PETRODORADO ENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2015

The following is management's discussion and analysis ("MD&A") of the operating and financial results of Petrodorado Energy Ltd. ("Petrodorado" or the "Company") for the three months and year ended December 31, 2015, as compared to the three months and year ended December 31, 2014, as well as information and expectations concerning the Company's outlook based on currently available information.

The MD&A should be read in conjunction with the consolidated financial statements as at and for the years ended December 31, 2015 and 2014, prepared in accordance with IFRS (as defined below), together with the accompanying notes. Additional information including the Company's annual information form for the year ended December 31, 2015, is on SEDAR at www.sedar.com or on the Company's website at www.petrodorado.com.

All dollar values are expressed in US dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

This MD&A is prepared as of April 27, 2016.

NON-IFRS MEASURES

Funds used in operations include all cash used in operating activities and are calculated before the change in non-cash working capital. A reconciliation of cash used in operating activities to funds used in operations for the three months and years ended December 31, 2015 and 2014, are as follows:

Funds used in operations ($)	Q4 2015	Q4 2014	Year 2015	Year 2014
Cash used in operating activities	(1,114,311)	(530,113)	(3,047,562)	(4,205,225)
Change in non-cash working capital	(547,367)	(64,398)	(234,072)	492,982
Funds used in operations	(1,661,678)	(594,511)	(3,281,634)	(3,712,243)

The non-IFRS measure referred to above does not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures used by other companies. Management uses this non-IFRS measurement for its own performance measures and to provide its shareholders and investors with a measurement of the Company's efficiency and of its ability to fund a portion of its future growth expenditures.

BUSINESS PROFILE AND STRATEGY

The Company, prior to 2015, was primarily engaged in petroleum and natural gas exploration and development activities in Colombia with one asset in California, USA. Petrodorado's head office is located in Calgary, Alberta, Canada and the Company's shares are traded on the TSX Venture Exchange under the trading symbol "PDQ".

The Company has undergone a strategic reassessment which commenced in early 2015 that has resulted in the disposal of the CPO-5 and Tacacho Blocks in the third quarter of 2015, the finalization of the conditional sale agreement on the Moriche Block in the fourth quarter of 2015, and the disposal of the Talora and La Maye Blocks in early 2016. These divestitures have enabled the Company to eliminate a significant amount of existing operational obligations and future exploration and development commitments that were well in excess of capital available to the Company and that would have required additional financial resources. Even though these events have improved the financial condition of the Company, the lack of cash inflow from operations may mean that any future strategic opportunities for the Company may require additional financing to execute. Furthermore, the instability in the political and legal environment in Colombia creates uncertainty regarding possible financial commitments on existing and previously owned exploration blocks. The Board of Directors and management have continued to review all potential transactions available to the Company with the mission to identify viable and lucrative opportunities that may provide the best future for the Company and the shareholders, particularly when considering the existing economic circumstances and outlook within the oil & gas industry, with the ultimate goal to maximize shareholder value.

DISTRIBUTION TO THE SHAREHOLDERS

On January 27, 2016, the Company carried out the annual general and special meeting of the shareholders (the "AGM"), during which the shareholders of the Company voted in favor of all of the items of business put forward for consideration at the AGM. This included the approval for the re-organization of the Company to achieve a special return of capital distribution to the shareholders of the Company (the "Distribution"). On April 4, 2016, the Company carried out the Distribution by way of a cash payment of CDN$0.42 for each of the 49,704,702 common shares existing as of the date of the Distribution, resulting in $16.0 million (CDN$20.9 million) being distributed to the shareholders of the Company.

While the Company maintained a minimal working capital balance subsequent to the Distribution, the continued focus of management is to present to the shareholders a possible transaction that management believes will provide accretive results to the current share value. Management has continued to narrow its search with the intention to identify specific transactions suitable for shareholder review. However, there is no certainty that a transaction will result from any opportunities brought forth for deliberation.

SHARE CONSOLIDATION

On November 27, 2014, the Company received final approval from the TSX Venture Exchange, and obtained Articles of Amendment in the days that followed, to perform a consolidation of the issued and outstanding common shares of the Company (the "Consolidation") on a basis of ten pre-Consolidation common shares for one post-Consolidation common share. The completed Consolidation follows ratification and approval for the Board of Directors to perform such a Consolidation on a basis of up to twenty pre-Consolidation common shares for one post-Consolidation common share as given by the shareholders at the annual general and special meeting of shareholders held on July 25, 2014. Effective at the opening of trading on December 1, 2014, Petrodorado's shares commenced trading on the TSX Venture Exchange on a consolidated basis. As a result, all share and per share amounts including those related to stock options have been restated for all periods to reflect this ten for one consolidation.

DIVESTITURE OF EXPLORATION ASSETS

CPO-5 and Tacacho Blocks

On June 29, 2015, the Company announced the signing of a definitive agreement with Amerisur Resources PLC ("Amerisur") that resulted in the divestiture of its participating interest in the CPO-5 and Tacacho Blocks. The transaction closed and the risks and rewards of ownership were transferred subsequently in early July 2015. Under the terms of the agreement, the Company was to receive, at the option of Amerisur, cash or a variable number of common shares of Amerisur totalling to consideration of $6 million, and a further $2.4 million in cash for existing term deposits plus accrued interest that were in place for the CPO-5 and Tacacho Blocks. The consideration of $6 million was to be paid in three installments: one payment of $3 million at the closing date, and two payments of $1.5 million each that were to be received three months and six months after closing. During the first week of July 2015, the Company received the cash amount of $2.4 million from Amerisur for the before mentioned term deposits together with accrued interest, and 5,148,447 common shares of Amerisur representing the first installment payment of $3 million under the agreement. In October 2015 and February 2016, the Company received 4,140,279 and 4,702,972 common shares of Amerisur, respectively representing the second and third installments of $1.5 million each. Beyond the consideration amounts above, the Company is also entitled to certain other amounts that may still be reimbursed to the Company upon fulfillment of certain conditions, based on the terms of the definitive agreement. As at December 31, 2015, those conditions had not been fulfilled.

The Company also retains a 2.5% gross overriding royalty ("GORR") on Amerisur's percentage of oil production resulting from the CPO-5 and Tacacho Blocks after all applicable government royalties as compensation for the blocks, and a further 2.5% GORR on Amerisur's percentage of oil production resulting from the CPO-5 Block after all applicable government royalties which was received in exchange for certain seismic costs incurred by the Company on the CPO-5 Block. The Company initially valued the GORR's at $0.9 million at the initial time of disposal. However, subsequent valuations for the GORR with the further deterioration in commodity prices and lack of technical success post disposal has eliminated this value with corresponding impairments recognized as at December 31, 2015.

Moriche Block

On March 20, 2013, Petrodorado executed a conditional sale agreement with the operating partner of the Moriche Block in which the Company would relinquish its 49.5% working interest held in the Mauritia Este Prospect within the Moriche Block for total consideration of $3.5 million. Under the agreement, the $3.5 million cash consideration was to be paid to the Company by way of pre-determined quarterly installment payments over the 2013 and 2014 calendar years, during which the purchaser of the block had the option to return the rights of the Moriche Block, under specific circumstances including lack of government approval, to the operating partner (and to the Company) for a 90% return of considerations paid to date. Final assignment of ownership to the rights to the Moriche Block would not be completed until all conditions of the conditional sale agreement were fulfilled. On November 20, 2015, the operating partner and the purchaser successfully executed a definitive agreement wherein all of the previously existing conditions of the conditional sale agreement were satisfied or waived and ownership of the Moriche Block was unconditionally transferred to the purchaser. The remaining balance owed to the Company of $474,316 on this disposal is still outstanding and has not been included in accounts receivable due to concerns of collectability.

Talora Block

On February 9, 2016, the Company announced the signing of a definitive agreement with a third party private company (the "Purchaser") that resulted in the divestiture of its participating interest in the Talora Block. Under the terms of the agreement, the Company retains a Back In After Payout Option ("BIAPO") of 2% on the first well drilled and a Right of First Refusal ("ROFR") of 2% on any subsequent wells drilled in the Talora Block. Furthermore, the Company's existing term deposit plus accrued interest of $310,208 that is in place for the Talora Block is to be released back to the Company upon the establishment of a comparable term deposit by the Purchaser.

La Maye Block

On February 25, 2016, the Company announced the successful divestiture of its 20% participating interest in the La Maye Block in Colombia (the "La Maye Interest") to a private oil and gas company. The Company received a Gross Overriding Royalty of 1% on the La Maye Interest's percentage of oil production resulting after applicable government royalties. This transaction also eliminated $0.8 million in future exploration commitments of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity is to ensure a balance between capital expenditure requirements and cash provided by operations and working capital. As at December 31, 2015, the Company had working capital of $16.6 million (up from $12.4 million at December 31, 2014) comprised primarily of short term investments with the increase in working capital primarily due to consideration received or still to be received on account of the divestiture of the Company's beneficial interest in the CPO-5 and Tacacho Blocks as well as the release of the $3.0 million payable for installment payments received on the Moriche Block prior to this disposal being finalized with final assignment of ownership to the third party purchaser.

In light of the significant decline in the global oil price environment, management and the Board of Directors commenced an evaluation of the short and long-term outlook of the Company in early 2015. With the unfavourable oil market conditions persisting, management was able to successfully execute certain divesting transactions, as previously described, in order to eliminate and/or reduce the cash outflow budgeted and committed to occur on the Company's exploration blocks. While the Company has eliminated the vast majority of its exploration and development obligations by way of the divestiture of its interests in virtually all of its exploration blocks, there are still some committed exploration and development expenditures that are still to be fully financed by Company capital resources currently available.

Though at December 31, 2015 the Company had working capital of $16.6 million, in April 2016 the Company provided the aforementioned Distribution of $16.0 million to Company shareholders, which has left the Company with minimal working capital to sustain future operations. As the Company currently has no operations that generate positive cash flows and still carries certain potential financial commitments and guarantees related to previous exploration ventures, coupled with the instability in the political and legal environment in Colombia, there remains continued uncertainty. While management continues to work towards eliminating these remaining potential financial commitments and guarantees, there is no certainty at this time that this will be achieved. Further, as the Company has no assets capable of generating cash flow, it will continue to exhaust its minimal financial resources to fund existing administrative budgets and potential strategic transactions for the foreseeable future. As a result, there is considerable uncertainty as to the future operating ability of the Company as it will be contingent upon the Company's ability to successfully identify and procure necessary capital, which may be by way of strategic transactions to obtain financing and/or generate profitable operations that are beneficial to the Company and its shareholders.

Letters of credit are issued through Colombian banks to the ANH for contractual exploration obligations for each phase on the exploration blocks in which the Company has a participation interest. A $300,000 letter of credit for Phase II obligations on the Talora Block was issued to the ANH on October 12, 2013, and is secured by a $310,208 term deposit made at the Colombian bank. This term deposit is to be released back to the Company as part of the aforementioned Talora Block divestiture.

Letters of credit issued through a Colombian bank to the ANH with respect to Phase II drilling obligations on the CPO-5 Block of $1,850,000 and with respect to Phase I capital expenditure obligations on the Tacacho Block of $403,920 were removed as part of the disposal to Amerisur within the period as mentioned previously.

In the event of non-compliance with contractual arrangements, the ANH had the right to draw down on those amounts constituted within the before-mentioned letters of credit.

PETROLEUM AND NATURAL GAS PROPERTIES AND OUTLOOK

At present, Petrodorado has beneficial interests either in the form of participation interests or royalty interests in five oil and gas blocks in Colombia and one block in the San Joaquin basin in California. Multiple drilling prospects and leads have been identified in these blocks.

CPO-5 Block

On June 14, 2010, Petrodorado announced the signing of a farm-in agreement with the operating partner for a 30% participating interest in the CPO-5 Block of Colombia. On October 1, 2010, Petrodorado received official ANH approval of the 30% participation interest assignment. This 492,341 acre block (net 147,702 acres) is located in the Los Llanos basin (Meta Department) and was awarded to the operating partner in the 2008 Agencia Nacional de Hidrocarburos ("ANH") heavy oil bid round.

As previously mentioned, on June 29, 2015, the Company announced the signing of a definitive agreement with Amerisur that resulted in the divestiture of its participating interest in the CPO-5 and Tacacho Blocks. As part of this agreement, the Company has retained a 2.5% GORR on Amerisur's percentage of oil production resulting from the CPO-5 Block after all applicable government royalties, and a further 2.5%

GORR on Amerisur's percentage of oil production resulting from the CPO-5 Block after all applicable government royalties received in exchange for certain seismic costs incurred by the Company on the CPO-5 Block. Moreover, Amerisur's participation in the CPO-5 Block also includes the assumption of the rights and responsibilities as technical advisor and the undertaking of those work programs planned under the mandate of the Engineering, Procurement and Construction Agency Contract that was previously finalized between Petrodorado and the CPO-5 operating partner on May 21, 2015.

Tacacho Block

In January 2010, Petrodorado acquired a 49.5% working interest in the Tacacho Block within the Putumayo area of Colombia. Tacacho measures approximately 598,008 acres (net 296,014 acres) and is located in the foreland basin of the Putumayo mountain range, in the Eastern Cordillera area of Colombia. The operating partner of the block retains the remaining 50.5% working interest. The existing exploration program includes the acquisition, processing and interpretation of 512 km of 2D seismic data as originally agreed to with the operating partner. Due to security concerns in the region, the commencement of the seismic acquisition continues to be delayed until such time that the exploration area is declared secure.

As previously mentioned, on June 29, 2015, the Company announced the signing of a definitive agreement with Amerisur that resulted in the divestiture of its participating interest in the CPO-5 and Tacacho Blocks. As part of this agreement, the Company has retained a 2.5% GORR on Amerisur's percentage of oil production resulting from the Tacacho Block after all applicable government royalties.

Talora Block

Petrodorado previously held a 70% interest in the Talora Block, located in the Upper Magdalena basin of Colombia. The Talora Block consists of 58,905 acres (net 41,234 acres) and is located 64 km to the southwest of the city of Bogota.

The exploration endeavors within the Talora Block included the acquisition of 122 km of 2D seismic date during Q1 2010, the drilling of the of Verdal-1 exploration well in Q3 2010, the drilling of the Dorados-1X exploration well in Q3 2012, and the drilling of the Verdal-2X exploration well in Q4 2013. From these exploration activities, the Company encountered gas shows within the Tetuan formation during the drilling of the Verdal-1 well which during testing yielded a peak rate of 770 thousand standard cubic feet per day (mscf/d) of gas with indications of associated condensate from further compositional analysis.

As previously mentioned, on February 9, 2016, the Company announced the signing of a definitive agreement with the Purchaser that resulted in the divestiture of its participating interest in the Talora Block. Under the terms of the agreement, the Company retains the BIAPO and ROFR. Furthermore, the Company's existing term deposit plus accrued interest of $310,208 that is in place for the Talora Block is to be released back to the Company upon the establishment of a comparable term deposit by the Purchaser.

La Maye Block

Petrodorado previously had an undivided 20% beneficial working interest in an exploration and production contract for the La Maye Block. The La Maye Block is located in the Lower Magdalena Valley of Colombia and consists of approximately 73,956 acres (net 14,791 acres).

The Noelia-1 well was drilled on the La Maye Block in October 2009 with operations being subsequently suspended due to flooding conditions. In January 2014, the operating partner of the block informed the ANH that the Noelia-1 well did not encounter commercial quantities of hydrocarbons and that no further testing would be performed going forward. In September 2014, the La Maye JV partners received approval from the ANH to move forward with a seismic program, which was approved as the new Phase II ANH commitment in place of the original commitment to drill a second exploration well.

As previously mentioned, on February 25, 2016, the Company announced the successful divestiture of the La Maye Interest to a private oil and gas company. The Company received a Gross Overriding Royalty of 1% on the La Maye Interest's percentage of oil production resulting after applicable government royalties. This transaction also eliminated $0.8 million in future exploration commitments of the Company.

Buganviles Block

Petrodorado has a varying working interest in the Buganviles Block, located in the Upper Magdalena basin of Colombia, obtained through three separate transactions. The Buganviles Block consists of approximately 73,794 acres (net 43,907 acres). Petrodorado's position in the block is as follows: 59.5% in the Visure Prospect, 55% in the Tuqueque Prospect, 30% in the rest of the block.

The explorations activities executed by Petrodorado and the operating partner within the Buganviles Block included the drilling of the Visure-1X exploration well and the Tuqueque-1X exploration well in Q4 2010. Testing of these wells did not result significant economically-viable discoveries with both wells subsequently suspended with the intention to evaluate alternative completion techniques before further testing and/or development efforts were to be performed.

The operating partner applied to Ecopetrol for a two year extension of the contract when the existing exploration license expired on June 30, 2012. As of April 27, 2016, an official response from Ecopetrol regarding the requested license extension has yet to be received. The Company recognized impairments as of December 31, 2012, in relation to exploration and evaluation costs incurred within this exploration area. Petrodorado is currently working with the operating partner towards the relinquishment of this exploration block contract back to Ecopetrol with the objective to eliminate obligations related to this exploration block, namely existing reclamation obligations.

Moriche Block

Petrodorado formerly maintained an undivided 49.5% working interest in the Mauritia Este Prospect in the Moriche Block. As previously mentioned, on November 20, 2015, the operating partner and the purchaser successfully executed a definitive agreement wherein all of the previously existing conditions of the conditional sale agreement were satisfied or waived and ownership of the Moriche Block was unconditionally transferred to the purchaser. The remaining balance owed to the Company of $474,316 on this disposal is still outstanding and has not been included in accounts receivable due to concerns of collectability.

California Block

On May 9, 2013, the Company entered into an agreement with a new JV partner regarding a heavy oil opportunity (gross: 1,720 acres) in the San Joaquin basin of California for a non-operated working interest of 15%. On February 3, 2014, an amending agreement was executed that reduced the farm-in commitment and the earned working interest from 15% to 13.5%. This amending agreement also confirmed that Petrodorado would not participate in the second farm-in phase outlined in the original agreement. Petrodorado fulfilled all remaining commitments in the days subsequent to the amendment.

Exploration efforts carried out as part of the initial farm-in commitment resulted in the drilling of the K 2-33 and K 8-33 exploration wells in Q3 2013. Testing results included production rates ranging from 2 to 10 bopd of mainly oil, a range of production rates consistent with previous wells in the region.

In December 2014, the operating partner entity announced the resignation of all of its directors. In January 2015, it was announced by the operating partner entity that it was ceasing all operations as it was unable to appoint additional directors and, furthermore, that the holder of the secured debentures issued by the operating entity had effectively taken control of all company assets. The Company continues to monitor the operating partner's situation and, as circumstances become more certain regarding the future of the block, the Company will evaluate all options available.

COMMITMENT SUMMARY UPDATE

On account of the divestitures previously mentioned, the Company's remaining commitments relate solely to the Buganviles Block in Colombia for Petrodorado's net share of abandonment and reclamation obligations on existing wells, which are currently estimated at approximately $0.4 million by the operator of the block. Best estimates currently forecast these commitment expenditures to be incurred during the 2016 year.

The aforementioned expenditures represent the Company's estimated cost to satisfy contract requirements. Actual expenditures to satisfy these commitments may differ from these estimates. The timing of the aforementioned expenditures is based on the best estimate of the possible date required per contract and may be incurred at an earlier date which may be out of the control of the Company given the Company's role as non-operating partner.

As a result of the divestiture of the Company's participating interests in the CPO-5 and Tacacho Blocks, exploration commitments related to these exploration blocks are no longer projected to be the obligation of the Company. However, certain guarantees as originally provided by the Company on behalf of its Colombian subsidiary recognized by the ANH as the participating party in the associated exploration contracts for each of these blocks were still in place as of December 31, 2015. While the Company is in the process of obtaining the release from these guarantees given that the Company is no longer a participating party in these exploration contracts, the Company still had exposure to $11.9 million of existing exploration responsibilities as of December 31, 2015 in the event that they are not ultimately fulfilled by those parties who carry on the associated exploration activities in these blocks. However, the likelihood that events will transpire that would result in these guarantees being enforced between December 31, 2015 and the moment when the Company is released from these guarantees is considered remote.

DISCUSSION OF OPERATING RESULTS

Revenue

Interest and other revenue on cash balances and short-term investments of $15,258 and $97,185 was realized for the three months and year ended December 31, 2015, respectively ($38,498 and $215,799 for the three months and year ended December 31, 2014). Decreases in interest and other revenue are primarily due to the reduction of the average short-term investment principal upon which interest revenue is generated as these invested funds were withdrawn and used in operating activities as well as exploration and evaluation capital expenditures during 2015.

Impairment Loss

During the year ended December 31, 2015, the Company determined that impairments of $6,947,749 (year ended December 31, 2014 - $57,537,748) were to be recognized on its exploration and evaluation assets related to the Company's Colombian exploration blocks.

The Company became aware that a request made in Q2 2015 to the ANH for a 9-month extension on the Talora Block exploration commitments to be completed by July 2015 was denied through a letter received from the ANH in August 2015. The Company continued to communicate with the ANH to resolve the existing situation. In February 2016, a definitive agreement regarding the divestiture of the Company's participating interest in the Talora Block was executed with a third party company, with an asset value of $0.1 million being recognized on account of this divestiture, which was reclassified to assets held for sale for the year end December 31, 2015. Based on the denial of the requested extension and the resulting uncertainty surrounding the Talora Block exploration contract, an assessed recoverable value of nil was estimated for the remaining exploration and evaluation assets of the Talora Block, resulting in an impairment loss of $4.2 million for the year end December 31, 2015.

During the second quarter of 2015, the Company reclassified certain costs related to the CPO-5 and Tacacho Blocks to assets held for sale, which were deemed to be sold in the third quarter of 2015. As a result, the related exploration and evaluation assets were transferred at the lower of cost and fair value to which management determined a further impairment loss of $1.8 million needed to be recognized. The agreement between the Company and Amerisur stipulates that the Company retains an interest of its original participation in the CPO-5 and Tacacho Blocks in the form of gross overriding royalties. The Company initially valued these retained interests at $0.9 million at the time of disposal. However, subsequent valuations as of December 31, 2015 have assessed a fair market value of nil for these retained interests based on a further deterioration in commodity prices and a lack of technical success as they relate to the underlying CPO-5 and Tacacho Blocks making operations and capital activity uneconomical.

The Company determined that impairments of $57.5 million were to be recognized on its exploration and evaluation assets for the year ended December 31, 2014, based on the impairment triggers identified and the resulting valuations of recoverable costs for each exploration asset.

During the third quarter of 2014, the Company, with its partners, decided to abandon the Noelia-1 well of the La Maye Block in conjunction with the decision to pursue a seismic program on the block. As such, previously incurred drilling costs for the well were no longer considered to be recoverable and an impairment for all historic costs incurred for the Noelia-1 well of $2.2 million was recognized.

On account of the decline in the global oil price environment and the Company's unsuccessful efforts to address the short-term exploration activities planned by the operator of the CPO-5 Block resulting in a reduced probability of positive cash flows for the Company after capital expenditures by the operator, management determined that impairment triggers existed on this block as of December 31, 2014. These factors influenced the direction provided by the Board of Directors to perform a cautious re-assessment of the Company's strategy when considering the change of circumstances in the market oil prices. Management determined the recoverable value of the block based on a fair value less costs to sell model which was determined using estimated prospective resources and cash flows and supported through other market indications of fair value to be $6.5 million with an impairment of $24.4 million recognized in the fourth quarter of 2014.

When taking into consideration the factors outlined above surrounding the CPO-5 Block and the adverse effects on projected operational cash flows necessary for the continued funding of the Company's exploration programs, and the resulting impact on the Company's ability and/or willingness to carry forward with exploration activities within non-core properties, it was determined by management that pervasive impairment triggers existed that affected the Company's other exploration assets, namely the Talora and Tacacho Block.

When evaluating the Talora Block, management estimated the recoverable value of the Talora Block based on a fair value less costs to sell methodology using an externally prepared valuation report which reflected estimated prospective resources and external pricing and costs assumptions reflective of the current market. Historical costs of the Talora Block beyond the assessed recoverable value of $4.2 million resulted in the recognition of a $25.1 million impairment in the fourth quarter of 2014.

Given that the Tacacho Block carried a significant commitment to perform a seismic program for which the Company did not have sufficient financial resources to carry out when considering the previously mentioned factors surrounding operations and cash flow concerns in the CPO-5 Block, management determined that impairment triggers existed on this block as of December 31, 2014. Management assessed that recovery of previously incurred costs to be negligible and, as a result, a $3.5 million impairment was recognized in the fourth quarter of 2014 reflecting all previously incurred costs.

With the notable drop in global oil prices, the existing situation of the operator entity of the exploration property in California and the decision by management to no longer pursue exploration activity on this property, management determined that impairment triggers existed as of December 31, 2014 for this exploration asset. When considering the corporate difficulties of the operator entity and management's decision regarding future involvement in the exploration block, management determined that the previously incurred drilling and test costs were no longer considered to be recoverable and a full impairment of exploration costs of $2.3 million was recognized in the fourth quarter of 2014.

Impairment Losses ($)	**Year 2015**	**Year 2014**
La Maye Block	-	2,220,892
CPO-5 Block	2,599,762	24,409,322
Talora Block	4,168,021	25,053,007
Tacacho Block	179,966	3,536,692
California Block	-	2,317,835
Total	6,947,749	57,537,748

General and Administrative Expenses

General and administrative expenses ("G&A") for the three months and year ended December 31, 2015, were $1,747,089 and $3,637,312, respectively ($708,042 and $3,395,756 for the three months and year ended December 31, 2014, respectively). The overall increase in G&A for year ended December 31, 2015, when compared to the same period in 2014, is primarily due to an increase in overall wages & salaries expenses in 2015 with severance payments totalling approximately $0.25 million in 2015 being the principal reason. The increase in G&A for the three months ended December 31, 2015, when compared to the 2014 comparative period, is due to strategic due diligence costs and increased professional fees related thereto, increased wage & salaries due to executive compensation and severance payments, and costs recognized in Q4 2015 related to certain dispute resolutions.

General and Administrative Expenses ($)	Q4 2015	Q4 2014	Year 2015	Year 2014
Professional Fees	620,106	190,183	1,223,252	1,112,692
Wages & Salaries (1)	597,143	274,508	1,404,197	1,234,049
Fees, Rent, Investor Relations and Other	529,840	243,351	1,009,863	1,049,015
Total	1,747,089	708,042	3,637,312	3,395,756

1) Annual capitalized salaries reduced from $137,888 in 2014 to $42,962 in 2015. Q4 capitalized salaries decreased from $34,070 in 2014 to nil in 2015.

Loss on Investment

At December 31, 2015, the Company held 5,148,447 common shares of Amerisur which trade in British pound sterling (£) on the AIM market of the London Stock Exchange (the "AIM"). During the year ended December 31, 2015, the Company recognized net losses of $999,577 representing the decline in share value between the date of receipt at a weighted average value of $0.5789 (£0.3118) per share and the period end closing price of $0.3615 (£0.2452) per share, net of foreign exchange.

Finance Costs

During the three months and year ended December 31, 2015, the Company incurred $6,016 and $24,302, respectively, in finance costs due to the recording of accretion expense on provisions related to decommissioning obligations and equity tax payable ($6,546 and $56,806 for the three months and year ended December 31, 2014, respectively). The overall decrease in finance costs is due to no accretion being generated on equity tax payable balances in 2015 as the principal of this long-term liability was eliminated by way of statutory payments by the end of 2014.

Finance Costs ($)	Q4 2015	Q4 2014	Year 2015	Year 2014
Accretion of decommissioning obligations	6,016	6,546	24,302	25,371
Accretion of equity tax payable	-	-	-	31,435
Total	6,016	6,546	24,302	56,806

Foreign Exchange Gain

The Company generated foreign exchange gains of $555,204 and $441,224 for the three months ended December 31, 2015 and 2014, respectively. For the years ended December 31, 2015 and 2014, the Company generated foreign exchange gains of $2,525,748 and $703,390, respectively. Foreign exchange gains were realized due to a continual increase overall in the value of the US dollar when compared to the Canadian dollar and Colombian peso in each respective period. During Q3 2015, the recognition of cumulative translation losses of $279,950 previously recorded in other comprehensive income that related to the disposal of foreign operations to Amerisur mentioned previously partially offset the foreign exchange gain recognized to date in 2015.

Stock-Based Compensation

For the year ended December 31, 2015, the Company recorded stock-based compensation expense of $222,441 (December 31, 2014 - $613,462). The decrease in stock-based compensation expense is primarily due to the reduced overall effect of stock options still vesting during the 2015 calendar year. With the majority of outstanding options being fully vested prior to the beginning of the 2014 year, the 2,107,500 options granted during Q1 2014 constituted the majority of stock-based compensation expense since the beginning of 2014. As one-third vested immediately in Q1 2014, the entirety of the related stock-based compensation expense for these vested options was recognized in that same period. By 2015, stock-based compensation expense consisted of the time vesting of the remaining two-thirds of options from this grant (with one-third of the options from this grant vesting in Q1 2015) and the vesting of new options granted during Q3 2015. While the all options were deemed fully vested in December 2015 by way of accelerated vesting, the recognition of the remaining stock-based compensation expense related to this accelerated vesting still carried less of an effect on overall stock-based compensation expense than previous option grants in prior years, thus resulting in a reduced stock-based compensation expense for the year ended December 31, 2015.

Net Loss and Comprehensive Loss

For the three months and year ended December 31, 2015, the Company generated net losses of $2,399,617 and $9,526,535, respectively (net losses of $55,651,782 and $60,416,458 for the comparative periods to December 31, 2014), and comprehensive losses of $2,886,167 and $12,151,671, respectively ($56,216,214 and $61,928,558 for the same periods to December 31, 2014). The differences in net losses for the periods ended December 31, 2015 and 2014, are primarily due to the effects of impairment losses recognized in each period as well as differing foreign exchange results, loss on investments, and general and administrative expenses in each period, as previously described.

Funds used in Operations

For the three months and year ended December 31, 2015, the Company used funds in operations of $1,661,678 and $3,281,634, respectively (funds used in operations of $594,511 and $3,712,243 for the comparative periods to December 31, 2014). The decrease in funds used in operations relates primarily to reduced effects of realized foreign exchange losses for the three months and year ended December 31, 2015 when compared to the comparative periods in 2014.

CAPITAL EXPENDITURES

For the years ended December 31, 2015 and 2014, the Company spent $2.6 million and $3.7 million, respectively, in exploration and evaluation capital expenditures. Prior to the divestiture of the CPO-5 and Tacacho Blocks as previously mentioned, in 2015 the Company incurred $2.4 million in CPO-5 for seismic activities as part of the 2015 work program on the block as performed by the operator as well as on environmental and socialization work, and also incurred $0.2 million for its portion of environmental and security work performed by the operator of the Tacacho Block in preparation of the planned seismic program.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying values of the Company's financial instruments, consisting of cash and cash equivalents, short-term investments, restricted cash, accounts receivable, and accounts payable and accrued liabilities, approximate their fair values due to the short-term maturity of such instruments. Marketable securities in the form of Amerisur shares are valued based on their trading price on the AIM. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

SHAREHOLDERS' EQUITY

Common shares

At December 31, 2015, the Company was authorized to issue an unlimited number of common shares, with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared. Outstanding common shares as of December 31, 2015, were 49,604,702 (December 31, 2014 - 48,254,702) with increases in outstanding common shares in 2015 due to the exercise of Company stock options (see further below).

On November 27, 2014, the Company received final approval from the TSX Venture Exchange, and obtained Articles of Amendment in the days that followed, to perform a consolidation of the issued and outstanding common shares of the Company (the "Consolidation") on a basis of ten pre-Consolidation common shares for one post-Consolidation common share. The completed Consolidation follows ratification and approval for the Board of Directors to perform such a Consolidation on a basis of up to twenty pre-Consolidation common shares for one post-Consolidation common share as given by the shareholders at the annual general and special meeting of shareholders held on July 25, 2014. Effective at the opening of trading on December 1, 2014, Petrodorado's shares commenced trading on the TSX Venture Exchange on a consolidated basis. As a result, all share and per share amounts including those related to stock options have been restated for all periods to reflect this ten for one consolidation.

On April 4, 2016, the Company filed Articles of Amendment which created a new class of common shares and a class of preferred shares and effected an exchange of the existing common shares for new class B common shares ("Class B Shares") and preferred shares ("Preferred Shares") on the basis of one Class B Share and one Preferred Share for every common share outstanding (hereinafter referred to as the "Share Reorganization"). The Preferred Shares were redeemed immediately in exchange for the Distribution as previously described. The Class B Shares are identical in all respects to the existing common shares, save for the fact that all Class B Shares have two votes per share at any shareholders meeting. As a result of the Share Reorganization, there are no longer any common shares or Preferred Shares issued and outstanding and the only class of shares in the capital of the Company outstanding are Class B Shares.

Stock options

The Company has adopted a formal rolling stock option plan whereby options can be granted from time to time to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding. A summary of the changes in stock options is presented below:

	Stock options	**Weighted average exercise price (CDN$)**
Balance, January 1, 2014	3,966,500	$ 3.20
Options issued	2,107,500	0.70
Options forfeited/cancelled	(1,857,833)	3.33
Expired options	(1,265,167)	4.11
Balance, December 31, 2014	2,951,000	$ 0.95
Options issued	1,450,000	0.18
Options exercised	(1,350,000)	0.18
Options forfeited	(446,333)	0.88
Expired options	(752,667)	1.31
Balance, December 31, 2015	**1,852,000**	**$ 0.78**
Exercisable, December 31, 2015	**1,852,000**	**$ 0.78**

On July 23, 2015, the Company granted 1,450,000 options to acquire common shares to certain directors, officers, and employees of the Company at a price of CDN $0.18 per common share. The options were for a five-year term, expiring on July 23, 2020, and vesting one-third on July 23, 2015, one-third on the first anniversary date and one-third on the second anniversary date from the date of grant.

On December 15, 2015, the Company announced the accelerated vesting of all options held by directors, officer, employees and consultants of the Company. All outstanding options of the Company were deemed fully vested and exercisable into common shares of the Company, maintaining the same terms for each option as previously established at the time of grant. Subsequently, of the options granted in 2015, 1,350,000 and 100,000 were exercised to acquire common shares of the Company in December 2015 and March 2016, respectively.

On February 3, 2014, the Company granted 2,107,500 options to acquire common shares to certain directors, officers, employees and consultants of the Company at a price of CDN $0.70 per common share. The options are for a five-year term, expiring on February 3, 2019, and vest one-third on February 3, 2014, one-third on the first anniversary date and one-third on the second anniversary date from the date of grant.

On September 2, 2014, an aggregate of 1,846,500 options held by various officers, directors, and employees of the Company were voluntarily surrendered by the holders of these options. While all of the surrendered options were completely vested, no consideration was provided to the option holders for the surrender of the options.

As of April 27, 2016, oustanding Class B Shares and stock options of the Company were 49,704,702 and 1,339,500, respectively.

USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below.

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

i) Identification of cash-generating units
The Company's assets are aggregated into cash-generating units, for the purpose of calculating impairment, based on their ability to generate largely independent cash flows. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company's assets in future periods.

ii) Impairment of property, plant and equipment and exploration and evaluation assets
Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land and other relevant assumptions.

iii) Exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation assets requires management to make certain judgments as to future events and circumstances as to whether economic quantities of reserves have been found in assessing economic and technical feasibility.

iv) Income taxes
Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Key sources of estimation uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities, where applicable.

i) Reserves

The assessment of reported recoverable quantities of proved and probable reserves include estimates regarding production profile, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in anticipated recoveries. The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the carrying values of the Company's petroleum and natural gas properties and equipment, the calculation of depletion and depreciation, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows.

The Company's petroleum and natural gas reserves represent the estimated quantities of petroleum, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be economically recoverable in future years from known reservoirs and which are considered commercially producible. Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon (i) a reasonable assessment of the future economics of such production; (ii) a reasonable expectation that there is a market for all or substantially all the expected petroleum and natural gas production; and (iii) evidence that the necessary production, transmission and transportation facilities are available or can be made available. Reserves may only be considered proven and probable if the ability to produce is supported by either actual production or conclusive formation tests. The Company's petroleum and gas reserves are determined pursuant to National Instrument 51-101, Standard of Disclosures for Oil and Gas Activities.

ii) Decommissioning obligations

The Company estimates future remediation costs of production facilities, wells and pipelines at different stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

iii) Business combinations

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of oil and gas properties based upon the estimation of recoverable quantities of proven and probable reserves being acquired.

iv) Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

v) Tax provisions

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

FUTURE ACCOUNTING POLICIES

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

Revenue Recognition

In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers," which replaces IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations. The standard establishes a comprehensive framework for determining whether, how much, and when revenue is recognized. The standard is required to be adopted either retrospectively or using a modified transition approach for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

Financial Instruments

In July 2014, the IASB completed the final elements of IFRS 9 "Financial Instruments." The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018, with required retrospective application and early adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

Leases

In January 2016, the IASB issued the complete IFRS 16 "Leases," which replaces IAS 17 "Leases." Under IFRS 16, a single recognition and measurement model will apply for lessees which will require recognition of assets and liabilities for most leases. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

PRINCIPAL BUSINESS RISKS

The Company's business and results of operations are subject to a number of risks and uncertainties which are outlined under the heading "Risk Factors" in the AIF for the year ended December 31, 2015 and also including, but not limited to the following:

Crude Oil and Natural Gas Development

Exploration, development, production of oil and natural gas involves a wide variety of risks which include but are not limited to the uncertainty of finding oil and gas in commercial quantities, securing markets, commodity price fluctuations, exchange and interest rate exposure and changes to government regulations, including regulations relating to prices, taxes, royalties and environmental protection. The oil and gas industry is intensely competitive and the Company competes with a large number of companies with greater resources.

The Company's ability to obtain reserves in the future will depend not only on its ability to develop its current properties but also on its ability to acquire new prospects and producing properties. The acquisition, exploration and development of new properties also require that sufficient capital from outside sources will be available to the Company in a timely manner. The availability of equity or debt financing is affected by many factors many of which are beyond the control of the Company.

Foreign Operations

There are a number of risks associated with conducting foreign operations over which the Company has no control, including political instability, potential and actual civil disturbances, ability to repatriate funds, changes in laws affecting foreign ownership and existing contracts, environmental regulations, oil and gas prices, production regulations, royalty rates, income tax law changes, potential expropriation of property without fair compensation and restriction on exports.

Addition of Reserves and Resources

The Company's future crude oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Company successfully discovering and developing or acquiring new reserves and resources. The addition of new reserves and resources will depend not only on the Company's ability to explore and develop properties but also, in the case of reserves, on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's exploration, development or acquisition efforts will result in the discovery and development of commercial accumulations of oil and natural gas.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves, including many factors beyond the control of the Company. Estimates of reserves depend in large part upon the reliability of available geological and engineering data and require certain assumptions to be made in order to assign reserve volumes. Geological and engineering data is used to determine the probability that a reservoir of oil and/or natural gas exists at a particular location, and whether, and to what extent, such hydrocarbons are recoverable from the reservoir. Accordingly, the ultimate reserves discovered by the Company may be significantly less than the total estimates.

Exploration Risks

The exploration of the Company's properties may from time to time involve a high degree of risk that no production will be obtained or that the production obtained will be insufficient to recover drilling and completion costs. The costs of seismic operations and drilling, completing and operating wells are uncertain to a degree. Cost overruns can adversely affect the economics of the Company's exploration programs and projects. In addition, the Company's seismic operations and drilling plans may be curtailed, delayed or cancelled as a result of numerous factors, including, among others, equipment failures, weather or adverse climate conditions, shortages or delays in obtaining qualified personnel, shortages or delays in the delivery of or access to equipment, necessary governmental, regulatory or other third party approvals and compliance with regulatory requirements.

Market Risks

The Company's financial results are influenced by fluctuations in the value in marketable securities held during the period. More specifically, the Company is exposed to certain gains and/or losses in the event of changes in the trading price of shares held in Amerisur, which trade on the AIM. In July 2015 and October 2015, the Company received 5,148,447 and 4,140,279 common shares of Amerisur representing the first and second installment payments, respectively, under the divestiture mentioned previously. In February 2016, the Company received 4,702,972 common shares of Amerisur representing the final installment payment. The fluctuations in fair values are recognized as unrealized gains and losses on marketable securities, and realized when shares are sold.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A offers an assessment of the Company's future plans and operations as of April 27, 2016, and may contain forward-looking information. All statements other than statements of historical fact are forward-looking statements. Such information is generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "may", "plan", "will", "project", "should", "believe" and similar expressions. Statements relating to "reserves" or "resources" are also forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the resources and reserves described can be profitably produced in the future. All such statements involve known and unknown risks, uncertainties and assumptions.

Management believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Such forward-looking information included in this MD&A should not be unduly relied upon as the plans, assumptions, intentions or expectations upon which it is based may not occur. Actual results or events may vary from the forward-looking information.

In particular, this MD&A may contain forward-looking information pertaining to the following:

- the resource potential of the Company's assets,
- the Company's growth strategy and opportunities,
- performance characteristics of the Company's oil properties and estimated capital commitments and probability of success,
- crude oil production and recovery estimates and targets,
- the existence and size of the oil reserves and resources,
- capital expenditure programs and estimates, including the timing of activity,
- plans for, and results of, exploration and development activities,
- projections of market prices and costs,
- the supply and demand for oil,
- expectations regarding the ability to raise equity and debt capital on acceptable terms and to add continually to reserves through acquisitions and development, including the ability to negotiate and complete the agreements contemplated in this MD&A,
- the timing for receipt of regulatory approvals, including ANH approvals, and
- treatment of the Company under governmental regulatory regimes and tax laws.

The purpose of providing any financial outlook in this MD&A is to illustrate how the business of the Company might develop without the benefit of specific historical financial information. Readers are cautioned that this information may not be appropriate for other purposes.

The forward looking information herein is based on certain assumptions and analysis by the management of the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors that it believes are appropriate and reasonable under the circumstances. The forward looking information herein is based on a number of assumptions, including but not limited to:

- the availability on acceptable terms of funds for capital expenditures,
- the availability in a cost-efficient manner of equipment and qualified personnel when required,
- continuing favourable relations with Latin American governmental agencies,
- continuing strong demand for oil,
- the stability of the regulatory framework governing royalties, taxes and environmental matters in Colombia and any other jurisdiction in which the Company may conduct its business in the future,
- the ability to market production of oil successfully to customers,
- future production levels and oil prices,
- the applicability of technologies for recovery and production of oil reserves,
- the existence and recoverability of any oil reserves,
- geological and engineering estimates in respect of resources and reserves in which the Company has an interest,
- the geography of the areas in which the Company has an interest, and

- the impact of increasing competition on the Company.

The actual results, performance and achievements of the Company could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth elsewhere in the MD&A and the following risks and uncertainties:

- global financial conditions,
- general economic, market and business conditions,
- volatility in market prices for oil and natural gas, the stock market, foreign exchange and interest rates,
- risks inherent in oil and gas operations, exploration, development and production,
- risks inherent in the Company’s international operations, including security, political, sovereignty and legal risks in Colombia,
- the failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties,
- risks related to the timing of completion of the Company’s projects and plans,
- uncertainties associated with estimating oil and natural gas reserves and resources,
- competition for, among other things, capital, acquisitions of resources, undeveloped lands and skilled personnel,
- the ability to hold existing leases through drilling or lease extensions or otherwise,
- incorrect assessments of the value of acquisitions or title to properties,
- the failure of the holder of certain licenses or leases to meet specific requirements of such licenses or leases,
- claims made in respect of the Company’s properties or assets,
- geological, technical, drilling and processing problems, including the availability of equipment and access to properties,
- environmental risks and hazards,
- failure to estimate accurately abandonment and reclamation costs,
- the inaccuracy of third parties’ reviews, reports and projections,
- rising costs of labour and equipment,
- the failure to engage or retain key personnel,
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry, and
- the other factors discussed under “Principal Business Risks” in this MD&A and “Risk Factors” in the AIF.

Readers are cautioned that the foregoing lists of assumptions, risks and uncertainties are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The forward-looking information speaks only as of the date of this MD&A, and the Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

KEY FINANCIAL RESULTS

The following table summarizes Petrodorado's key financial results over the past three years:

	Year 2015	Year 2014	Year 2013
Total revenue	$ 97,185	$ 215,799	$ 500,483
Total loss	(9,526,535)	(60,416,458)	(1,345,441)
Loss per share - basic and diluted	(0.20)	(1.25)	(0.03)
Working capital	16,639,207	12,390,976	15,479,607
Total assets	18,052,279	33,479,435	97,192,210
Total non-current liabilities	-	884,380	949,009

As of December 31, 2015, Petrodorado's financial position is constituted by short-term financial assets and liabilities with minimal financial commitments for the foreseeable future. General and administrative expenses of the Company have remained relatively consistent over the last three years with fluctuations in annual financial results being influenced by recognized effects of foreign exchange and impairment losses, as further discussed below.

SELECTED QUARTERLY INFORMATION

The following table sets out selected unaudited quarterly financial information of Petrodorado and is derived from unaudited quarterly financial data prepared by management in accordance with IFRS.

	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Total revenue	$ 15,258	$ 15,905	$ 31,733	$ 34,289
Net loss	(2,399,617)	(737,199)	(6,231,756)	(157,963)
Comprehensive loss	(2,886,167)	(1,822,488)	(5,979,952)	(1,463,064)
Net loss per share (basic & diluted)	(0.05)	(0.02)	(0.13)	(0.00)

	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Total revenue	$ 38,498	$ 47,066	$ 52,010	$ 78,225
Net loss	(55,651,782)	(2,136,344)	(1,418,856)	(1,209,476)
Comprehensive loss	(56,216,214)	(2,839,072)	(860,779)	(2,012,493)
Net loss per share (basic & diluted)	(1.15)	(0.04)	(0.03)	(0.03)

Fluctuations in quarter-to-quarter net income (loss) are primarily the effect of varying foreign exchange rates with resulting foreign exchange gains/losses recorded and/or impairment losses recognized periodically. A minimal foreign exchange gain and minimal foreign exchange loss were realized in Q1 and Q2 2014, respectively, with general and administrative costs incurred constituting the majority of the net loss realized in each quarter. The net loss realized in Q3 2014 was primarily on account of recognized impairment losses being minimally countered by recorded equity tax recoveries. The Q4 2014 resulting net loss was a reflection of recognized impairment losses and standard general and administrative costs partially offset by a foreign exchange gain in the quarter. Further impairment losses and general and administrative expenses recorded in both Q1 2015 and Q2 2015, contributed to the net losses recorded in each respective quarter, with losses in Q1 2015 being somewhat reduced by the effects of a foreign exchange gain in that accounting period. In Q3 2015, general and administrative expense coupled with losses on investments held in Amerisur shares reduced by foreign exchange gains recognized in the quarter resulted in the net loss for the period. Results in Q4 2015 were due to similar factors of general and administrative expenses as well as impairment losses being partially offset by foreign exchange gains, bringing about a net loss for the quarter.

OUTLOOK

The Company successfully completed the Distribution to shareholders in April 2016, leaving the Company with minimal working capital for the foreseeable future. Management continues to evaluate the Company's corporate strategy and to identify and review potential opportunities for the Company's future. Managements primary objective in 2016 is to move the Company forward towards an established future that will result in increased value for shareholders.