operating netback for the three and nine months ended September 30, 2022 and 2021 are below.

	Three months ended September 30,		Nine months ended September 30,	
($ per boe)	**2022**	2021	**2022**	2021
Realized sales price[(1)]	**83.76**	64.25	**94.91**	61.08
Royalties	**(14.51)**	(11.96)	**(16.36)**	(12.28)
Saskatchewan surcharge tax	**(0.94)**	(0.87)	**(1.08)**	(0.82)
Operating expenses	**(49.99)**	(38.94)	**(43.21)**	(39.90)
Transportation expenses	**(2.59)**	(2.42)	**(2.69)**	(2.46)
Operating netback[(2)]	**15.73**	10.06	**31.57**	5.62

[(1)] Excludes other income
[(2)] Refer to "Non-GAAP Measures"

General and Administrative ("G&A") Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Gross G&A expenses	**$321,125**	$273,390	**$971,846**	$822,452
Capitalized G&A expenses	(42,000)	(42,000)	**(126,000)**	(126,000)
G&A before restructuring expenses	**$279,125**	$231,390	**$845,846**	$696,452
$ per boe	**$7.23**	$6.85	**$7.98**	$10.43
Restructuring expenses	**$-**	$-	**$194,230**	$-

G&A expenses are primarily fixed by nature and therefore fluctuate on a per barrel basis with the rate of production. Courser capitalizes to property, plant, and equipment a percentage of technical staff salaries and share-based compensation expense for engineering and geological work at a rate that is commensurate with the extent of work required to execute on the Company's capital program.

During the fourth quarter of 2021, the Company entered into creditor protection under the Companies' Creditors Arrangement Act ("CCAA") and incurred $194,230 in restructuring and legal fees during the first quarter as part of the process. The process concluded in March 2022, and G&A expenses have largely returned to historical levels now that the process is complete. For the three and nine months ended September 30, 2022, G&A expenses excluding restructuring costs were $279,125 and $845,846 (2021 – $231,390 and $696,452). On a per boe basis, G&A expenses were $7.23 during the third quarter of 2022 and $7.98/boe year to date (2021 - $6.85 and $10.43).

Net Finance Expenses

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Interest expense on term and bank loans	**$-**	$34,740	**$ -**	$103,086
Interest on promissory notes	**-**	20,668	**-**	58,640
Accretion on decommissioning obligations	101,951	69,109	**280,318**	179,309
Net finance expenses	**$101,951**	$124,517	**$280,318**	$341,035

Accretion expense relates to the Company's decommissioning obligation for the future abandonment and reclamation of its lands and well sites. The estimated future decommissioning obligation is discounted at a risk-free rate in accordance with the Company's accounting policies and recorded as a liability on the Statement of Financial Position. This liability is increased monthly to account for the passage of time, with the monthly increase recorded as accretion expense. Material changes in accretion expense are typically driven by new well additions (removals) in each period due to the Company's drilling program and acquisitions (divestitures).

Interest expense on term and bank loans and promissory notes relate to debt instruments the Company had in place prior to entering into creditor protection. As part of The Plan, both the bank loans and promissory notes were converted to equity and no interest on either was incurred in 2022 or will be thereafter.

Share-Based Compensation

The Company has a share option plan pursuant to which options to purchase common shares of the Company may be granted by the Board of Directors to directors, officers, employees and consultants of the Company. Pursuant to the plan, the exercise price of each option may shall be fixed by the Board of Directors when such option is granted, provided that from and after the date that the common shares are listed on a stock exchange (the "Exchange"), such price shall not be less than the price permitted by such Exchange.

Compensation expense is recognized as options vest. Unless otherwise determined by the Board of Directors, vesting typically occurs one third on each of the next three anniversaries of the date of the grant as recipients render continuous serve to the Company, and the share options typically expire five years from the date of the grant. The maximum number of common shares issuable on the exercise of outstanding share options at any time is limited to 10% of the issued and outstanding common shares. The Company's current share-based compensation plans consist of share options and executive incentive options.

On April 11, 2022 the Company issued 20,000,000 executive options and 22,000,000 employee options. The executive options vested on May 10, 2022 and shares were issued in lieu of cash. The employee options vest evenly over the next three years and expire in five years. During the three and nine months ended September 30, 2022, the Company recorded share-based compensation expenses of $26,045 and $383,693 (2021 – $17,982 and $66,348) .

Depletion and Depreciation

	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Depletion	**$352,000**	$317,000	**$973,000**	$628,000
Depreciation	2,949	2,716	**7,864**	8,280
Depletion and depreciation	**$354,949**	$319,716	**$980,864**	$636,280
$ per boe	**9.12**	9.39	**9.18**	9.41

Depletion expense is a product of depletable assets multiplied by total production divided by estimated proved and probable oil and natural gas reserves at the beginning of each period, while also considering the estimated future development costs necessary to bring those reserves into production. Depreciation expense is recorded based on corporate assets and is calculated on a declining basis.

As at September 30, 2022, $77.4 million in future development costs (December 31, 2021 – $77.8 million) less total salvage values of the assets of $2.4 million (December 31, 2021 – $2.6 million) were included in the production asset cost bases for depletion calculation purposes. For the three months ended September 30, 2022, per boe depletion expenses decreased by 3%, in comparison to the prior year comparative period.

Impairment of Property, Plant and Equipment

On September 30, 2022, the Company evaluated its property, plant, and equipment for indicators of any potential impairment or related impairment reversals. The assessment factored in reserves, change in commodity prices from year end, the health of the Company, the sector and the general economy, and near-term development plans. While some indicators had favorably changed, much of the realized value in the reserves depends on future capital spending. At present, the means of acquiring capital to develop these reserves has not yet been determined and as such, no impairment adjustments were recorded during the quarter.

PROPERTY, PLANT AND EQUIPMENT (DEVELOPMENT) EXPENDITURES

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Land, geological and geophysical	**$(35,154)**	$-	**$(33,144)**	$-
Drilling, completions and optimizations	**351,697**	-	**726,310**	(1,281)
Equipment and facilities	**17,452**	-	**29,369**	5,577
Capitalized G&A	**42,000**	42,000	**126,000**	126,000
Corporate	2,000	1,750	**12,967**	2,987
Development expenditures	**$377,995**	$43,750	**$861,502**	$133,280

During the three and nine months ended September 30, 2022, the Company made development expenditures of $377,995 and $861,502 (2021 – $43,750 and $133,280) due largely to well recompletions and reactivations that occurred during the third quarter.

LIQUIDITY AND CAPITAL RESOURCES

	Septmeber 30, 2022	December 31, 2021
Net debt (Net Cash)	**$(1,434,663)**	$8,084,861
Shareholders' equity	**$713,281**	$(8,622,701)

The Company exited the quarter in a with a working capital surplus of $1,434,663. All debts, loans and promissory notes were converted to equity or settled in cash during the quarter as part of the Plan of Arrangement and Compromise.

The Company's policy is to maintain a strong capital base to provide flexibility in the future development of the business and to maintain the confidence of investors and lenders. The Company periodically reviews certain quantitative measures of its capital structure to understand its position relative to industry peers but does not set certain limits or ranges with respect to these quantitative measures. The Company is not subject to any external restrictions on its capital structure. Management closely monitors debt leverage to ensure the Company maintains financial flexibility and balance sheet strength sufficient to manage unforeseen events and opportunities as they arise.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due, under both normal and unusual conditions without incurring unacceptable losses or jeopardizing the Company's business objective. The Company manages this risk by preparing cash flow forecasts to assess whether additional funds are required. The Company's liquidity is dependent on the Company's expected business growth and changes in its business environment.

Undiscounted cashflows relating to financial liabilities as at September 30, 2022 were as follows:

	Undiscounted amount	Less than 1 year	1 – 3 years	4 – 5 years
Accounts payable and accrued liabilities	$2,509,191	$2,509,191	$-	$-
Financial liabilities	**$2,509,191**	**$2,509,191**	**-**	**-**

RISK MANAGEMENT

Management of cash flow variability is an integral component of the Company's business strategy. Changing business conditions are monitored regularly and, where material, reviewed with the Board of Directors to establish risk management guidelines used by Management to carry out the Company's strategic risk management program. The risk exposure inherent in the movements of the price of crude oil and fluctuations in CDN$:US$ exchange rates are all proactively reviewed by the Company and may be managed through the use of derivative contracts as considered appropriate.

The Company has elected not to apply IFRS prescribed "hedge accounting" rules. Accordingly, the fair value of financial derivative contracts is recorded at each period-end. The fair value may change substantially from period to period depending on market conditions. As a result, net earnings may fluctuate considerably based on the period ending commodity forward strip prices compared to the prices in any derivative contracts.

Commodity Price Risk

The Company is exposed to commodity price movements as part of its operations, particularly in relation to prices received for its oil production. Commodity prices for oil are impacted by the world and continental/regional economy and other events that dictate the levels of supply and demand. Consequently, these changes could also affect the value of the Company's properties, the level of spending for exploration and development and the ability to meet obligations as they come due. There were no risk management contracts in place as at September 30, 2022.

SUMMARY OF QUARTERLY RESULTS

($000's except boe and per boe amounts)	**Q3 2022**	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Petroleum and natural gas sales	**3,234**	3,700	3,126	2,432	2,169	1,411	496	337
Realized gain (loss) on risk mgmt. contracts	**-**	-	-	-	-	-	-	-
Funds flow from operations (loss)[(1)]	**355**	1,146	7,065	(94)	69	(52)	(421)	(325)
Net income (loss)	**(128)**	374	6,676	(490)	(338)	(351)	**(596)**	**(4,546)**
Expenditures on oil & gas properties	**378**	438	45	42	44	43	**46**	**42**
Net debt (Net Cash) [(1)]	**(1,435)**	(1,457)	(749)	8,221	8,085	8,109	8,015	**7,548**
Sales Volumes (boe per day)	**420**	361	384	383	367	259	104	**96**
Operating Netbacks ($/boe)[(1)]								
Realized sales price	**83.76**	112.63	90.53	69.03	64.25	59.78	52.94	38.36
Royalties	**(14.51)**	(19.65)	(15.31)	(12.61)	(11.96)	(13.79)	(9.64)	(5.26)
Saskatchewan surcharge tax	**(0.94)**	(1.28)	(1.04)	(1.05)	(0.87)	(0.85)	(0.53)	-
Operating expenses	**(49.99)**	(44.82)	(34.10)	(32.03)	(38.94)	(34.30)	(57.46)	(51.29)
Transportation expenses	**(2.59)**	(3.05)	(2.44)	(1.81)	(2.42)	(2.61)	(2.23)	(1.64)
Operating netback	**15.73**	43.83	37.64	21.53	10.06	8.23	(16.92)	(19.83)

[(1)] *See "Non-GAAP Measures ".*

NON-GAAP MEASURES

This MD&A contains terms commonly used in the oil and natural gas industry, including funds flow from operations per share, operating netback and net debt. These terms do not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Shareholders and investors are cautioned that these measures should not be construed as alternatives to cash provided by operating activities, net income, total liabilities, or other measures of financial performance as determined in accordance with GAAP. Management uses these non-GAAP measures for its own performance measurement and to provide stakeholders with measures to compare the Company's operations over time.

Funds Flow from Operations

The Company calculates funds flow from operations (loss) per share by dividing funds flow from operations by the weighted average number of common shares outstanding during the applicable period.

A reconciliation of funds flow from operations (loss) to cash provided by (used in) operating activities is presented as follows:

	Three months ended September 30,		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Cash flow from (used-in) operating activities	**$547,478**	$26,681	**$3,427,271**	$73,012
Less change in non-cash working capital	(192,269)	42,170	**5,139,502**	(476,781)
Funds flow from operations (loss)	**355,209**	68,851	**$8,566,773**	$(403,769)

Operating Netback

The Company uses operating netback as a key performance indicator of field results. Operating netback is presented on a per barrel of oil equivalent basis and is calculated by deducting royalties, Saskatchewan resource tax, transportation expenses and operating expenses from petroleum and natural gas sales. If applicable the Company also discloses operating netback both prior to realized gains or losses on derivatives and after the impacts of derivatives are included. Realized gains or losses represent the portion of risk management contracts that have settled in cash during the period, disclosing this provides Management and investors with transparent measures that reflect how the Company's risk management program can impact netback metrics. The Company considers operating netback to be a key measure as it demonstrates the Company's profitability relative to current commodity prices. This measurement assists Management and investors in evaluating operating results on a per barrel of oil equivalent basis to analyze performance on a historical basis.

The following table calculates operating netback for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Petroleum sales	**$3,234,117**	$2,169,379	**$10,060,152**	$4,077,054
Royalties	**(560,240)**	(403,922)	**(1,734,303)**	(819,791)
Saskatchewan resource tax	**(36,252)**	(29,284)	**(114,252)**	(54,455)
Operating expenses	**(1,929,995)**	(1,314,903)	**(4,579,878)**	(2,663,364)
Transportation expenses	(99,988)	(81,610)	**(284,673)**	(164,004)
Operating netback	**$607,642**	$339,660	**$3,347,046**	$375,440
Production (boe)	**38,610**	33,767	**105,993**	66,752
Operating netback ($/boe)	**$15.73**	$10.06	**$31.57**	$5.62

Net Debt and Working Capital

The Company uses net debt, which includes a measure of working capital, to assess its true debt and liquidity position and to manage capital and liquidity risk. Working capital subtracts current liabilities from current assets, excluding any current balances related to debt and risk management contracts. Net debt is calculated as the Company's bank loan plus (less) the working capital deficit (surplus). The following table summarizes net debt for the periods indicated:

	September 30, 2022	December 31, 2021
Current assets	**$(3,943,854)**	$(1,552,304)
Accounts payable and accrued liabilities	**2,509,191**	6,505,136
Working capital	**(1,434,663)**	4,952,832
Promissory notes	**-**	1,139,435
Term loan	**-**	2,128,661
Net debt / (Net Cash)	**$(1,434,663)**	$8,220,928

BOE CONVERSION

Within this document, petroleum and natural gas volumes are converted to a common unit of measure, referred to as a barrel of oil equivalent ("boe"), using a ratio of 6,000 cubic feet of natural gas to one barrel of oil. Use of the term boe may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalent method and does not necessarily represent a value of equivalency at the wellhead.

ADVISORY ON FORWARD LOOKING STATEMENTS

In the interest of providing Courser shareholders and potential investors with information regarding the Company, including Management's assessment of Courser's future plans and operations, certain statements contained in this MD&A constitute forward-looking statements or information (collectively referred to herein as "forward-looking statements") within the meaning of the "safe harbor" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to:

- *Future development plans;*
- *Future financing plans and goals;*
- *The ability of the Company to fund capital programs with existing working capital and cash flow from operating activities*
- *The Company continuing as a going concern*
- *The impact of adjustments to drilling and completion techniques; and*
- *General business strategies and objectives*

Such forward-looking information is based on a number of assumptions, including: future commodity prices; royalty rates, taxes and capital, operating, general and administrative and other costs; foreign currency exchange rates and interest rates; general business, economic and market conditions; the ability of the Company to obtain the require capital to finance its exploration, development and other operations and meet its commitments and financial obligations; the ability of Courser to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities; the ability of Courser to market its oil and natural gas successfully to current and new customers; the ability of Courser to obtain drilling success (including in respect of anticipated production volumes, reserve additions and resource recoveries) and operational improvements, efficiencies and results consistent with expectations; the timely receipt of governmental and regulatory approvals; and anticipated timelines and budgets being met in respect of drilling programs and other operations (including well completions and tie-ins and the construction, commissioning and start-up of new and expanded facilities).

Although the Company believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on them as the Company can give no assurance that such assumptions will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Courser and described in the forward-looking information. The material risks and uncertainties include, but are not limited to: fluctuations in commodity prices, foreign currency exchange rates and interest rates; estimates and projections relating to future revenue, future production, reserve additions, resource recoveries, royalty rates, taxes and costs and expenses; operational risks in exploring for, developing and producing, oil and natural gas; the ability to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost; potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding or operating new, expanded or existing facilities; processing and pipeline infrastructure outages, disruptions and constraints; risks and uncertainties involving the geology of oil and gas deposits; uncertainty of reserves and resources estimates; general business, economic and market conditions; changes in, or in the interpretation of, laws, regulations or policies (including environmental laws); the ability to obtain required governmental or regulatory approvals in a timely manner, and to enter into and maintain leases and licenses; the effects of weather and other factors including wildlife and environmental restrictions which affect field operations and access; the timing and cost of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination; uncertainties regarding aboriginal claims and in maintaining relationships with local populations and other stakeholders; the outcome of existing and potential lawsuits, regulatory actions, audits and assessments. and other risks and uncertainties described elsewhere in Courser's other filings.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. Although Courser believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and Courser does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

ADDITIONAL INFORMATION

For additional information regarding the Company and its business and operations, please contact the Company at Courser Energy Ltd. 2000, 715 5th Avenue S.W, Calgary, Alberta, Canada, T2P 2X6 or by e-mailing Rachelle Bien-Barnard (info@courser.ca).

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