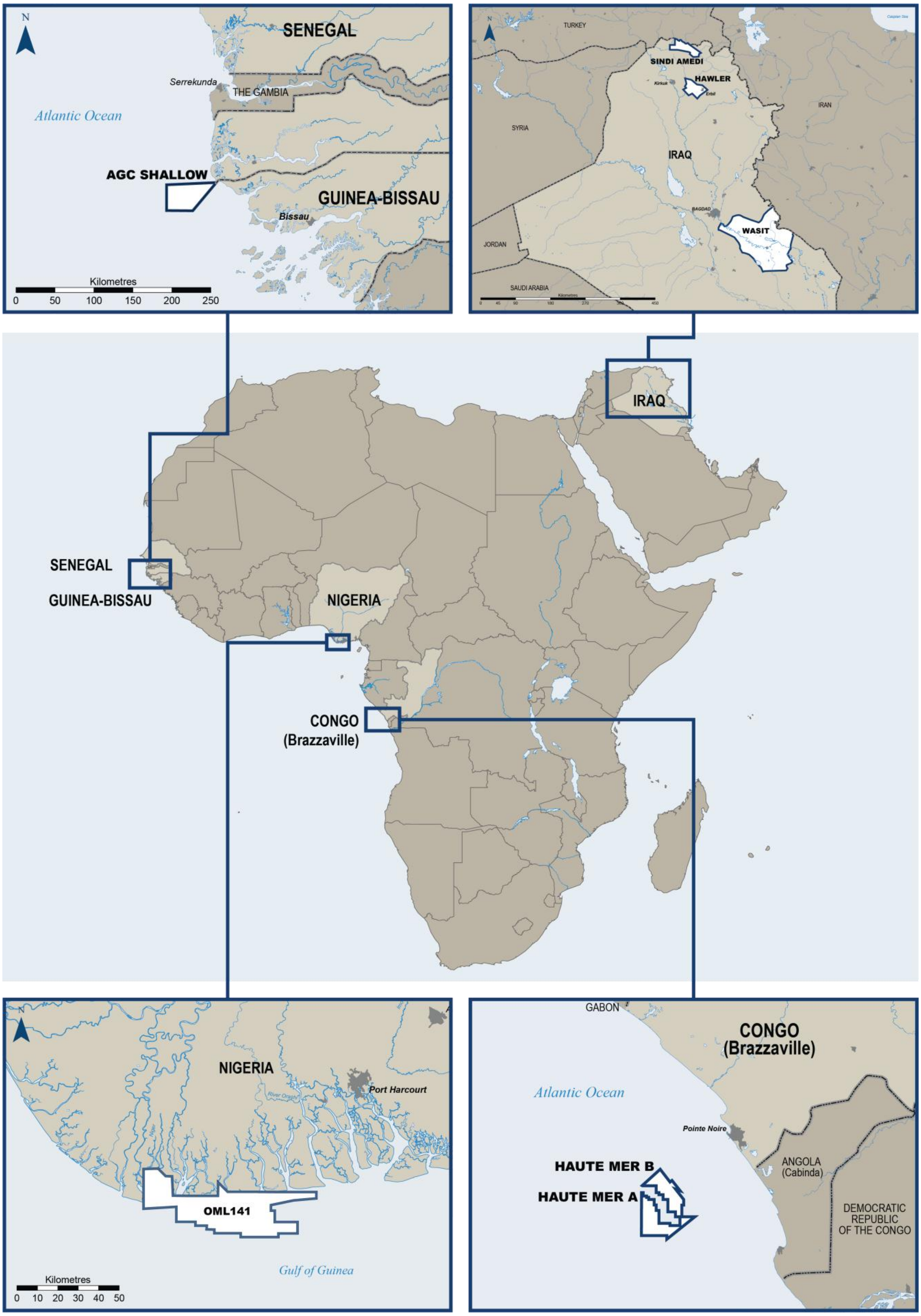
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended June 30, 2013

ORYX PETROLEUM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The following should be read in conjunction with the unaudited condensed consolidated financial statements of Oryx Petroleum Corporation Limited ("OPCL") for the three and six months ended June 30, 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The date of this Management's Discussion and Analysis is August 7, 2013.

On May 5, 2013, OPCL announced the filing of a supplemented PREP prospectus with the securities regulatory authorities in each of the provinces of Canada, other than Quebec, in connection with its initial public offering of 16,700,000 common shares, at a price of CAD$15.00 per common share (the "Offering") for total gross proceeds of CAD$250.5 million ($249.4 million). The Offering closed on May 15, 2013. Immediately prior to closing, a corporate re-organisation occurred whereby OPCL became the parent company of Oryx Petroleum Holdings PLC (formerly Oryx Petroleum Company PLC and Oryx Petroleum Company Limited). All comparative balances included in the unaudited condensed financial statements for the three and six months ended June 30, 2013 and this document were originally reported by Oryx Petroleum Holdings PLC.

Unless otherwise noted, tabular amounts are in thousands of US dollars and amounts in commentary are in millions of US dollars.

Investors should read the "Forward-Looking Statements" on page 14.

Executive Summary

The following table summarizes OPCL's results for the three and six months ended June 30, 2013 as compared to the same period ended in 2012:

	Three months ended			Six months ended	
	June 30 2013	**March 31 2013**	**June 30 2012**	**June 30 2013**	**June 30 2012**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)	($ thousand)
General and administrative expense	19,188	6,270	3,001	25,458	5,327
Pre-license costs	1,457	1,672	1,569	3,129	2,758
Depreciation and amortization expense	175	159	74	334	137
Impairment of oil and gas assets	20,477	-	31,083	20,477	31,083
Other [(1)]	(3,301)	38,808	(72)	35,507	(98)
Loss before income tax	**37,996**	**46,909**	**35,655**	**84,905**	**39,207**
Income tax expense / (benefit)	494	67	65	561	(140)
Net Loss	**38,490**	**46,976**	**35,720**	**85,466**	**39,067**
Cash surplus / (Net debt) [(2)]	**437,474**	**245,495**	**(170,789)**	**437,474**	**(170,789)**
Capital expenditure[(3)]	**48,946**	**54,430**	**13,689**	**103,376**	**25,417**

Notes:
(1) Includes finance (income) / expense, foreign exchange (gains) / losses and other operating expenses
(2) Net debt is a non-GAAP measure defined as long term debt and short-term borrowings less cash and cash equivalent. We use net debt as a key indicator of our leverage and to monitor the strength of our balance sheet.
(3) Refer to "Capital Expenditure" below.

Net loss increased by $46.4 million to $85.5 million for the six month period ended June 30, 2013 compared to the same period ended June 30, 2012 mainly due to an upward revision in the fair value of the Hawler block's contingent consideration ($39.3 million) as well as the net impairment expense recorded during the period ($20.5 million), mainly relating to the Dila-1 well in OML 141 license area ($21.7 million). Following the acquisition of interests in various exploration licenses in 2011, acquisition terms included additional consideration, contingent upon the outcome of future drilling activities and, in some cases, the quantities of commercial reserves discovered. Refer to Other Operating Expense under Financial Results section.

The net loss for the three month period ended June 30, 2013 totalled $38.5 million compared to $35.7 million during the same period ended June 30, 2012. The $2.8 million increase relates to an increase in general and administrative expense of $16.2 million which is partly offset by a decrease in impairment expense of $10.6 million. The increase in general and administrative expense for the three month period ended June 30, 2013 is primarily due to the share gift granted to employees and management in conjunction with the IPO ($13.7 million). The impairment expense recorded in the second quarter of 2012 relates to the write-off of costs incurred on the Mateen well in the Sindi Amedi license area. The impairment charge during the three months ended June 30, 2013 relates to the Dila-1 well in the OML 141 license area, net of a $1.2 million downward revision to costs of the Mateen well. In addition, an exchange gain of $3.4 million was realized on a forward foreign exchange contract entered into in May 2013.

At the end of June 30, 2013, a cash surplus of $64.9 million as at 31 December 2012 increased to $437.5 million. The increase in cash is mainly due to additional equity funding of $234.8 million received from The Addax and Oryx Group Limited (“**AOG**”) in January 2013 as well as net proceeds received upon the closing of the initial public offering on May 15, 2013 of CAD $239.0 million (gross proceeds CAD $250.5 million). Borrowings from AOG of $166.1 million existing at the end of June 2012 were all converted to equity during 2012.

Capital expenditure during the six month period ending June 30, 2013 included drilling and testing the Demir Dagh-2 well in the first quarter of 2013 as well as commencing drilling on two additional locations on the Hawler license area (Zey Gawra and Ain Al Safra) in the Kurdistan region of Iraq which were spudded during the second quarter ($49.2 million), drilling the Dila-1 well on the OML-141 license area in Nigeria ($43.3 million) and drilling the E-1 (formerly known as Xiang) exploration well on the Haute Mer A license area ($3.1 million), seismic data acquisition on the AGC Shallow license area ($1.4 million), the Sindi Amedi license area ($2.4 million) and on the Wasit license area ($2.9 million) as well as other intangible asset expenditures.

Corporate Update

OPCL and/or its subsidiaries (“Oryx Petroleum”) is an international oil exploration company focused in Africa and the Middle East. Oryx Petroleum was founded in 2010 by AOG and key members of the former senior management team of Addax Petroleum Corporation, a company founded in 1994 by AOG and acquired in 2009 by Sinopec. Oryx Petroleum has interests in seven license areas prospective for oil and is the operator or technical partner in four of the seven license areas. Three license areas are located in the Kurdistan Region and the Wasit governorate (province) of Iraq and four license areas are located in West Africa: in Nigeria, the AGC administrative area offshore Senegal and Guinea Bissau, and Congo (Brazzaville). Oryx Petroleum believes that its management’s proven track record of acquiring and developing assets, its strong local relationships and established reputation, together with its substantial in-house technical expertise and well-funded balance sheet, position OPCL to maximize value from its existing license areas, further expand its asset base, access future funding and achieve its objective of becoming a full cycle oil exploration, development and production company.

The Corporation seeks to achieve its objective through maximizing the value of its existing license area portfolio, while prudently expanding its asset base. Key elements of Oryx Petroleum’s strategy include:

- Establishing material operations in countries with known hydrocarbon basins where management has extensive experience and strong existing relationships that can help assess, identify, manage, and where possible, mitigate risks.
- Retaining control over the pace and scale of investment and development of license areas by seeking operatorship or technical leadership and/or substantial equity positions.
- Maintaining best in class operating procedures and protocols to help ensure safe operating practices and to develop local communities.
- Growing organically through farm-in and add-on investments in countries in which Oryx Petroleum is established and pursuing transformational acquisitions in its focus regions.
- Exercising a prudent and conservative approach to financial management.

As per Netherland, Sewell & Associates Inc’s (NSAI) report of March 31, 2013, Oryx Petroleum had gross (working interest) proved plus probable oil reserves of 164 MMbbl, best estimate gross (working interest) contingent oil resources of 200 MMbbl and best estimate unrisked gross (working interest) prospective oil resources of 1,391 MMbbl (risked: 299 MMbbl). As of June 30, 2012 and December 31, 2012 the estimated reserves were nil.

New Venture Opportunities

Oryx Petroleum is currently considering a number of new venture opportunities in its areas of focus, including additional exploration license areas in certain provinces of Iraq and in West Africa. Oryx Petroleum believes that it is well positioned to capitalize on opportunities in its focus areas that it expects will arise as: (i) governments tender new license areas; (ii) major international oil companies rationalize their portfolios of onshore and offshore oil fields; and (iii) indigenous oil companies seek financially and technically strong partners to jointly develop their properties.

Capital Expenditure

The following table summarizes the components of OPCL's capital expenditure per region for the periods indicated:

	Three months ended		Six months ended	
	June 30, 2013	**June 30, 2012**	**June 30, 2013**	**June 30, 2012**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Middle East				
Exploration drilling	16,205	5,716	30,092	11,942
Seismic acquisition	2,273	-	3,794	-
Studies and capitalized G&A	3,843	5,237	7,100	8,730
License acquisition costs	-	-	13,030	-
Property, plant & equipment	499	-	499	-
Sub-Total Middle East	**22,820**	**10,953**	**54,515**	**20,672**
West Africa				
Exploration drilling	10,221	-	20,126	-
Seismic acquisition	439	-	713	-
Studies and capitalized G&A	14,565	2,593	26,890	4,494
License acquisition costs	-	-	-	-
Property, plant & equipment	83	-	83	-
Sub-Total West Africa	**25,308**	**2,593**	**47,812**	**4,494**
Corporate				
Computer Software	78	94	94	102
Property, plant & equipment	740	49	955	149
Sub-Total Corporate	**818**	**143**	**1,049**	**251**
Total Capital Expenditure	**48,946**	**13,689**	**103,376**	**25,417**

Middle East

In the Middle East, for the three months ended June 30, 2013, exploration drilling of $16.2 million relates to the Zey Gawra well and the Ain Al Safra well, both of which are in the Hawler license area. These wells spudded in April and June 2013 respectively. Drilling on the Zey Gawra prospect is expected to reach target depth in the third quarter of 2013, while drilling on Ain Al Safra is expected to reach target depth early in the fourth quarter of 2013. For the six months ended June 30, 2013, exploration drilling costs of $30.1 million also includes the drilling and testing of the Demir Dagh-2 well in the Hawler license area.

Seismic acquisition expenditure, which relates to the Wasit province and the Sindi Amedi license area, increased by $3.8 million during the six months ended June 30, 2013 and by $2.3 million in the three month period to the same date.

Studies and capitalized general and administrative expenditure, which relates to work on captured projects, decreased by $1.6 million for the six month period ended June 30, 2013 and by $1.4 million for the three months period ended June 30, 2013 compared to the same periods in 2012.

The acquisition costs for the six month period ended June 30, 2013 relate to an upward revision in fair value of $13.0 million to the contingent payment on the Hawler license, acquired as part of the business combination with OP Hawler Kurdistan

Ltd (formerly Norbest Ltd) in 2011. There were no further acquisition costs incurred during the three months ended June 30, 2013. (December 2012: Hawler extension for $40.0 million – December 2011: Hawler license area for $271.0 million, the Sindi Amedi license area for $37.2 million and the Wasit license area for $32.6 million).

West Africa

In West Africa, exploration drilling for the three months ended June 30, 2013 of $10.2 million relates to drilling in the Haute Mer A license area ($2.5 million) and in the OML-141 license area ($7.7 million). For the six months ended June 30, 2013, the amount ($20.1 million) relates to drilling in the OML-141 and Haute Mer A license areas.

Seismic acquisition expenditure of $0.7 million for the six months ended June 30, 2013 relates solely to the AGC Shallow license area. In the three month period to June 30, 2013 this expenditure was $0.5 million, relating to the AGC license area (December 2012: AGC Shallow license area for $17.8 million, Congo Haute Mer A license area for $0.5 million – December 2011: nil).

Studies and capitalized general and administrative expenditure of $14.6 million for the three months ended June 30, 2013 includes work on the OML-141 ($14.1 million), AGC Shallow ($0.4 million) and Haute Mer A ($0.1 million) license areas. For the six months ended June 30, 2013, the amount of $26.9 million relates to OML-141 ($25.7 million), AGC Shallow ($0.6 million) and Haute Mer A ($0.6 million) license areas (December 2012: OML-141 $10.7 million, Haute Mer A $4.7 million, AGC Shallow $1.4 million; December 2011: OML-141 $0.6 million, AGC Shallow $0.2 million).

No license acquisition costs have been incurred during the three or six months ended June 30, 2013. For the year ended December 31, 2012, license acquisition costs of $5.2 million relate to the Congo Haute Mer A license for $4.7 million and additional OML-141 license acquisition costs of $0.5 million. The acquisition costs for the year to December 31, 2011 relate to the OML-141 license area for $5.0 million and the AGC Shallow license area for $1.0 million.

Capital expenditures on the OML-141 license area include $28.3 million for the six months ended June 30, 2013 (December 2012: $6.2 million – December 2011: nil) incurred by OPCL on behalf of other companies, which is part of the cost to OPCL to farm-in to the OML-141 license area.

Exploration and Evaluation Assets

As part of its exploration activities in the Middle East and West Africa, Oryx Petroleum acquired exploration and evaluation assets.

	At June 30, 2013	**At June 30, 2012**	**At December 31, 2012**
	($ thousand)	($ thousand)	($ thousand)
Net book value **Exploration and Evaluation Assets**	**186,388**	**365,205**	**478,302**

During the first quarter of 2013, a portion of the Hawler license area exploration and evaluation costs in Kurdistan was transferred from intangible assets to property, plant and equipment ("PP&E") following the latest reserve report from NSAI indicating the discovery of reserves within the license area. As a result, $373.2 million of costs associated with the block were transferred from intangible assets to Oil and Gas assets classified as PP&E as of June 30, 2013.

Financial Results

Exploration Expense

The following table summarizes the component parts of exploration expense for the three and six months ended June 30, 2013 as compared to the same period in 2012:

	Three months ended		Six months ended	
	June 30, 2013 ($ thousand)	**June 30, 2012** ($ thousand)	**June 30, 2013** ($ thousand)	**June 30, 2012** ($ thousand)
Pre-license costs	1,457	1,569	3,129	2,758
Total Exploration Expenses	**1,457**	**1,569**	**3,129**	**2,758**

During the six months period ended June 30, 2013, exploration expense increased by $0.4 million to $3.1 million compared to the same six month period last year due to an increase in pre-license activity and increased new venture personnel in Geneva.

Depreciation and Amortization Expense

The following table summarizes the component parts of depreciation and amortization expense for the three and six months ended June 30, 2013 as compared to the same period in 2012:

	Three months ended		Six months ended	
	June 30, 2013 ($ thousand)	**June 30, 2012** ($ thousand)	**June 30, 2013** ($ thousand)	**June 30, 2012** ($ thousand)
Intangible assets – Amortization expense	109	60	214	114
Property, Plant and Equipment assets – Depreciation expense	66	14	120	23
Total Depreciation and Amortization Expense	**175**	**74**	**334**	**137**

Total Other Operating Expense

The following table summarizes the components of other operating expense for the three and six months ended June 30, 2013 as compared to the same period in 2012:

	Three months ended		Six months ended	
	June 30, 2013 ($ thousand)	**June 30, 2012** ($ thousand)	**June 30, 2013** ($ thousand)	**June 30, 2012** ($ thousand)
Other operating expense	-	-	(39,260)	-
Financial income - net	3,301	72	3,753	98
Total other operating (expense) / income	**3,301**	**72**	**(35,507)**	**98**

During the six months period ended June 30, 2013, total other operating expense increased to $35.5 million due to the re-evaluation of contingent consideration arising from the acquisition of OP Hawler Kurdistan Ltd in 2011. The acquisition terms included additional consideration, contingent upon the outcome of future drilling activities. In accordance with the terms of the agreement for the acquisition of the interest in the Hawler license area, Oryx Petroleum is contractually obliged to make the payments upon a declaration of commercial discovery as outlined in the Hawler production sharing contract (“PSC”). If quantities of hydrocarbons discovered are not determined to be commercial, no payments will be due.

The aggregate fair value of the contingent consideration, based on the estimated probability of success, was initially evaluated by the directors at $46.3 million in total and $27.7 million of this amount was recognized in the Oryx Petroleum’s statement of financial position at December 31, 2012.

In addition, the net assets and liabilities acquired with OP Hawler Kurdistan Ltd included a contingent payment to the Kurdistan Regional Government in relation to the first commercial discovery. The total potential liability is $50 million, the fair value of which was initially evaluated by the directors at $32.4 million and recognized in the fair values of identifiable assets and liabilities acquired.

Following the discovery of reserves in the first quarter of 2013, the fair values detailed above have been re-evaluated and are now estimated at $112.3 million in aggregate, resulting in changes in fair values recorded for contingent consideration and contingent liabilities amounting to $52.3 million, of which $39.3 million in relation to contingent consideration was recognized in the statement of comprehensive income and $13.0 million in relation to the contingent payment was capitalized and then transferred from intangible assets to PP&E - oil and gas assets in March 2013. There were no changes to these fair values in the second quarter of 2013.

Financial income also increased by $3.7 million for the six months ended June 30, 2013 ($3.2 million for the three months ended June 30, 2013) mainly due to a foreign exchange gain of $3.4 million realized on a forward foreign exchange contract entered into in May 2013.

General and administrative expense

The following table summarizes the component parts of general and administrative expense for the three and six months ended June 30, 2013 as compared to the same period in 2012:

	Three months ended		Six months ended	
	June 30, 2013 ($ thousand)	**June 30, 2012** ($ thousand)	**June 30, 2013** ($ thousand)	**June 30, 2012** ($ thousand)
General and administrative costs	2,991	1,545	7,155	2,486
Stock-based compensation (1)	16,197	1,456	18,303	2,841
Total General and Administrative Expenses	**19,188**	**3,001**	**25,458**	**5,327**

Notes:
(1) Includes cash and non-cash expenses related to the OPCL Long Term Incentive Plan (“**OPCL LTIP**”).

General and administrative expense increased by $20.1 million to $25.5 million for the six months ended June 30, 2013 (six months ended June 30, 2012: $5.3 million) and by $16.2 million to $19.2 million for the three months ended June 30, 2013 (three months ended June 30, 2012: $3.0 million). The increase was primarily due to the increase in stock-based compensation expense due to the share grant to employees and management in conjunction with the IPO ($13.7 million). The increase in general and administrative costs was mainly due to additional staff numbers (average headcount for the six month period in 2013 of 63 compared to 28 in 2012, three month period in 2013 of 68 compared to 31 in 2012).

Income Tax Expense

The following table summarizes the component parts of income tax expense for the three and six months ended June 30, 2013 as compared to the same period in 2012:

	Three months ended		Six months ended	
	June 30, 2013 ($ thousand)	**June 30, 2012** ($ thousand)	**June 30, 2013** ($ thousand)	**June 30, 2012** ($ thousand)
Current income tax expense / (benefit)	453	193	779	116
Deferred tax	41	(128)	(218)	(256)
Total Income Tax Expense / (Benefit)	**494**	**65**	**561**	**(140)**

Consolidated Results by Quarter

The following table sets forth a summary of OPCL's results for the quarterly periods indicated ($ thousand):

	2011		2012				2013	
	Sept 30	**Dec 31**	**Mar 31**	**Jun 30**	**Sept 30**	**Dec 31**	**Mar 31**	**Jun 30**
Net (Income) Loss from Continuing Operations before Income Taxes is Comprised of:								
Oil and Gas	277	1,443	1,189	32,652	95	1,690	1,672	21,934
Corporate and Other	5,410	1,120	2,363	3,003	7,025	10,698	45,237	16,062
Net loss before income tax	**5,687**	**2,563**	**3,552**	**35,655**	**7,120**	**12,388**	**46,909**	**37,996**
Income Tax Expense / (Benefit)	48	(50)	(205)	65	7	(81)	67	494
Net loss	**5,735**	**2,513**	**3,347**	**35,720**	**7,127**	**12,307**	**46,976**	**38,490**
Net Loss from continuing operations per basic and diluted share ($)	**0.51**	**0.22**	**0.19**	**1.99**	**0.13**	**0.23**	**0.59**	**0.44**
Net loss attributable to owners of the company (excluding non-controlling interests)	5,735	2,513	3,285	35,685	7,046	12,307	46,815	38,457
Net loss per basic and diluted share ($)	**0.51**	**0.22**	**0.18**	**1.99**	**0.13**	**0.23**	**0.59**	**0.43**
Capital expenditure ($000)	**321,698**	**49,883**	**11,728**	**13,689**	**30,507**	**81,475**	**54,430**	**48,946**

The net loss of $38.5 million for the three months ended June 30, 2013 includes the impairment of the Dila-1 well in the OML 141 license area of $21.7 million and the share gift granted to employees and management in conjunction with the IPO of $13.7 million.

The net loss of $47.0 million for the three months ended March 31, 2013 includes the change in fair value of contingent consideration for Hawler of $39.3 million following the discovery of reserves at Demir Dagh-2.

The increase in the fourth quarter 2012 net loss of $12.3 million compared to the third quarter 2012 net loss of $7.1 million was due to bonus payments in December of $1.2 million, IPO preparation costs of $1.7 million and additional LTIP costs for new employees and costs for directors of $1.8 million.

Net loss from continuing oil and gas operations comprises pre-license costs and, in June 2012, the impairment of the Mateen well in the Sindi Amedi license area of $31.1 million and in June 2013, the impairment of the Dila-1 well in the OML-141 license area of $21.7 million. The impairment charge for Sindi Amedi was subsequently reviewed and adjusted in September 2012 based on new information, resulting in a write-back of $2.1 million and an additional write-back in the second quarter of 2013 of $1.2 million. The increase in pre-license costs from the fourth quarter 2011 onwards is due to the allocation of personnel costs to new ventures. Prior to the fourth quarter of 2011, personnel costs were allocated to general and administrative expenses, hence the decrease in corporate and other costs from that date. The corporate and other costs include an average charge for employee share awards of $2.5 million per quarter; except in the third quarter of 2011 and 2012, as well as the second quarter of 2013. The expense in these periods was $4.0 million, $5.3 million and $16.0 million respectively. Excluding the share awards, the increase in net loss over the periods reflects the increases in permanent headcount and contractors from the second quarter 2011 to the current quarter.

Third quarter 2011 capital expenditure relates to the acquisition of 65% of the Hawler block.

Fourth quarter 2011 capital expenditure includes the acquisition of 50% of the share capital of KPA Western Desert Energy Limited, which indirectly holds a 75% participating interest in contracts to explore and develop hydrocarbons in the Wasit province. Additionally, capital expenditure for the Mateen well in Sindi Amedi was $6.9 million in the first quarter of 2012.

Liquidity and Capital Resources

Cash Flow

The following table summarizes the components of OPCL's consolidated change in cash flow for the periods indicated:

	Three months ended		Six months ended	
	June 30, 2013	**June 30, 2012**	**June 30, 2013**	**June 30, 2012**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Funds flow absorbed by Operations[1]	(1,303)	(2,688)	(45,855)	(4,438)
(Increase)/ Decrease in non-cash Working Capital	(1,385)	(1,095)	36,442	(949)
Net Cash flow used in operating activities	(2,688)	(3,783)	(9,413)	(5,387)
Net Cash flow used in investing activities	(46,418)	(11,914)	(102,023)	(22,532)
Net Cash flow from financing activities	241,085	26,506	476,185	42,401
Net Increase (Decrease) in Cash and cash equivalents	**191,979**	**10,809**	**364,749**	**14,482**

Notes:
(1) Funds flow generated / absorbed by operations is a non-GAAP measure and is reconciled to the nearest GAAP measure in the above table.

The net change in cash for the six month period ended June 30, 2013 of $364.7 million is primarily due to $476.2 million from financing activities which is offset by cash used in investing activities of $102.0 million. The cash received from financing activities includes funding received from AOG ($234.8 million) and the net proceeds received from the IPO ($230.6 million) and other investors ($10.8 million). The net investing activities for the six month period ended June 30, 2013 of $102.0 million comprises mostly of $57.0 million on the Hawler license area, $28.3 million on the OML-141 license area, $6.4 million on the Congo Haute Mer A license area, $4.5 million on the Sindi Amedi license area, $3.6 million on the Wasit license area and $1.2 million on the AGC Shallow license area.

OPCL meets its day to day working capital requirements through equity funding provided by AOG as well as the funds received through the IPO. AOG has invested $700 million in initial cash funding, fully invested in shares by the end of the first quarter 2013. This initial equity by AOG and other investors has been supplemented by the funding received from the IPO completed in May of 2013 (net cash received $230.6 million).

OPCL's business requires significant capital expenditures for the foreseeable future with respect to the exploration, appraisal, development and maintenance of its oil and gas assets. There can be a long lead time between discovery and production of oil and gas, particularly for gas. During this long lead time, OPCL will continue to incur significant costs at a level which may be difficult to predict, but will not have any earnings from oil or gas production. OPCL intends to fund these planned capital expenditures from its cash reserves in the short term and, in the longer term, from new equity financing and, if successful in its exploration efforts, from operating cash flow and new debt. The ability of OPCL to arrange such financing in the future will depend in part upon prevailing market conditions, as well as the business performance of OPCL.

Changes in Working Capital

The following table summarizes the components of OPCL's consolidated change in working capital for the periods indicated ($ thousand):

	2011		**2012**				**2013**	
	Sept 30	**Dec 31**	**Mar 31**	**Jun 30**	**Sept 30**	**Dec 31**	**Mar 31**	**Jun 30**
Trade and other receivables	(4,548)	265	(983)	995	2,291	5,801	(37)	(6,282)
Inventories	-	73	577	1,694	2,545	712	432	3,114
Trade and other payable	2,007	(1,352)	260	(1,594)	(3,356)	(1,473)	(38,222)	4,553
Total Change in Non-Cash Working Capital	**(2,541)**	**(1,014)**	**(146)**	**1,095**	**1,480**	**5,040**	**(37,827)**	**1,385**
Change in Cash and Cash equivalents	**(230,892)**	**10,774**	**3,673**	**10,809**	**96,769**	**(63,807)**	**172,770**	**191,979**
Total Change in Net Working Capital	**(233,433)**	**9,760**	**3,527**	**11,904**	**98,249**	**(58,767)**	**134,943**	**193,364**
Short term debt	84,081	(51,280)	46,096	(29,209)	188,976	(100)	7,781	-
Long term debt	-	(16,599)	-	2,704	13,895	-	-	-
Equity attributable to owners of OPCL	(82,396)	1,237	(60,092)	34,229	(322,520)	8,515	(198,172)	(218,826)
Non-controlling interests	-	(25,500)	62	35	81	-	161	33

Capital Resources

OPCL has a substantial capital expenditure program, budgeted to be $325 million in 2013. This capital expenditure program is expected to fund eight exploration wells and at least one appraisal well. In addition, the budgeted program will fund a 2-D seismic acquisition program covering over 1,000 square kilometers and general corporate expenditures.

The capital expenditure program will be financed from the existing cash balance of $437.5 million as of June 30, 2013.

Capital expenditure for the six months ended June 30, 2013 totalled $103.4 million. Of the remainder of the capital expenditure program for 2013 ($221.6 million), $149.0 million is committed at June 30, 2013. Refer to Contractual Obligations section.

Use of Proceeds from IPO

The following table compares the planned use of proceeds from the prospectus offering to the position at June 30, 2013:

	As at May 15, 2013 ($ million)	As at June 30, 2013 ($ million)	Variance ($ million)
Cash	483	438	45
to fund the following:			
The remainder of the 2013 capital expenditure program	284[1]	175	109
The estimated expenditures of 1H 2014 capital expenditure program	124	124	-
The remainder of 2013 pre-license and G&A costs	16[1]	12	4
The estimated pre-license and G&A costs for 1H 2014	12	12	-
General corporate purposes [2]	47	115	(68)
Total	**483**	**438**	**45**

Notes:
(1) Estimated as at March 31, 2013.
(2) Including contingent acquisition payments, if any, and acquisitions, if any.

Cash has reduced by $45.5 million due to the expenditure between the IPO date and June 30, 2013. Capital expenditure for the remainder of 2013 has reduced by $62.4 million between the IPO date and June 30, 2013 due to expenditure between the two dates and primarily a delay in non Hawler license area projects. Pre-license costs and general and administrative costs for the remainder of 2013 have decreased by $4.0 million due to expenditure between the IPO date and June 30, 2013.

None of the variances will impact OPCL's ability to achieve its business objectives and milestones.

Non-IFRS Measures

OPCL defines "Cash surplus / (Net debt)" as long-term debt and short-term borrowings less cash and cash equivalents. OPCL uses net debt as a key indicator of its leverage and to monitor the strength of its balance sheet. Net debt is directly tied to OPCL's operating cash flow and capital investment. Net debt is not recognized under IFRS as issued by IASB. Readers are cautioned that these measures should not be construed as an alternative to net income or cash flow from operating activities determined in accordance with IFRS or as an indication of OPCL's performance. OPCL's method of calculating this measure may differ from other companies and accordingly, it may not be comparable to measures used by other companies.

The following table summarizes the components of OPCL's consolidated change in "Cash surplus / (Net debt)" for the periods indicated:

	As at June 30, 2013	As at Mar 31, 2013	As at June 30, 2012
	($ thousand)	($ thousand)	($ thousand)
Borrowings			
Current	-	-	(13,895)
Non- current	-	-	(196,657)
Total Borrowings	**-**	**-**	**(210,552)**
Less: Cash and cash equivalents	437,474	245,495	39,763
Cash surplus / (Net debt)	**437,474**	**245,495**	**(170,789)**

Equity Security Repurchases

There were no repurchases of OPCL's equity securities during the three or six month period ended June 30, 2013.

Outstanding Share Data

The number of common shares outstanding at June 30, 2013 is 99,602,334.

There are no securities convertible into or exercisable or exchangeable for voting shares. There are 397,667 shares which will vest in the third quarter of 2014.

Off Balance Sheet Arrangements

In order to hedge foreign currency transactions in the ordinary course of business, OPCL entered into a forward exchange contract with Credit Suisse in December 2012 to purchase CHF 1,500,000 per month for the 12 months of 2013. Refer to Financial Instruments and Other Instruments section.

On May 9, 2013, Oryx Petroleum sold CAD $150 million and purchased $149.4 million at the forward rate of CAD $1.0043 per $1, with delivery on May 21, 2013. A foreign exchange gain of $3.4 million was realized on this transaction.

Contractual Obligations

The table below sets forth information relating to OPCL's contractual obligations and commitments as at June 30, 2013

	Within One Year	From 1 to 5 Years	More than 5 Years	Total
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Operating leases(1)	28	-	-	28
Other long term obligations(2)	148,937	12,817	-	161,754
Total	**148,965**	**12,817**	**-**	**161,782**

Notes:
(1) Operating leases for building rent.
(2) Consists principally of obligations related to PSC commitments and capital expenditure commitments.

OPCL has no lawsuits or claims pending.

Financial Instruments and Other Instruments

OPCL operates internationally and has foreign exchange risk arising from various currency exposures, notably the Swiss franc. In order to hedge against this exposure, OPCL entered into a forward exchange contract to sell U.S. dollars and buy Swiss francs. By entering into this contract, OPCL has the right and the obligation to sell U.S. dollars and buy Swiss francs at a predetermined time and at a predetermined U.S. dollar / Swiss franc exchange rate if either the spot exchange rate trades at or below the lower exercise price or at or above the upper exercise price. As such, the risk is that, depending on the exchange rate when the forward contract matures, OPCL may have an obligation to sell U.S. dollars and buy Swiss francs at an exchange rate that is less favorable than the prevailing spot exchange rate.

In addition to the forward exchange contract above, OPCL entered into a second forward exchange contract in the second quarter of 2013 that settled in the same period. The company sold CAD $150 million at a forward rate of CAD $1.0043. A foreign exchange gain of $3.4 million was realized on this transaction.

Transactions with Related Parties

For the six months period ended June 30, 2013, OPCL incurred $1.3 million for services provided by related parties, all of which are fellow subsidiaries of AOG (June 2012: $1.5 million - December 2012: $4.6 million – December 2011: $1.3 million – December 2010: $0.1 million). Those expenses mainly concerned management services paid of $0.5 million (June 2012: $0.6 million - December 2012: $1.7 million – December 2011: $1.2 million, December 2010: $0.1 million), trademark license fees, parent company guarantee fees and management services fees paid of $0.5 million (June 2012: 0.8 million - December 2012: $2.6 million – December 2011: nil) and office expenses reimbursed of $0.2 million (June 2012: nil - December 2012: nil - December 2011: nil).

In addition, during the second quarter ended June 30, 2013, OPCL made a donation to the Addax and Oryx Foundation for $0.5 million. The Addax and Oryx Foundation is an independently governed, Swiss registered charitable foundation dedicated to support initiatives in the provision of medical, educational and food security needs in Africa and Asia.

In January 2013, AOG subscribed for shares to the value of $234.8 million. In May 2013, AOG subscribed for shares through the IPO to the value of $20million, which brings total funding from AOG to $720 million.

Proposed Transactions

There are no planned transactions which would have a significant adverse effect on financial condition, financial performance and cash flows.

New Accounting Pronouncements

Changes to future accounting policies, standards and interpretations, as described in Note 2 of the consolidated financial statements for the three and six months ended June 30, 2013, have not been material since December 31, 2012, December 31, 2011 and December 31, 2010. Implementation of the revised IAS 19 - Employee Benefits results in an additional charge of $0.3 million for the three months period ended June 30, 2013 (June 2012: $0.4 million). The effect on the opening balance of retained earnings as of January 1, 2011 would have been a decrease of $0.1 million due to amendments to IAS 19 applied retrospectively.

Financial Controls and Risk Management

Disclosure Controls and Procedures

Disclosure Controls and Procedures (“**DC&P**”) have been designed under the supervision of the Chief Executive Officer (“**CEO**”) and the Chief Financial Officer (“**CFO**”), with the participation of other management, to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation, and include controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

An evaluation of the design of OPCL’s DC&P was carried out during 2013 under the supervision of, and with the participation of management including its certifying officers. Based on that evaluation, the certifying officers concluded that the design of the DC&P was effective as at June 30, 2013.

Internal Control Over Financial Reporting

Internal Controls over Financial Reporting (“**ICFR**”) have been designed under the supervision of the CEO and the CFO, with the participation of other management, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. ICFR can only provide reasonable assurance and may not prevent or detect misstatements. Projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

An evaluation of the design of OPCL’s ICFR was carried out during 2013 under the supervision of, and with the participation of management including its certifying officers. Based on that evaluation, the certifying officers concluded that the design of the ICFR was effective as at June 30, 2013.

Forward-Looking Information

Certain statements in this MD&A constitute “forward-looking information”, including statements related to the nature, timing and effect of OPCL’s future capital expenditures and budget, financing and capital activities, business and acquisition strategy and goals, opportunities, reserves and resources estimates and potential, drilling plans, development plans and schedules and chance of success, future seismic activity, results of exploration activities, declarations of commercial discovery, contingent liabilities and government approvals, the ability to gain access to exterior facilities or build necessary facilities to sell future oil production, if any, future drilling of new wells, ultimate recoverability of current and long-term assets, future royalties and tax levels, access to future financing and liquidity, future debt levels, availability of committed credit facilities, possible commerciality of our projects, expected operating capacity, expected operating costs, estimates on a per share basis, future foreign currency exchange rates, future expenditures, changes in any of the foregoing and statements that contain words such as “may”, “will”, “would”, “could”, “should”, “anticipate”, “believe”, “intend”, “expect”, “plan”, “estimate”, “budget”, “outlook”, “propose”, “potentially”, “project”, “forecast” or the negative of such expressions and statements relating to matters that are not historical fact, constitute forward-looking information within the meaning of applicable Canadian securities legislation.

In addition, information and statements in this MD&A relating to reserves and resources are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future. See "Reserves and Resources Advisory" below.

Although Oryx Petroleum believes these statements to be reasonable, the assumptions upon which they are based may prove to be incorrect. In making certain statements in this MD&A, Oryx Petroleum has made assumptions with respect to the following: the general continuance of the current or, where applicable, assumed industry conditions, the continuation of assumed tax, royalties and regulatory regimes, forecasts of capital expenditures and the sources of financing thereof, timing and results of exploration activities, access to local and international markets for future crude oil production, if any and future crude oil prices, OPCL's ability to obtain and retain qualified staff, contractors and personnel and equipment in a timely and cost-efficient manner, the political situation and stability in jurisdictions in which Oryx Petroleum has licenses, the ability to renew its licenses on attractive terms, OPCL's future production levels, the applicability of technologies for the recovery and production of OPCL's oil reserves and resources, the amount, nature, timing and effects of capital expenditures, geological and engineering estimates in respect of OPCL's reserves and resources, the geography of the areas in which OPCL is conducting exploration and development activities, operating and other costs, the extent of OPCL's liabilities, and business strategies and plans of management.

Forward-looking information is subject to known and unknown risks and uncertainties which may cause actual results or events to differ materially from those anticipated in the forward-looking information and statements if the assumptions underlying them prove incorrect, or if one or more of the uncertainties or risks described below materializes. The risks and uncertainties affecting OPCL include, but are not limited to, imprecision of reserves and resources estimates; ultimate recovery of reserves, ability to commercially develop its oil reserves and/or its prospective and contingent oil resources; commodity prices; general economic, market and business conditions; industry capacity; competitive action by other companies; refining and market margins; the ability to produce and transport crude oil and natural gas to markets; weather and climate conditions; results of exploration and development drilling and other related activities; fluctuation in interest rates and foreign currency exchange rates; ability of suppliers to meet commitments; actions by governmental authorities, including increases in taxes; decisions or approvals of administrative tribunals, renewal or granting of licenses; changes in environmental and other regulations; international political events; renegotiations of contracts; reliance on key managers and personnel; dry wells may lead to a downgrading of OPCL's licenses or contracts or require further funds to continue exploration work; future foreign currency exchange rates; risks related to the actions and financial circumstances of our agents and contractors, counterparties and joint venture partners; political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict, including conflict between states; and expected rates of return. More specifically, future production may be affected by exploration success, start-up timing and success, facility reliability, reservoir performance and natural decline rates, water handling and drilling progress, restrictions on ability to access necessary infrastructure, equipment and services, including but not limited to, those sourced from third party providers. Capital expenditures may be affected by cost pressures associated with new capital projects, including labour and material supply, project management, drilling rig rates and availability and seismic costs. Risk factors are discussed in greater detail in filings made by OPCL with Canadian securities commissions.

Any forward-looking information concerning prospective exploration, results of operations, financial position, production, expectations of capital expenditures, cash flows and future cash flows or other information described above that is based upon assumptions about future results, economic conditions and courses of action are presented for the purpose of providing readers with a more complete perspective on Oryx Petroleum's present and planned future operations and such information may not be appropriate for other purposes and actual results may differ materially from those anticipated in such forward-looking information. In addition, included herein is information that may be considered financial outlook and/or future-oriented financial information. Its purpose is to indicate the potential results of Oryx Petroleum's intentions and may not be appropriate for other purposes.

Readers are strongly cautioned that the above list of factors affecting forward-looking information is not exhaustive. Although OPCL believes that the expectations conveyed by the forward-looking information are reasonable based on information available to it on the date such forward-looking information was made, no assurances can be given as to future results, levels of activity and achievements. Readers should not place undue importance or reliance on the forward-looking information and should not rely on the forward-looking information as of any date other than the date hereof. Further, statements including forward-looking information are made as at the date they are given and, except as required by applicable law, Oryx Petroleum does not intend, and does not assume any obligation, to update any forward-looking information, whether as a result of new information or otherwise. If OPCL does update one or more statements containing forward-looking information, it is not obligated to, and no inference should be drawn that it will make additional updates with respect thereto or with respect to other forward-looking information. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Reserves and Resource Advisory

Oryx Petroleum's reserves and resource estimates have been prepared and audited in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* and the Canadian Oil and Gas Evaluation Handbook.

Prospective oil resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective oil resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources.