

Rodinia Oil Corp. (the "Corporation") is a public company engaged in the business of international petroleum exploration in South Australia and Western Australia, and has a fiscal year end of December 31.

This Management's Discussion & Analysis ("MD&A") is a review of how the Corporation performed during the period covered by the financial statements, and of the Corporation's financial condition and future prospects. The MD&A complements and supplements the financial statements of the Corporation, and should be read in conjunction with the accompanying financial statements and the related notes for the year ended December 31, 2010 and three and nine months ended September 30, 2011 of the Corporation. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Canadian dollars, which are also generally accepted accounting principles ("GAAP") for publically accountable enterprises in Canada. For all periods up to and including the year ended December 31, 2010, we prepared our financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"). In accordance with the standard related to the first time adoption of IFRS, our transition date to IFRS was January 1, 2010 and therefore the comparative information for 2010 has been prepared in accordance with our IFRS accounting policies. The 2009 financial information contained within this MD&A has been prepared following previous Canadian GAAP and, as allowed by the standard related to the first time adoption of IFRS ("IFRS 1"), has not been re-presented on an IFRS basis. The Corporation's Audit Committee has reviewed and approved the financial statements and MD&A. This MD&A is effective November 24, 2011.

Forward-Looking Statements

Certain statements contained in this document, including Management's assessment of the Corporation's future plans and operations, may constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "plan" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The Corporation believes the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this document should not be unduly relied upon. These statements speak only as of the date of this document.

Corporate Overview

The Corporation was incorporated in Alberta on July 21, 2006, and is a Canadian oil and gas exploration company whose primary assets consist of an average working interest of approximately 85% in petroleum exploration licenses and permits in the Officer Basin of South Australia and Western Australia that cover approximately 8.5 million net acres in South Australia and 11.1 million net acres in Western Australia. The common shares and warrants of the Corporation trade on the TSX Venture Exchange under the symbols "ROZ" and "ROZ.WT" respectively.

On May 28, 2010, the Corporation closed its initial public offering (the "IPO") and on June 11, 2010 the Corporation closed the over-allotment to the IPO for combined gross proceeds of \$57,358,750. The IPO financing consisted of the sale of units at an ascribed price of \$1.00 per unit (the "IPO Units"). Each IPO Unit is comprised of one common share and one half of one common share purchase warrant (the "IPO Warrants") with a full IPO Warrant entitling the holder to purchase one common share of the Corporation at a price of \$1.33 per share until the date that is 24 months following the closing date. The Corporation will utilize these funds for future drilling activities planned for the remainder of 2011 and 2012.

The Corporation holds its Australian assets through its wholly-owned subsidiary Rodinia Oil (Australia) Pty. Ltd. ("Rodinia Australia"), a corporation incorporated pursuant to the laws of South Australia. When used in this MD&A, the term the "Corporation" refers to the Corporation and Rodinia Australia on a consolidated basis.

Outlook

As at September 30, 2011, the Corporation had a working capital surplus of \$17,702,486 with no debt. The majority of expenditures for the three and nine months ending September 30, 2011 were incurred in South Australia associated with the Corporation's drilling and seismic acquisition and interpretation programs.

The Corporation controls a high average working interest of 85% on an expansive exploration land base of 23 million acres which is believed to cover the most prospective part of the remote and under-explored Officer Basin straddling South and Western Australia. The Corporation is currently in the exploration stage of its development and has spent the last five years gathering extensive knowledge of the subsurface acquired through three phases of 2-D seismic acquisition. Focus Area 1 (PEL 253 and PEL 81) is the Corporation's most advanced with approximately 3,500 kilometres of 2-D seismic completed and processed. As at September 30, 2011 the Corporation's ongoing 2D seismic acquisition commitment to acquire an additional 250

kilometres in PEL 81 has been satisfied and 200 kilometres in PEL 253 has been satisfied but not yet filed with the appropriate government agency.

During the third quarter of 2011, the Corporation's operational activity remained focused on the drilling of its first exploratory well, "Mulyawara-1" located in the northwest corner of PEL 253 in South Australia's Officer Basin. This well was drilled as a wildcat exploration well far from geologic control with the nearest existing wells with the prospective deep Pindyin sandstone formation located approximately 500 kilometres to the west and 300 kilometres to the east.

On October 13, 2011, the Corporation announced that the well reached a total measured depth ("TD") of 2,691.3 metres, at the top of the Mesoproterozoic section, and was officially plugged and abandoned. The original drilling design of Mulyawara-1 incorporated the use of air hammer drilling because the rocks were so hard but in fact was so violent that it affected the stability of the drilling rig and ultimately washed out the well bore. Given numerous mechanical and operational issues the drilling progress was substantially slower than anticipated resulting in approximately 75% cost overruns.

During drilling, the Corporation encountered excellent reservoirs to the point where water was flowing at up to 900 barrels per hour and recorded gas shows with up to C5 (pentane) content over sands in the upper formations, Mundallio and Emeroo, that totaled approximately 150 gross metres. The shows in the Neoproterozoic Murnaroo, Mundallio and Emeroo sandstones are encouraging as they demonstrate an active mature petroleum system capable of generating hydrocarbons.

The Corporation has since undertaken a comprehensive review of its operations to determine how to achieve better performance through its drilling program and well design process for the remainder of the 2011 capital program and into 2012. The primary objective of the Corporation's exploratory program is to appraise the potential of the large structures currently identified on its lands. The Mulyawara-1 well has substantially added to the Corporation's knowledge of the geologic and hydrocarbon potential of the Officer Basin. The Corporation will continue mapping the Murnaroo, Mundallio, Emeroo and Pindyin sandstones to better determine the extent and reservoir potential of the formations at its next well, "Kutjara-1".

On November 3, 2011, the Corporation spudded its second exploratory well, Kutjara-1. The Kutjara-1 structure has been well defined by recently acquired infill 2D seismic and is located in the west central portion of PEL 253 approximately 45 kilometres southeast of the Corporation's first well, Mulyawara-1. The structure is large (approximately 12 km by 3 km), defined by six seismic lines and has multiple potential reservoirs. One of the advantages associated with the drilling of the Kutjara-1 well, is that this particular location is offset by several other large closed structures that could be followed up on if it is successful. The Corporation has an 80% working interest in PEL 253 and is the operator.

In light of lessons learned and information gathered by the Corporation at Mulyawara-1, Kutjara-1 will be drilled using modified drilling techniques in an effort to improve drilling efficiencies and lower costs. The re-design of the well plan includes downsizing the surface hole diameter throughout, dropping two casing strings from the original well design, eliminating the air hammer drill assembly, moving to a rotary mud system in order to minimize the risk of fishing runs and to increase higher average rates of penetration by using PDC bits rather than tricone bits. As at the date of this MD&A, Kutjara-1 has been drilling ahead of schedule and has reached a measured depth of 1,919 metres. It has been quite evident that these modified drilling techniques are working efficiently and effectively and will greatly improve drilling timelines and costs.

For the last quarter of 2011, the Corporation's capital program will include the continued drilling of its second wildcat exploratory well, Kutjara-1, with plans to reach total depth of approximately 2,700 metres by mid-December. The Corporation will spend time during the quarter evaluating infrastructure needs for its third location, Ngantjarpa-1, and gathering the necessary governmental approvals. Management is in discussion with Ensign International Energy Services regarding the renegotiation of its current contract to retain a smaller rig in order to improve rig mobilization and daily drilling costs.

As the Corporation is in the early stages of exploration, its ability to finance operations is dependent upon the existence of economically recoverable hydrocarbons and its ability to obtain new sources of financing. The cost to operate in Australia is extremely expensive and the Australian dollar has appreciated approximately 25% since the planning stages of the original capital program.

With such a high working interest on an expansive land base, the Corporation has a number of financing options available. To preserve capital and minimize dilution to shareholders, the opportunity to lower working interest through joint ventures and farm-in arrangements are attractive and currently the Corporation has in place a number of confidentiality agreements. The Corporation's growth model has not changed and it will continue to expand its understanding of the extent and reservoir potential of the Neoproterozoic formations through ongoing seismic acquisition and additional drilling.

Subsequent Events

In October 2011, the Corporation announced that its Board of Directors adopted a Shareholder Rights Plan (the "Rights Plan"). This Rights Plan was adopted to ensure the fair treatment of shareholders in connection with any take-over offer for the Corporation, and to provide the Board of Directors and shareholders with additional time to fully consider an unsolicited take-over bid. The Rights Plan will also provide an opportunity, if appropriate, to pursue alternatives in order to maximize shareholder value. The Rights Plan was approved by the TSX Venture Exchange and by the shareholders of the Corporation at the Corporation's Annual and Special shareholders' meeting held on November 10, 2011. The Rights Plan has a term of three years.

In October 2011, the Corporation announced that Mr. Peter Philipchuk resigned as a director of the Corporation for personal reasons and that Mr. Matthew Philipchuk, Executive Vice-President resigned in order to pursue other business opportunities in Australia. Both gentlemen were instrumental in the founding and building of the Corporation. The Corporation is confident that future operations will not be affected and that with the recruitment of a Chief Operating Officer, the Corporation's technical team will continue to remain strong and intact in the Adelaide, South Australia operations office.

Overview of Consolidated Financial Results

The following selected financial data is derived from the unaudited and audited consolidated financial statements of the Corporation and reference should be made to such unaudited and audited financial statements.

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net (gain) loss	1,798,290	805,039	3,606,364	(930,820)	(319,767)	2,180,685	316,866	(655,877)
Per common share (basic and diluted)	0.02	0.01	0.03	(0.03)	0.00	0.03	0.01	(0.02)
(Positive)/negative cash flow from operations	(1,733,236)	(2,385,820)	261,211	390,902	291,992	868,320	144,358	211,507
Working capital	17,702,486	29,682,705	44,332,438	53,919,100	57,238,738	56,426,257	3,954,121	116,463
Total assets	77,230,460	81,760,037	75,303,173	74,072,462	70,708,372	68,972,855	16,227,601	12,568,492
Shareholders' equity	71,330,019	73,307,324	71,724,962	72,378,797	70,502,299	68,533,053	15,809,075	12,259,371

Note: Q4 2009 and Q4 2010 have not been restated for IFRS.

Cash and cash equivalents and term deposits

Cash and cash equivalents and term deposits decreased from \$51,338,334 at December 31, 2010 to \$19,010,427 at September 30, 2011. The majority of the decrease in cash and cash equivalents and term deposits is due to ongoing exploration and evaluation expenditures of \$10,764,513 and \$34,673,527 incurred during the three and nine months ended September 30, 2011 and other general and administrative expenses. The source of the Corporation's funds is from its IPO that closed on May 28, 2010 for gross proceeds of \$52,500,000 and subsequent over-allotment on June 11, 2010 for gross proceeds of \$4,858,750.

Accounts Receivable

Accounts receivable increased from \$2,468,420 at December 31, 2010 to \$3,145,796 at September 30, 2011. The majority of the balance relates to accrued receivables from EnSearch Petroleum Ltd. pertaining to the ongoing capital expenditure programs in the Officer Basin. The majority of the remaining balance relates to Australian investment tax credits on the Corporation's qualifying expenditures which are received in the subsequent quarter.

Prepaid Expenses and Deposits

Prepaid expenses and deposits decreased from \$572,597 at December 31, 2010 to \$231,695 at September 30, 2011. The majority of the balance as at September 30, 2011 relates to prepaid rent and insurance.

Financial Instruments

The fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to their short-terms to maturity.

The Corporation uses forward foreign currency exchange rate contracts in order to reduce its exposure to currency risks from fluctuations in the Canadian and Australian currencies. These contracts are recorded on the Corporation's balance sheet as an asset or liability based on their current fair values. Management continually monitors the Corporation's currency risk and believes this exposure is not material to its overall operations at this time. During the three and nine months ended September 30, 2011 the Corporation recorded a net gain on financial instruments of \$83,852 and \$310,964. The decrease in financial instruments recorded on the balance sheet as at December 31, 2010 of \$1,233,414 as compared to \$(74,033) as at September 30, 2011 is due to two of the Corporation's forward foreign currency exchange rate contracts maturing and being recorded as a realized gain during the

three and nine months ended September 30, 2011. As at September 30, 2011 the Corporation had a total of 17 forward foreign currency exchange rate contracts with the following terms:

AUD bought (\$)	CAD sold (\$)	Average Rate (%)	Date of Maturity	Mark to market fair value
17,000,000	17,183,100	101.06	October 18, 2011 – March 16, 2012	74,033

Investment in PetroFrontier Corp.

On February 26, 2009, the Corporation divested its interest in the Texalta farmout agreement to PetroFrontier Corp. (“PetroFrontier”) at a carrying value of \$500,001. Pursuant to the terms of the sale agreement, the Corporation received 2,000,000 common shares, which after PetroFrontier’s initial private placement offering of \$860,000 on February 28, 2009, represented approximately 27% of the outstanding common shares of PetroFrontier. PetroFrontier raised a further \$9,175,000 on November 2, 2009 at \$1.00 per share, through a brokered private placement, further diluting the Corporation’s shareholdings to approximately 12%. During the year ended December 31, 2010, PetroFrontier issued a further \$60,352,751 of share capital, further diluting the Corporation’s shareholdings to approximately 4%. On May 31, 2011, PetroFrontier acquired Texalta Petroleum Ltd. and issued a further 15,667,189, thus diluting the Corporation’s shareholdings to approximately 3%. The Corporation recorded a dilution gain/(loss) in the year ended December 31, 2010 of \$1,773,083 and for the three and nine months ended September 30, 2011 of \$(9,463) and \$771,292. The respective dilution gains were recorded as a result of the increased valuation of PetroFrontier’s net assets which has more than offset the dilution of PetroFrontier shareholdings of the Corporation. The Corporation also recorded equity losses of \$15,686 and \$220,466, respectively relating to the Corporation’s share of PetroFrontier losses during the three and nine months ended September 30, 2011 (\$51,523 and \$151,262 – September 30, 2010). The Corporation held a 3% and 4% proportionate interest in PetroFrontier as at September 30, 2011 and December 31, 2010, respectively.

The following table summarizes the Corporation’s investment in PetroFrontier Corp.:

	September 30, 2011	December 31, 2010
	(\$)	(\$)
Balance, beginning of period	2,743,060	1,301,452
Loss on equity investment	(220,465)	(375,067)
Other comprehensive gain	25,252	43,592
Dilution gain	771,292	1,773,083
Balance, end of period	3,319,139	2,743,060

The fair value of this investment as at September 30, 2011 was \$2.42 per PetroFrontier common share or \$4,840,000. The following is a summary of selected financial data of PetroFrontier Corp.:

	As at and for the three months ended September 30, 2011	As at and for the nine months ended September 30, 2011	As at and for the year ended December 31, 2011
Net loss	2,041,095	6,647,250	4,370,065
Positive/(negative) cash flow from operations	(926,003)	(3,193,367)	44,967
Working capital	34,941,213	34,941,213	55,001,333
Total assets	134,200,160	134,200,160	67,981,817
Total liabilities	22,422,113	22,422,113	2,764,508
Share capital	111,778,047	111,778,047	65,217,309

The Corporation and PetroFrontier Corp. share common directors and executive management and therefore the Corporation holds significant influence over the operations of PetroFrontier Corp.

Exploration and Evaluation Assets

Exploration and evaluation assets increased from \$15,192,143 at December 31, 2010 to \$50,465,536 at September 30, 2011. Exploration and evaluation asset expenditures for the three and nine months ended September 30, 2011 totaled \$11,135,558 and \$35,044,572 as compared to \$214,178 and \$519,596 incurred in the same periods in the prior year. The majority of expenditures for the three and nine months ended September 30, 2011 were incurred in South Australia associated with the Corporation’s Phase III 2D seismic acquisition and interpretation program and drilling expenditures.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities increased from \$1,693,665 at December 31, 2010 to \$4,611,398 at September 30, 2011. The majority of the accounts payable and accrued liabilities at September 30, 2011 relate to the Corporation's ongoing drilling expenditures.

Asset Retirement Obligations

Asset retirement obligations at December 31, 2010 totaled nil as compared to \$1,215,010 at September 30, 2011. The Corporation constructed its first surface locations at Mulyawara and Kutjara during the current quarter resulting in future reclamation costs required to be included on the balance sheet as future asset retirement obligations. The Corporation used discount rates ranging from 4.74% - 5.21% to account for its asset retirement obligations.

General and Administrative

General and administrative expenses for the three and nine months ended September 30, 2011 totaled \$856,956 and \$2,454,747 as compared to \$379,101 and \$1,554,025 in the same periods in the prior year. The increase in general and administrative expenses over the same year to date period in the prior year relates to increased staffing levels to facilitate the Corporation's ongoing drilling operations, increased office supplies and rent associated with the higher staffing levels and higher travel, accommodations, corporate reporting and professional fees associated with the Corporation now being a publically traded entity.

Share-Based Compensation

Share-based compensation expense for the three and nine months ended September 30, 2011 totaled \$788,765 and \$4,595,920 compared to \$507,700 and \$2,152,414 in the same periods in the prior year. The substantial increase in share-based compensation expense over the same year to date period in the prior year is due to the fact that 2,050,000 options were granted during the first quarter of 2011.

Depreciation

The Corporation recorded depreciation expense of \$10,241 and \$77,859 for the three and nine months ended September 30, 2011 as compared to \$9,054 and \$26,866 in the same periods in the prior year. The depreciation expense recorded during the current and prior year quarter relate entirely to field vehicles, office equipment and furniture with the majority of the increase in the current year quarter over the prior year quarter pertaining to depreciation recorded on the Corporation's field vehicles. As the Corporation is in the exploration and development phase no depletion has been recorded.

Foreign Exchange Loss

The Corporation recorded a foreign exchange loss of \$157,203 and \$182,486 for the three and nine months ended September 30, 2011. The loss pertains entirely to Australian dollar cash that were held by the parent Corporation throughout the periods.

Finance income

Finance income increased from \$59,473 and \$84,241 for the three and nine months ended September 30, 2010 to \$120,235 and \$437,077 for the three and nine months ended September 30, 2011. Overall, finance income earned during the three and nine months ended September 30, 2011 and 2010 were as expected by management given the cash balances on hand during those periods.

Finance costs

Finance costs for the three and nine months ended September 30, 2011 totaled \$2,627 and \$9,659 compared to \$3,043 and \$22,296 in the same periods in the prior year. Overall, finance costs were as expected by management and have remained relatively consistent period over period.

Net Loss

The Corporation recorded a net gain/(loss) for the three and nine months ended September 30, 2011 of \$(1,798,290) and \$(6,209,693) compared to \$319,767 and \$(2,203,323) in the same periods in the prior year. As the Corporation is in the exploration and development phase, there is currently no oil and natural gas producing properties from which to generate revenues. The Corporation's net loss for the current year was generated primarily from share-based compensation (non-cash) expense, general and administrative expenses including salaries, office costs, and travel costs in addition to depreciation (non-cash) expense. The net gain/(loss) per share (basic and diluted) for the three and nine months ended September 30, 2011 was \$(0.02) and \$(0.06) compared to \$0.00 and \$(0.03) in the same periods in the prior year.

Comprehensive Loss

The Corporation recorded a comprehensive gain/(loss) for the three and nine months ended September 30, 2011 of \$(2,826,069) and \$(6,482,887) compared to \$1,190,936 and \$762,569 in the same periods in the prior year. The difference between net earnings/(loss) and comprehensive earnings/(loss) is comprised entirely of other comprehensive income relating to the revaluation of the Corporation's assets and liabilities in accordance with the Corporation's accounting policy on foreign exchange gains and losses. During the nine months ended September 30, 2011, the Australian dollar relative to the Canadian dollar strengthened from CAD 1.02 at December 31, 2010 to CAD 1.01 at September 30, 2011 resulting in a loss on the conversion of the Corporation's Australian assets net of the gain incurred on the conversion of the Corporation's Australian liabilities. During the nine months ended September 30, 2010, the Australian dollar relative to the Canadian dollar strengthened from CAD 0.94 at December 31, 2009 to CAD 1.00 at September 30, 2010 resulting in a loss on foreign exchange on foreign operations for the nine months ended September 30, 2010.

Common Share Information

Weighted average outstanding Common Shares

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Basic and diluted ⁽¹⁾	106,769,761	80,362,775

⁽¹⁾ As the Corporation has losses for all periods referenced above, no addition is made to the basic weighted average number of Common Shares when calculating diluted weighted average number of Common Shares as the diluted per Common Share amounts are anti-dilutive.

Liquidity and Capital Resources

The diluted numbers of Common Shares outstanding at September 30, 2011 and December 31, 2010 were as follows:

	<u>September 30, 2011</u>	<u>December 31, 2010</u>
Common Shares	107,404,440	105,994,540
Options	8,995,932	8,231,666
Common Share purchase warrants	2,154,111	2,666,611
IPO warrants	30,137,500	30,187,500
Total Common Shares (diluted)	148,691,983	147,080,317

As at September 30, 2011, the Corporation had \$19,010,427 in cash and cash equivalents. The source of the Corporation's net working capital of \$17,702,486 is a result of the Corporation's IPO financing, which closed on May 28, 2010 with the over-allotment closing on June 11, 2010.

On May 28, 2010, the Corporation closed its initial public offering (the "IPO") and on June 11, 2010 the Corporation closed the over-allotment to the IPO for combined gross proceeds of \$57,358,750. The IPO financing consisted of the sale of units at an ascribed price of \$1.00 per unit (the "IPO Units"). Each IPO Unit is comprised of one common share and one half of one common share purchase warrant (the "IPO Warrants") with a full IPO Warrant entitling the holder to purchase one common share of the Corporation at a price of \$1.33 per share until the date that is 24 months following the closing date. The Corporation will utilize these funds for future drilling activities planned for the remainder of 2011 and 2012.

In addition, the Corporation has 8,995,932 stock options and 32,291,611 warrants issued and outstanding at strike prices ranging from \$0.20 to \$3.15 as at September 30, 2011 and could potentially yield \$12,766,514 and \$42,560,103 of total proceeds, respectively. If all of these instruments are exercised it would result in an additional 41,287,543 common shares being issued,

which represents dilution of 38.4% in comparison to the shares issued and outstanding as at September 30, 2011. However, at the date of the MD&A the majority of these potentially dilutive securities are out-of-the-money.

The Corporation's exploration and evaluation investing activities for the three and nine months ended September 30, 2011 totaled \$10,764,513 and \$34,673,527 as compared to \$214,178 and \$519,596 incurred in the same periods in the prior year. The majority of expenditures for the three and nine months ended September 30, 2011 were incurred in South Australia associated with the Corporation's drilling and seismic acquisition and interpretation programs.

As the Corporation is in the early stages of exploration, its ability to finance operations is dependent upon the existence of economically recoverable hydrocarbons and its ability to obtain new sources of financing. The cost to operate in Australia is extremely expensive and the Australian dollar has appreciated approximately 25% since the planning stages of the original capital program.

With such a high working interest on an expansive land base, the Corporation has a number of financing options available. To preserve capital and minimize dilution to shareholders, the opportunity to lower working interest through joint ventures and farm-in arrangements are attractive and currently the Corporation has in place a number of confidentiality agreements. The Corporation's growth model has not changed and it will continue to expand its understanding of the extent and reservoir potential of the Neoproterozoic formations through ongoing seismic acquisition and additional drilling.

Material Contracts and Commitments

As at September 30, 2011, the Corporation had the following material commitments:

PEL 81 Minimum Work Plan Commitment

The Corporation was granted PEL 81 in June 2007 with a five year term to complete the minimum work commitments. The following table summarizes these commitments and their status as at September 30, 2011:

Year	Start	End	Minimum Work Requirements	Status
1	June 25, 2007	June 24, 2008	Acquire 250 km 2D seismic, reprocess existing data, geological and geophysical studies	Completed
2	June 25, 2008	June 24, 2009	Acquire 250 km 2D seismic	Completed
			12 month suspension and variation of license – October 29, 2009	
3	June 25, 2010	June 24, 2011	Geological and geophysical studies	Completed
4	June 25, 2011	June 24, 2012	Drill one well and acquire 250 km 2D seismic	Outstanding
5	June 25, 2012	June 24, 2013	Drill one or two wells	Outstanding

As at September 30, 2011, the Corporation had completed all of its minimum work requirements associated with PEL 81 with the exception of drilling one well in year four and one or two wells in year five. As part of the Corporation's ongoing seismic acquisition program the commitment to acquire 250 km of 2D seismic in year 4 has been satisfied. The Corporation anticipates fulfilling the remainder of its minimum work requirements associated with PEL 81 during 2011 and 2012.

PEL 253 Minimum Work Plan Commitment

The Corporation was granted PEL 253 in June 2007 with a five year term to complete the minimum work commitments. The following table summarizes these commitments and their status as at September 30, 2011:

Year	Start	End	Minimum Work Requirements	Status
1	June 25, 2007	June 24, 2008	Acquire 100 km 2D seismic, geological and geophysical studies	Completed
2	June 25, 2008	June 24, 2009	Acquire 100 km 2D seismic, geological and geophysical studies	Completed
			12 month suspension and variation of license – October 29, 2009	
3	June 25, 2010	June 24, 2011	Geological and geophysical studies	Completed
4	June 25, 2011	June 24, 2012	Drill one well and geological and geophysical studies	Outstanding
5	June 25, 2012	June 24, 2013	Acquire 200 km 2D seismic	Outstanding

As at September 30, 2011, the Corporation had completed all of its minimum work requirements associated with PEL 253. As part of the Corporation's 2011 seismic acquisition and drilling programs the commitments to drill one well in year 4 and acquire 200 km of 2D seismic in year 5 were satisfied but have not yet been filed with the appropriate government agency.

Drilling Rig

On October 22, 2010, the Corporation executed an agreement with Ensign to engage Ensign's Rig 16 to carry out its initial drilling program. The Corporation's contract with Ensign includes four firm wells with the option to extend the contract to drill four additional wells (eight total) with Rig 16 as part of this program. The Corporation is currently negotiating with Ensign to possibly release Rig 16 and bring in a smaller rig in 2012.

Operating leases

The Corporation maintains operating leases relating to the Corporation's corporate offices in both Canada and Australia.

The following table summarizes the remainder of the Corporation's commitments over the following five years as at September 30, 2011:

	Total	2011	2012	2013	2014	2015
Operating leases	525,058	229,596	191,014	104,448	-	-
	525,058	229,596	191,014	104,448	-	-

Off Balance Sheet Arrangements

The Corporation had no guarantees or off-balance sheet arrangements except for lease agreements relating to the Corporation's office facilities that were entered into in the normal course of operations. All leases are treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease. No asset or liability value has been assigned to these leases on the balance sheet as at September 30, 2011. The total future obligation from these operating leases is described above in the section "Material Contracts and Commitments".

Related Party Transactions

In accordance with the terms of an Administrative Services Agreement ("ASA"), the Corporation provides certain administrative services and office accommodations to PetroFrontier on a cost recovery basis. PetroFrontier and the Corporation share five common directors and three common executives. ASA recoveries are recorded to general and administrative expenses in the Corporation's financial statements. For the nine months ended September 30, 2011, the Corporation charged \$256,932 of ASA recoveries. Included in accounts receivable as at September 30, 2011, is a \$58,611 receivable due from PetroFrontier.

Accounting Estimates

Management of the Corporation is responsible for applying judgment in preparing accounting estimates. Certain estimates and related disclosures included within the consolidated financial statements are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. The following are significant accounting estimates:

- In regard to share-based compensation the Corporation has estimated the volatility, expected life and risk-free interest rates of the share-based compensation.
- The carrying value of petroleum and natural gas properties is limited to the future expected cash flows from the properties. If it is determined that carrying values of petroleum and natural gas properties cannot be recovered from future cash flows, the asset is written down to its estimated fair value via a charge to earnings.
- The determination of the Corporation's income and other tax liabilities and assets requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded.

Future Accounting Pronouncements

At the date of authorization of the consolidated interim financial statements, certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective, and have not been adopted early by the Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations that are expected to be relevant to the Corporation's consolidated financial statements is provided below. Certain

other new standards and interpretations have been issued but are not expected to have a material impact on the Corporation's consolidated financial statements.

In 2010, the International Accounting Standards Board ("IASB") issued a collection of amendments as part of its annual project "Improvements to IFRSs." The amendments address details of the recognition, measurement, and disclosure of business transactions and serve to standardize terminology. They consist mainly of editorial changes to existing standards. Except as otherwise specified, the amendments, which have not yet been endorsed, are to be applied for annual periods beginning on or after January 1, 2012. They are not expected to have a material impact on the presentation of the Corporation's financial position or results of operations.

In 2010, the IASB issued IFRS 9 Financial Instruments, which addresses the classification and measurement of financial assets. The new standard defines two instead of four measurement categories for financial assets, with classification to be based partly on the Corporation's business model and partly on the characteristics of the contractual cash flows from the respective financial asset. An embedded derivative in a structured product will no longer have to be assessed for possible separate accounting treatment unless the host is a non-financial contract. Application of IFRS 9 is mandatory for financial periods beginning on or after January 1, 2013. The new standard is not expected to have a material impact on the presentation of the Corporation's financial position and results of operations.

In May 2011, the IASB issued IFRS 11. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 divides all joint arrangements into two categories: joint operation where the jointly controlling parties have rights to the assets and obligations for the liabilities relating to the arrangements, and joint ventures where the jointly controlling parties have rights to the net assets of the arrangement. Joint operations would be accounted for using the proportionate consolidation method where the Corporation's proportionate interest in the revenues, expenses, assets and liabilities would be disclosed, consistent with the Corporation's current accounting for joint operations. Joint ventures would be accounted for using the equity method of accounting, where the investment in the joint venture would be adjusted for the Corporation's proportion of the net income or loss of the joint venture. IFRS 11 is required to be adopted for years beginning on or after January 1, 2013, although earlier adoption is allowed. The Corporation is currently evaluating the effect of this new standard.

In May 2011, the IASB issued IFRS 12 Disclosure of Interest in Other Entities which establishes the requirements for disclosure of ownership interest in subsidiaries, joint arrangements, associates and other entities. IFRS 12 requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. IFRS 12 is required to be adopted for years beginning on or after January 1, 2013. The Corporation is currently evaluating the effect of this new standard.

In May 2011, the IASB issued IFRS 13 Fair Value Measurements which defines fair value, sets out a framework for measuring fair value and requires disclosures about fair values. IFRS 13 applies to all other IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition of fair value emphasizes a market-based measurement, not an entity-specific measurement. IFRS 13 is required to be adopted for years beginning on or after January 1, 2013. Earlier adoption is allowed. The Corporation is currently evaluating the effect of this new standard.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide a reasonable level of assurance that material information relating to the Corporation is made known to the Chief Executive Officer and the Chief Financial Officer by others within the Corporation, particularly during the period in which the annual and interim filings of the Corporation are being prepared, in an accurate and timely manner in order for the Corporation to comply with its disclosure and financial reporting obligations. Consistent with the concept of reasonable assurance, the Corporation recognizes that the relative cost of maintaining these controls and procedures should not exceed their expected benefits. As such, the Corporation's disclosure controls and procedures can only provide reasonable assurance, and not absolute assurance, that the objectives of such controls and procedures are met.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Corporation are responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. While management of the Corporation has put in place certain plans and procedures to mitigate the risk of a material misstatement in the Corporation's financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated. No changes were made to the Corporation's internal control over

financial reporting during the three and nine months ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Business Risks and Uncertainties

The Corporation's business is subject to risks inherent in oil and natural gas exploration and development operations. In addition, there are risks associated with the Corporation's current and future operations in the foreign jurisdictions in which it operates. The Corporation has identified certain risks pertinent to its business including: exploration and reserve risks, drilling and operating risks, costs and availability of materials and services, capital markets and the requirement for additional capital, loss of or changes to joint venture or related agreements, economic and sovereign risks, reliance on joint venture partners, market risk, volatility of future oil and natural gas prices and foreign currency risk.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Corporation 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 that the Corporation may have at any particular time and the production there from will decline over time as such existing reserves are exploited. A future increase in the Corporation's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Corporation will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomical. There is no assurance that commercial quantities of oil and natural gas will be discovered or acquired by the Corporation.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental and other approvals or consents, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision 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.

Limited Operating and Earnings History

The Corporation only recently commenced operations in Australia and has no earnings history. Accordingly, the Corporation has no operating history in the oil and gas industry in Australia and has no meaningful, historical financial information or record of performance. The Corporation's business plan requires significant expenditure, particularly capital expenditure, in its oil and gas establishment phase. Any future profitability from the Corporation's business will be dependent upon the successful development of the Corporation's lands, and there can be no assurance that the Corporation will achieve profitability in the future. There are no known quantities of oil or natural gas reserves on the Corporation's properties.

Investment Risks

Revenues, other than interest on unused funds, may not occur for some time, if at all. The timing and extent of these is variable and uncertain and accordingly the Corporation is unable to predict when, if at all, profitability will be achieved. An investment in the Common Shares is highly speculative and should only be made by persons who can afford a significant or total loss of their investment.

Funds Flow from Operations

Funds flow from operations, which is cash flow from operations before changes in non-cash working capital was negative \$498,814 and \$1,193,341 for the three and nine months ended September 30, 2011, respectively. The Corporation has a history of negative funds flow from operations and the inability of the Corporation to generate positive operating cash inflow in the future could have a material adverse impact on its business, operations and prospects.

Competition

Oil and gas exploration is intensely competitive in all phases and involves a high degree of risk. The Corporation competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties. The Corporation's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Corporation. Currently the Corporation is insulated from competition on the lands which it currently holds due to the nature of the proprietary exploration rights granted by the governing bodies under the various licenses and permits, however the Corporation may face competition on surrounding lands if it seeks to increase its land position to acquire other prospective leads. The Corporation may also face competition from competitors on lands which it currently holds a license or permit for in the event that, as a condition of the license or permit, it is required to partially relinquish certain of the lands. In this circumstance, if the Corporation elects to re-apply for such permits or licenses, there are no assurances that the Corporation will be successful. The Corporation's ability to add reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Competition may also be presented by alternate fuel sources.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to the Corporation or to the operators, and the delays by operators in remitting payment to the Corporation, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of the Corporation in a given period and expose the Corporation to additional third party credit risks.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities. Recent industry conditions have led to extreme shortages of drilling equipment in certain areas. To the extent that the Corporation is not the operator of its oil and natural gas properties, the Corporation will be dependent on such operators for the timing of activities related to such properties and may be unable to direct or control the activities of the operators.

Expiration of Permits, Applications and Authorities

The Corporation's properties will be held in the form of permits, applications, authorities and working interests in permits, applications and authorities. If the Corporation or the holder of the permits, applications and authorities fails to meet the specific requirement of the permits, applications or authorities, the permits, applications or authorities may terminate or expire. There can be no assurance that the obligations required to maintain each of the permits, applications and authorities will be met. The termination or expiration of the Corporation's permits, applications and authorities or the working interests relating to the permits, applications and authorities may have a material adverse effect on the Corporation's results of operations and business.

Operational Dependence

In the future other companies may operate some of the assets in which the Corporation has an interest. As a result, the Corporation may have limited ability to exercise influence over the operation of such assets or their associated costs, which could adversely affect the Corporation's financial performance. Therefore, the Corporation's return on the assets operated by others will depend upon a number of factors that may be outside of the Corporation's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Reliance on Key Personnel

The Corporation's success will depend in large measure on the performance of the Board and other key personnel. The loss of services of such individuals could have a material adverse effect on the Corporation. The Corporation does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Corporation are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for

the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Assessments of Value of Acquisitions

Acquisitions of oil and natural gas issuers and oil and natural gas assets are typically based on engineering and economic assessments made by independent engineers and the Corporation's own assessments. These assessments will include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Corporation's control. In particular, the prices of, and markets for, oil and natural gas products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geological and engineering uncertainty which could result in lower than anticipated production and reserves. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm that the Corporation may use for its year-end reserve evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by the Corporation. Any such instance may offset the return on and value of the Common Shares.

Estimate of Fair Market Value

There are numerous uncertainties inherent in an estimate of fair market value including many factors beyond the Corporation's control. The valuations herein represent estimates only. In general, estimates are based upon a number of variable factors and assumptions, such as engineering and geophysical information pertaining to hydrocarbon potential, current material contracts of the Corporation, production history of competitors on similar land positions, access to lands, availability, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies, and future operating costs, all of which may vary from actual results. All such estimates are to some degree speculative, and are only attempts to define the degree of speculation involved.

Third Party Credit Risk

The Corporation is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations.

Joint Venture

The Corporation may become a party to joint venture operating agreements in the future. Under these agreements, the Corporation may be required to adapt into programs and budgets, with which it does not necessarily agree or have the cash resources to fund. It may also be required to contribute to any increases in capital expenditure requirements and/or operating costs. Furthermore, the situation could arise where any or all joint venture parties are unable to fund their pro rata contributions to expenditure, in which case the Corporation may have to make increased contributions to ensure that the program succeeds.

The Corporation will be required under joint operating agreements to pay its percentage interest of all costs and liabilities incurred by the joint venture in connection with the joint venture activity. In common with the other joint venture parties, if the Corporation fails to pay its share of any costs and liabilities it may be deemed to have withdrawn from the joint venture and may have to transfer its interests in the exploration permits and the joint operation agreements to the other joint venture participants.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Insurance

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, the Corporation is not fully insured against all of these risks, nor are

all such risks insurable. Prior to drilling, the Corporation will obtain insurance in accordance with industry standards to address certain of these risks. However, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not be insurable in all circumstances or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's financial position, results of operations or prospects.

Corporate Matters

The Corporation does not anticipate the payment of any dividends on the Common Shares for the foreseeable future. Certain directors and officers of the Corporation are also directors and officers of other oil and natural gas companies involved in natural resource exploration and development, and conflicts of interest may arise between their duties as directors and officers of the Corporation and as directors and officers of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the Alberta Business Corporations Act.

Title to Properties

Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. Although title reviews will be done according to industry standards prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the Corporation. To the extent title defects do exist, it is possible the Corporation may lose all or a portion of its right, title, estate and interest in and to the properties to which the title relates.

Additional Funding Requirements

From time to time, the Corporation will require additional financing in order to carry out its oil and natural gas exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to have limited ability to expend the capital necessary to undertake or complete future exploration programs, forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly.

Currency

From time to time the Corporation may exchange Canadian currency to Australian currency; however, if the Australian dollar declines in value compared to the Canadian dollar after the currency exchange, the Corporation will not benefit from the fluctuating exchange rate.

Dilution

The Corporation may make future acquisitions or enter into financing or other transactions involving the issuance of securities of the Corporation which may be dilutive to existing shareholders.

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 that may be amended from time to time. The Corporation's operations require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

In Australia, government policies and regulations vary in different states and between different governing bodies in relation to exploration, mining and marketing. The Corporation's activities will require compliance with various laws, both state and those of the Commonwealth of Australia, relating to, among other things, the protection of the environment, Aboriginal heritage and culture, native title, the protection of workers and the public. Changes in government, government policies and legislation could have a material adverse affect on the Corporation.

In particular, in order to pursue its exploration programs in Australia, the Corporation may require approval from government and non-government bodies to facilitate access to any blocks and tenements in which it has an interest. Any tenements residing

within reserves, including national parks and conservation reserves, which are subject to state and Commonwealth legislation, could be subject to a change in legislation that could have a material adverse effect on the Corporation. In addition, any tenements residing in areas which are subject to government policies regarding national defense or of any other particular national interest to Australia may be subject to access requirements that could result in a material adverse affect on the Corporation.

The Corporation's licenses, permits and authorizations will be subject to applications for renewal in accordance with their terms. Where a licensee has not complied with the conditions to which an exploration permit is subject, or any directions given by the relevant Minister and the Minister is not satisfied that circumstances exist that justify the granting of the renewal of the permit, the Minister may refuse to grant a renewal of a permit. Where a Minister is satisfied that a commercially exploitable accumulation of petroleum may occur in an exploration permit area, the Minister may require the licensee to apply for a production license. A Minister may also refuse to grant a production license, or may grant a production license subject to such conditions as the Minister sees fit. If a permit is not renewed or a production license is not granted or granted subject to unfavorable conditions, the Corporation may suffer significant damage through loss of the opportunity to develop and discover that tenement and this could have an adverse affect on the Corporation's business plan.

Rights to licenses, permits and authorities held by the Corporation carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety generally. Failure to observe such requirements could prejudice the right to maintain title to a given area.

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, provincial and 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 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 the potential for 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 Corporation to incur costs to remedy such discharge. Generally, Australian state and territory legislation and associated regulations include provisions for the regulation of activities on petroleum tenement lands. Statutory provisions require petroleum tenement lands to be protected and rehabilitated to ensure that environmental damage is avoidable or minimal where authorized. These provisions may require approvals and consents to be obtained before certain lands may be accessed and explored. In addition, each state and territory government may impose a wide range of obligations on tenement holders to ensure that petroleum operations comply with various environmental standards and requirements.

No assurance can be given that environmental laws will not result in a curtailment of future production (if any) or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operations or prospects.

Changes in Legislation

The return on an investment in securities of the Corporation is subject to changes in Canadian and Australian tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Corporation or the holding and disposing of the securities of the Corporation.

Legislation and regulations continue to be introduced by government and government agencies concerning the security of industrial facilities, including oil and natural gas facilities. The Corporation's operations may be subject to such laws and regulations. Presently, it is not possible to accurately estimate the costs the Corporation could incur to comply with any such laws or regulations, but such expenditures could be substantial.

Income Taxes

The Corporation will file all required income tax returns and believes that it will be in full compliance with the provisions of the Tax Act and all other applicable tax legislation. However, such returns are subject to reassessment by applicable taxation authorities. In the event of a successful reassessment of the Corporation, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Aboriginal Heritage

The procedures and regulatory powers set forth in applicable laws relating to Aboriginal heritage in Australia may delay, limit or prevent oil and gas exploration activities in Australia. Such procedures and powers, to the extent they affect the Corporation, may have an adverse effect on the Corporation's financial condition, results of operations or prospects.

Integrity of Disclosure

The Corporation's management maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

The Board is responsible for ensuring that management fulfills its responsibilities. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the audited consolidated financial statements. The Board approves the annual audited consolidated financial statements and MD&A on the recommendation of the Audit Committee. The Corporation has approved and distributed to all staff a series of policy papers that include Code of Business Conduct and Ethics, Whistle Blower Policy and Procedures, Insider Trading and Reporting Guidelines, Disclosure Policy and Board Control System. Terms of References define Audit Committee and Compensation and Governance Committees. The Corporation has a defined Board Mandate. All consultant contracts are current and approved by independent members of the Board.

Additional Information

Additional information relating to the Corporation can accessed at www.sedar.com or by contacting the Corporation at Rodinia Oil Corp., Suite 320, 715 – 5th Avenue S.W., Calgary, Alberta T2P 2X6. Information is also available on the Corporation's website at www.rodiniaoil.com.

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President and Chief Executive Officer
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Martin P. McGoldrick, P. Eng., MBA^{(1) (3)}
Businessman
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Kent Jespersen, BSc., MSc.^{(1) (2)}
Businessman
Calgary, Alberta

Dr. James W. Buckee ⁽³⁾
Businessman
Wiltshire, UK

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⁽²⁾ Member of the Corporate Governance
and Compensation Committee

⁽³⁾ Member of Reserve Committee

Officers

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