SINTANA ENERGY

SEI | TSX-V

2015 ANNUAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS
&
MANAGEMENT DISCUSSION AND ANALYSIS

Exploring a better way™

A Colombia Focused Exploration Company

SINTANA ENERGY INC.

(FORMERLY MOBIUS RESOURCES INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE STATED)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Sintana Energy Inc. (formerly Mobius Resources Inc.) ("Sintana" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2015. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2015 and 2014, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's annual and quarterly consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as of April 28, 2016, unless otherwise indicated.

For the purpose of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Sintana common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; and / or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on the Company's website at **www.sintanaenergy.com** and on SEDAR at **www.sedar.com**.

Description of Business

Sintana is a Canadian crude oil and natural gas exploration and development company listed on the TSX Venture Exchange ("TSXV") Its trading symbol changed from SNN to SEI effective as of the market open on August 10, 2015, subsequent to the Business Combination. See "Business Combination" below. Sintana is primarily engaged in petroleum and natural gas exploration and development activities in Colombia. The Company's exploration strategy is to acquire, explore, develop and produce superior quality assets with significant reserve potential. Its primary private participation interests in Colombia include 30% (carried – unconventional) / 100% (conventional) in the 43,158 acres Valle Medio Magdalena 37 ("VMM-37") Block and 15% (carried - conventional and unconventional) in the 154,909 acres VMM-4 Block, both in the Middle Magdalena Basin.

On November 12, 2012, Sintana announced that a wholly-owned Panama subsidiary of the Company, Patriot Energy Oil and Gas Inc. and its Colombian branch Patriot Energy Sucursal Colombia (both entities hereinafter referred to as "Patriot"), had entered into a Farmout Agreement (the "Exxon Agreement") with ExxonMobil Exploration Colombia Limited, a wholly-owned subsidiary of ExxonMobil Corporation (both entities hereinafter referred to as "Exxon") for the exploration and development of unconventional oil and natural gas resources underlying the VMM-37 Block. In April 2013, the Agencia Nacional de Hidrocarburos ("ANH") approved the acquisition by Exxon of an undivided 70% private participation interest and operatorship in the formations defined as unconventional by completing the contractually required work program specified in the license agreement. Patriot retains the remaining 30% interest in the unconventional play as well as a 100% participation interest in the conventional resources overlying the top of the unconventional interval.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
For the twelve months ending December 31, 2016, the Company's budget is anticipated to result in a positive cash balance of $0.3 million – see "Liquidity and Financial Position" below	The Company has anticipated all material costs; the operating and exploration activities of the Company for the twelve-month period ending December 31, 2016, and the costs associated therewith, will be consistent with the Company's current expectations regarding costs and timing	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of estimate; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Company's need to raise capital in order to meet its working capital needs. See "Liquidity and Financial Position", "Trends" and "Overall Performance" below	The exploration and operating activities of the Company on a going forward basis, and the costs associated therewith, will be consistent with Sintana's current expectations; debt and equity markets; exchange and interest rates and other applicable economic conditions will be favourable to Sintana; availability of financing	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in operating and exploration activities; interest and exchange rates fluctuations; changes in economic conditions, planned operations and associated costs
The potential of Sintana's participation interests to contain petroleum and natural gas reserves. See "Petroleum and Natural Gas Prospects"	Financing will be available for future exploration and development of Sintana's private participation interests; the actual results of Sintana's exploration and development activities will be favourable; operating, exploration, development and production costs will not exceed Sintana's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations	Petroleum and natural gas market prices volatility; uncertainties involved in interpreting geological and geophysical data and Sintana's expectations regarding the conventional and unconventional plays and uncertainties in confirming valid private participation interests; the possibility that future exploration results will not be consistent with Sintana's expectations; availability of

	will be received on a timely basis upon terms acceptable to Sintana; applicable political and economic conditions will be favourable to Sintana; the market prices for petroleum and natural gas and applicable interest and exchange rates will be favourable to Sintana; no legal disputes exist with respect to the Company's private participation interests; Sintana's expectations regarding the potential of conventional and unconventional plays	financing for and actual results of Sintana's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest and exchange rates fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff and obtain all required permits in a timely manner on acceptable terms
Management's outlook regarding future trends. See "Trends"	Financing will be available for Sintana's exploration and operating activities; the market prices for petroleum and natural gas will be favourable to Sintana; economic and political conditions will be favorable	Petroleum and natural gas market prices volatility; changes in debt and equity markets; interest and exchange rates fluctuations; changes in economic and political conditions; availability of financing
Sensitivity analysis of financial instruments. See "Financial Instruments"	The Colombian Peso and the United States Dollar to Canadian Dollar exchange rates will not be subject to changes in excess of plus or minus 10%	Changes in debt, equity markets and participation interest transactions; interest and exchange rates fluctuations
Work programs and related timing and budgets relating to the exploration and development of the VMM-37 Block. See "Petroleum and Natural Gas Prospects"	Exxon will continue to proceed with the project and will not exercise its rights of withdrawal pursuant to the Exxon Agreement; the market prices of petroleum and natural gas will be favourable; all requisite permits, equipment, materials, supplies, services, access and personnel will be obtained in a timely manner upon acceptable terms; proposed exploration and development activities and the costs associated therewith will occur as currently anticipated; actual results of exploration are positive; financing will be available to Sintana upon acceptable terms; political and economic considerations will remain favourable	Exxon exercises its withdrawal rights pursuant to the Exxon Agreement; petroleum and natural gas market prices volatility; changes in debt and equity markets; increases in costs; interest rates and exchange rates fluctuations; changes in economic and political conditions; availability of permits, equipment, materials, supplies, services, access, personnel and financing; proposed exploration and development activities will not occur as currently anticipated; actual results of exploration are inconsistent with Sintana's expectations
Summaries of proposed work programs and related timing and budgets relating to other property interests of Sintana and the availability of extensions of applicable licenses and permits	The market prices of petroleum and natural gas will be favourable; all requisite permits (including renewals thereof), equipment, materials, supplies, services, access and personnel will be obtained in a timely manner upon acceptable terms; proposed exploration and development activities and	Petroleum and natural gas market prices volatility; changes in debt and equity markets; increases in costs; interest and exchange rates fluctuations; changes in economic and political conditions; availability of permits (including extensions and

See "Petroleum and Natural Gas Prospects"	the costs associated therewith will occur as currently anticipated; actual results of exploration are positive; financing will be available to Sintana upon acceptable terms; interest and exchange rates and political and economic considerations will remain favourable; future extensions to existing property rights and permits will be available	renewals thereof), equipment, materials, supplies, services, access, personnel and financing; proposed exploration and development activities will not occur as currently anticipated; actual results of exploration are inconsistent with Sintana's expectations; future extensions to property rights and permits will not be available on terms acceptable to Sintana or at all
The potential of properties in which Sintana holds private participation interests to contain economic resources or reserves of petroleum and / or natural gas. See "Petroleum and Natural Gas Prospects"	Management's expectations as based on the known geology and history of the properties are accurate; the market prices of petroleum and natural gas will be favourable; all requisite permits, equipment, materials, supplies, services, access and personnel will be obtained in a timely manner upon acceptable terms; proposed exploration and development activities will occur as currently anticipated; actual results of exploration are positive; financing will be available to Sintana upon acceptable terms; interest and exchange rates and political and economic considerations will remain favourable	Petroleum and natural gas market prices volatility; changes in debt and equity markets; interest and exchange rates fluctuations; changes in economic and political conditions; availability of permits, equipment, materials, supplies, services, access, personnel and financing; proposed exploration and development activities will not occur as currently anticipated; actual results of exploration are inconsistent with Sintana's expectations
Successful farmouts of private participation interests in VMM-37 conventional formations and Talora Blocks	Farmouts will be obtained; farmors will pay for 100% of 2016 expenditures; all requisite regulatory approvals will be obtained	Exploration and development deferred for an indefinite period; Sintana expends additional capital expenditures; farmout partners and regulatory approvals are unavailable
The termination of farmout agreements covering COR-11 and COR-39 Blocks will not lead to significant additional costs	Sintana and Canacol will settle disagreements on farmout agreements and costs	Sintana and Cancaol will not resolve their farmout agreement issues which will lead to significant additional costs

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Sintana's ability to predict or control. Additional risk factors are described in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of any and all relevant factors and / or assumptions that could affect forward-looking statements, and that assumptions underlying such statements might prove to be incorrect. Actual results and developments are likely to materially differ from those expressed or implied by forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause Sintana's actual results, performance or achievements to be materially different from any of its projected results, performance and / or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law and / or regulation. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Certain information contained herein is considered "analogous information" as defined in national Instrument 51-101 ("NI 51-101"). Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. In particular, this document notes specific analogous oil discoveries and corresponding details of said discoveries in the area of the Company's private participation interests and makes certain assumptions about such interests as a result of such analogous information and potential recovery rates as a result thereof. Such information is based on public data and information obtained from the public disclosure of other issuers who are active in the area, and the Company has no way of verifying the accuracy of such information and cannot determine whether the source of the information is independent. Such information has been presented to help demonstrate that hydrocarbons could be present in commercially recoverable quantities in the Company's areas of interest. There is no certainty that such results will be achieved by the Company and such information should not be construed as estimates of future reserves or resources or future production levels of Sintana.

Business Combination

On August 6, 2015, the Company announced the completion of the business combination (the "Business Combination") with Sintana Holdings Corp. (formerly Sintana Energy Inc.) ("Sintana Holdings"). In connection with the Business Combination, Sintana acquired all of the issued and outstanding common shares of Sintana Holdings ("Sintana Holdings Shares") from the existing holders thereof in consideration of the issuance of 0.26316 of one common share of Sintana (each whole such common shares, a "Sintana Share") for each Sintana Holdings Share so held (the "Exchange Ratio") pursuant to a three-cornered amalgamation effected by way of a plan of arrangement in which Sintana Holdings amalgamated with a wholly-owned subsidiary ("1935370 Ontario Inc.") of Sintana. Also in connection with the Business Combination, (i) Sintana changed its name to "Sintana Energy Inc." (the "Name Change"); (ii) each outstanding share purchase warrant of Sintana Holdings (each, a "Sintana Holdings Warrant") became exercisable to acquire Sintana Shares in lieu of Sintana Holdings Shares subject to adjustment in number and exercise price to give effect to the Exchange Ratio; and (iii) each stock option of Sintana Holdings was exchanged for an equivalent stock option of Sintana, subject to adjustment in number and exercise price to give effect to the Exchange Ratio.

Each stock option of Sintana outstanding immediately prior to the effective date of the Business Combination vested and will remain outstanding until the earlier of: (A) the original expiration date thereof; and (B) the date that is the later of: (i) December 31, 2016, and (ii) the latest date provided for pursuant to the Sintana stock option plan.

On August 6, 2015, in connection with the Business Combination, Sintana Holdings and 1935370 Ontario Inc. amalgamated to continue as one corporation under the name "Sintana Holdings Corp.".

The shares of the combined company after giving effect to the Business Combination and the Name Change to "Sintana Energy Inc." commenced trading on the TSXV under the symbol "SEI" effective as of the market open on August 10, 2015.

The board of directors of the combined company is comprised of Messrs. Keith Spickelmier, Douglas Manner, Bruno Maruzzo and Ian Macqueen. The management team is comprised of Messrs. Keith Spickelmier as Executive Chairman, Douglas Manner as Chief Executive Officer, David Cherry as President and Chief Operating Officer, Carmelo Marrelli as Chief Financial Officer and Sean Austin as Vice-President, Controller, Corporate Secretary and Treasurer. Lee Pettigrew, former President and Chief Executive Officer of Sintana, remains an officer (Vice-President Canadian Operations) of the combined company. This board and management composition has been structured so as to integrate the expertise of experienced oil and gas executives to effectively manage the resulting company's consolidated oil and gas assets.

In connection with the Business Combination, all of the existing stock options and the stock option plan of Sintana Holdings were cancelled, and Sintana issued an aggregate of 5,419,777 stock options to certain directors, officers, employees and consultants, each exercisable to acquire one Sintana Share at an exercise price range of $0.51 and $1.86. Immediately following the closing of the Business Combination, an aggregate of 116,866,714 Sintana Shares were issued and outstanding, of which 88,427,906 Sintana Shares were held by former Sintana Holdings shareholders and 28,438,808 Sintana Shares were held by Sintana shareholders existing immediately prior to closing. Furthermore, an additional 3,621,632 Sintana Shares were reserved for issuance upon the closing of the Business Combination pursuant to pre-existing share purchase warrants of Sintana Holdings and 98,385 Sintana Shares were reserved for issuance upon the closing of the Business Combination pursuant to pre-existing share purchase warrants of Sintana. All previously outstanding warrants expired prior to the date of this MD&A.

This transaction was accounted for an issuance of shares, warrants, and options by Sintana Holdings for net assets of Mobius Resources Inc. followed by a recapitalization of Sintana Holdings. For accounting purposes, Sintana Holdings was deemed to be the acquirer. The gain resulting from the Business Combination amounted to $591,446. Sintana Holdings acquired the assets and liabilities of Sintana as follows:

	Amount ($)
Purchase Price Consideration	
28,438,808 common shares of Sintana [a]	**3,128,269**
3,621,632 warrants of Sintana [b]	**nil**
5,419,777 stock options of Sintana [c]	**161,766**
	3,290,035
Net Assets Acquired (Fair Value)	
Cash and cash equivalents	**966,269**
Accounts receivable and other assets [d]	**2,682,309**
Convertible debentures receivable [e]	**1,009,863**
Deposits	**51,708**
Accounts payable and other liabilities	**(406,005)**
Asset retirement obligation	**(422,663)**
Total net assets	**3,881,481**
Excess of the fair value of net assets acquired over purchase price (gain)	**(591,446)**

The consolidated financial statements reflect the assets, liabilities and results of operations of Sintana Holdings for the full year, and Mobius from the transaction date. The comparative information throughout the consolidated financial statements represent that of Sintana Holdings.

(a) For the purpose of determining the value of the purchase price consideration, the 28,438,808 Sintana Shares were valued at $0.11 per share.

(b) The fair value of the Sintana warrants was estimated to $nil due to the limited remaining life of the warrants.

(c) The fair value of the Sintana stock options was estimated using the Black-Scholes option pricing model based on the following assumptions: volatility - 80% to 112%, risk-free interest rate - 0.43% to 0.55%, expected life – 1.41 to 4.38 years, share price - $0.11 and dividend yield - nil%.

(d) Includes an intercompany balance of $2,555,337 receivable from Sintana Holdings that was eliminated upon consolidation.

(e) The convertible debentures receivable was receivable from Sintana Holdings.

Overall Performance

As at December 31, 2015, the Company had assets of $2,527,493 and a net deficit position of $161,599. This compares with assets of $2,216,496 and a net equity position of $1,043,218 at December 31, 2014. At December 31, 2015, the Company had $2,689,092 of liabilities (December 31, 2014 - $1,173,278). For the year ended December 31, 2015, the Company expensed $2,588,130 (year ended December 31, 2014 – $4,763,327) as exploration and evaluation expenditures on its oil and natural gas ownership interests.

At December 31, 2015, the Company had working capital of $192,561 (December 31, 2014 – $1,043,218). The Company had cash and cash equivalents of $2,147,770 at December 31, 2015 (December 31, 2014 - $1,876,191). The decrease in working capital of $850,657 from December 31, 2014 to December 31, 2015, is primarily due to operating and administration costs and the Company's exploration program which was partially offset by the cash acquired from the Business Combination.

On March 20, 2015, Canacol Energy Colombia S.A., ("Canacol") (a subsidiary of Canacol Energy Ltd.) advised the Company that it had exercised its right to terminate the Farmout Agreement for each of the COR-11 and COR-39 Blocks. The Company concurred in writing that the Farmout Agreements had terminated. Canacol also contends that it has the right to recover certain historical costs with which the Company disagrees. Management is currently evaluating this matter and, together with legal counsel and other experts, assessing its potential options and alternatives with respect to these costs.

On April 30, 2015, Phil de Gruyter's, former Vice President Exploration & South America Manager, status changed from being a full time employee of the Company to a part time consultant.

On April 30, 2015, the Company announced that it had received notice that Exxon had commenced drilling operations for the Manati Blanco-1 well.

On May 26, 2015, Sintana Holdings completed a private placement of secured convertible debentures in the aggregate principal amount of $1,000,000 (the "Debentures") to Sintana, formerly Mobius Resources Inc. The Debentures were subsequently cancelled as a condition of the closing of the Business Combination.

On August 4, 2015, the Company reported the successful execution of drilling operations in the conventional formations encountered by the Manati Blanco-1 well. See "Petroleum and Natural Gas Prospects" below.

On August 6, 2015, the Company announced the completion of the Business Combination. The Debentures noted above were cancelled as part of the closing process of the Business Combination and all income and expense amounts related to the Debentures eliminated upon consolidation. See "Business Combination" above.

On October 8, 2015, the Company reported that the Manati Blanco-1 exploration well, located on Colombia Block VMM-37, has been successfully drilled and cased through multiple tight oil formations to a measured depth of approximately 14,500'. Data analysis and additional studies are underway to evaluate the possible resource potential of this Block and determination of an optimal zone to hydrostatically facture.

On November 5, 2015, the Company granted a total of 4,375,000 stock options to several directors, officers and consultants of the Company. The options have an exercise price of $0.175, vest in three equal tranches over the following 24 months and expire on November 5, 2020.

On January 27, 2016, the Company settled debt of $65,000 through the issuance of 361,110 common shares, in partial consideration of the past services provided to Sintana by five officers of the Company (the "Recipients"), in lieu of cash compensation previously earned by such Recipients but not paid. The common shares are subject to a statutory hold period expiring on May 28, 2016.

On February 5, 2016, 6,667 warrants with an exercise price of $4.50 expired unexercised.

On April 1, 2016, 667 stock options with an exercise price of $15.75 expired unexercised.

On April 19, 2016, 1,740,801 stock options with an exercise price of $1.03 expired unexercised.

See "Petroleum and Natural Gas Prospects" below.

Trends

The Company is focused on acquisition, exploration, development, production and / or sales of crude oil and natural gas resources.

There are significant uncertainties regarding the market prices for crude oil and natural gas and the availability of equity and / or other financing for the purposes of acquisition, exploration, development, production and / or sales activities. The future performance of the Company is largely tied to the acquisition, exploration, development and production of properties that may be proven successful; associated sales of crude oil and natural gas and overall financial markets. Financial and commodities markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weak global growth prospects. Unprecedented uncertainties in financial and commodities markets have also led to increased difficulties in borrowing and raising funds. Companies worldwide have been materially and adversely affected by these trends. As a result, the Company might have difficulties raising equity and / or other capital without excessively diluting the interests of existing shareholders. These trends may limit the ability of the Company to explore and / or further develop crude oil and natural gas discovered on License Blocks in which it has private participate interests.

The volatility of financial and commodities markets is a significant risk for the Company and the industry. As a result, investors might divest assets perceived as higher risk to other investments. Companies similar to Sintana are considered substantially above average risk investments and are highly speculative. The volatility of markets, and investor sentiment, could make it difficult for Sintana to access capital markets in order to raise the capital it will need to fund future expenditures.
See also "Risk Factors".

Proposed Transactions

The Company routinely evaluates various business development opportunities that could entail farm-ins, farm-outs, acquisitions, trades and / or divestitures. In this regard, the Company is currently in discussions related to these and similar activities with various parties. There can be no assurance that any such transactions will be concluded in the future.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, Sintana does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future impact on its results of operations or financial condition, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Capital Management

Sintana manages its capital with the following objectives:

- ensure sufficient financial flexibility to achieve its ongoing business objectives;
- maintain a balanced portfolio of various participation interests, with a focus on conventional and unconventional opportunities in the Magdalena Basin, Colombia; and
- maximize shareholder value.

Sintana monitors its capital structure and makes adjustments, as deemed necessary, in an effort to meet its commitments and objectives. Sintana can manage its capital structure by issuing new shares and debt, repurchasing outstanding shares, reducing participation interests, adjusting capital spending and operating costs, and / or disposing of assets. Cash Forecasts and capital structure are reviewed by management and the Board of Directors on an ongoing basis.

Sintana considers its financial capital to be (deficit) equity, comprising share capital, warrants, contributed surplus (which includes stock options), equity conversion feature of convertible debentures and deficit, which at December 31, 2015 totaled to a net deficit position of $161,599 (December 31, 2014 – $1,043,218).

Sintana monitors its sources and uses of capital through its financial and operational forecasting processes. Sintana reviews its working capital and forecasts the timing and amounts of its future cash flows based on anticipated operating and overhead expenditures, and other investing and financing activities. The forecast is updated periodically based on current and planned activities related to its oil and natural gas participation interests. Forecast summaries are provided to the Board of Directors.

Sintana's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company was compliant with Policy 2.5.

Selected Annual Financial Information

The following is selected financial data derived from the audited annual consolidated financial statements of the Company at December 31, 2015, December 31, 2014 and December 31, 2013 and for the years then ended:

(Loss) Income	Year Ended December 31, 2015 $	Year Ended December 31, 2014 $	Year Ended December 31, 2013 $
Total revenues	nil	nil	nil
Total (loss) income [(1)(2)]	(4,826,232)	(6,317,487)	749,416
Net (loss) income per share – basic [(3)(4)]	(0.05)	(0.08)	0.00
Net (loss) income per share – diluted [(3)(4)]	(0.05)	(0.08)	0.00
Assets / Liabilities	**As at December 31, 2015 $**	**As at December 31, 2014 $**	**As at December 31, 2013 $**
Total assets	2,527,493	2,216,496	6,349,410
Total non-current financial liabilities	402,800	nil	nil
Distribution or cash dividends [(5)]	nil	nil	nil

(1) (Loss) income from continuing operations attributable to owners of the parent, in total;
(2) (Loss) income attributable to owners of the parent, in total;
(3) (Loss) income from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis;
(4) (Loss) income attributable to owners of the parent, on a per-share and diluted per-share basis;
(5) Declared per-share for each class of share.

- The net loss for the year ended December 31, 2015, consisted primarily of (i) exploration and evaluation expenditures of $2,588,130; (ii) general and administrative expenses of $3,195,309; (iii) foreign exchange gain of $365,761; and (iv) gain on Business Combination of $591,446.

- The net income for the year ended December 31, 2014, consisted primarily of (i) exploration and evaluation expenditures of $4,763,327; (ii) general and administrative expenses of $1,653,710; (iii) foreign exchange loss of $10,810; and (iv) other income of $110,360.

- The net income for the year ended December 31, 2013, consisted primarily of (i) exploration and evaluation expenditures recoveries of $1,742,975; (ii) general and administrative expenses of $2,141,119; (iii) foreign exchange gain of $2,062,741; (iv) finance interest expense of $600,964; (v) income tax expense of $720,532; and (vi) deferred tax recovery of $406,315.

- The Company's ability to fund its operations is dependent upon it securing financing by issuing equity, selling assets, proceeds from sales of oil and natural gas produced, and / or from royalty income. The value of any oil and gas prospect is dependent upon the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete exploration, development and production activities, and the future profitable production or proceeds from disposition of such oil and natural gas prospect. See "Trends" and "Risk Factors".

Selected Quarterly Information

Quarter Ending	Total Sales ($)	Profit or (Loss) Total ($)	Profit or (Loss) Basic and Diluted Income (Loss) Per Share [(9)] ($)	Total Assets ($)
2015-December 31	Nil	(1,743,972) [(1)]	(0.01)	2,527,493
2015-September 30	Nil	(516,612) [(2)]	(0.01)	3,409,561
2015-June 30	Nil	(1,610,264) [(3)]	(0.02)	1,474,449
2015-March 31	Nil	(955,384) [(4)]	(0.01)	1,559,904
2014-December 31	Nil	(2,418,695) [(5)]	(0.01)	2,216,496
2014-September 30	Nil	(1,177,229) [(6)]	(0.00)	1,775,042
2014-June 30	Nil	(1,244,416) [(7)]	(0.00)	2,884,661
2014-March 31	Nil	(1,477,147) [(8)]	(0.00)	4,655,621

Notes:

(1) Net loss of $1,743,972 consisted primarily of: exploration and evaluation expenditures of $659,827 and general and administrative expenses of $1,240,031 which was offset by foreign exchange gain of $125,614.

(2) Net loss of $516,612 consisted primarily of: exploration and evaluation expenditures of $378,905, general and administrative expenses of $699,505; foreign exchange loss of $16,728 and finance interest expense of $18,538 which was offset by a gain on Business Combination of $597,064.

(3) Net loss of $1,610,264 consisted primarily of: exploration and evaluation expenditures of $914,270, general and administrative expenses of $623,015; foreign exchange loss of $55,627 and finance interest expense of $17,352.

(4) Net loss of $955,384 consisted primarily of: exploration and evaluation expenditures of $635,128, general and administrative expenses of $632,758; and foreign exchange gain of $312,502.

(5) Net loss of $2,418,695 consisted primarily of: exploration and evaluation expenditures of $1,654,033, general and administrative expenses of $285,720; and foreign exchange loss of $478,942.

(6) Net loss of $1,177,229 consisted primarily of: exploration and evaluation expenditures of $1,308,962, general and administrative expenses of $469,699; and foreign exchange gain of $601,432.

(7) Net loss of $1,244,416 consisted primarily of: exploration and evaluation expenditures of $529,497; general and administrative expenses of $387,815; and foreign exchange loss of $327,104.

(8) Net loss of $1,477,147 consisted primarily of: exploration and evaluation expenditures of $1,270,835; general and administrative expenses of $510,476; foreign exchange gain of $193,804; and other income of $110,360.

(9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Variances in the Company's quarterly net income or loss are largely attributable to variances in the magnitude and timing of the Company's exploration and evaluation expenditures and recoveries, transactions costs, share-based payments, foreign exchange gain / loss and loss on debt extinguishment.

Petroleum and Natural Gas Prospects

Exploration Expenditures

Exploration Expenditures	Year Ended December 31, 2015 $	Year Ended December 31, 2014 $
Magdalena Basin, Colombia		
Salaries and benefits	997,015	1,707,252
Administrative and general	320,012	260,182
Consulting fees	264,265	301,900
Other	193,177	625,813
Professional fees	155,537	184,158
Office rent	146,049	143,099
Drilling	137,858	nil
Travel expenses	97,691	104,987
Seismic	nil	1,471,393
Technical support services	nil	(90,243)
	2,311,604	**4,708,541**
Sechura Basin, Peru		
Professional fees	10,825	54,773
Other	nil	13
	10,825	**54,786**
Duvernay formation, Alberta		
Well abandonment and site cleanup	50,000	nil
	50,000	**nil**
Nova Scotia properties, Nova Scotia		
Well abandonment and site cleanup	215,701	nil
	215,701	**nil**
Total	**2,588,130**	**4,763,327**

Statistical Summary for Sintana's assets in Colombia's Magdalena Basin:

Asset Summary			
Basin / Block	**Operator**	**Gross Acres ('000)**	**Private Participation Interest**
Middle Magdalena			
VMM-37 Unconventional	Exxon	43	30%
VMM-37 Conventional	Sintana	n/a	100%
		43	
VMM-4	LOH	155	15%
Total Magdalena Basin, Colombia	(A)	**198**	

(A) Square Miles: Gross – 309.

VMM-37 Block (Sintana: Conventional – 100% private participation interest; Unconventional – 30% private participation interest - carried)

In March 2011, 100% of the License Contract covering the 43,158 acres VMM-37 Block was awarded to Patriot.

In November 2012, Patriot executed the Exxon Agreement whereby Exxon acquired contractual rights to an undivided 70% participation interest and operatorship in the unconventional formations of VMM-37, subject to completion of a defined Work Program. For purposes of the agreement, unconventional formations are defined as the La Luna and deeper. Patriot retained the remaining 30% participation interest in the unconventional play as well as a 100% participation interest in the conventional resources overlying the top of the unconventional interval.

In April 2013, the ANH approved the acquisition by Exxon of the undivided 70% private participation interest and operatorship in the formations defined as unconventional effective as of when Exxon completes the Work Program as specified in the License Contract for the VMM-37 Block. Four months later, the ANH approved an amendment to the Exxon Agreement which revised the Work Program for the VMM-37 Block to include the hydraulic stimulation ("fracking" or "frac") and production testing of the initial vertical exploration well, drilled to a minimum depth of 14,000 feet (the "Manati Blanco-1" or "Blanco 1"). Also now required is the drilling of a second vertical well (the "Manati Gris-1" or "Gris 1") to a depth of at least 14,000 feet plus the drilling of a lateral side track of the second well to a length of at least 4,000 feet with fracking and production testing of the horizontal segment. The horizontal segment replaced a previously required third vertical well.

Drilling of the Manati Blanco-1 vertical well commenced on April 27, 2015.

The first exploration target in this well was the Lower Tertiary Wedge conventional sandstone formation (Patriot - 100%) at approximately 8,000 feet. In June 2015, the well drilled through several hundred feet (gross) of porous, conventional channel sands in the Basal Tertiary formation. One sand section was discovered to have net sand of up to 90 feet with gas shows. Logs over these sands indicated high water saturation and a relatively high content of fine-grained material implying low permeability.

Immediately thereafter, drilling commenced in the first of several prospective Cretaceous age unconventional formations (Patriot – 30%) targeted in this well. Drilling operations were successfully completed and the rig was released on September 19, 2015 after having reached a measured depth of approximately 14,500 feet. Primary targets for the Blanco-1 well were the Cretaceous age La Luna and Tablazo/Paja tight oil formations. The well drilled through a gross total of approximately 2,600 feet in the La Luna and approximately 500 feet in the Tablazo/Paja.

Over the course of the last six months, both Exxon staff and third party technical services providers have executed an extensive program of examining, processing, extracting and correlating a large amount of data obtained from logs, cores, cuttings, samples and other physical sources of information. They've built a comprehensive database of facts on the 3,100 vertical feet of hydrocarbon resource potential section discovered by the Manati Blanco-1 well. This data, along with an extensive library of data obtained from similar geological formations throughout the world, is now being used as the input source for a comprehensive simulation and evaluation program. The output from this processing will be used to select a target zone for the initial vertical hydraulic fracture ("frack") in this wellbore. It will also be used to design an optimized frack program.

Receipt of an environmental permit is a mandatory prerequisite to finalizing the frack design and developing a detailed action plan and timeline for training, procurement, logistics and other pre-frack activities. Without knowing the requirements and restrictions of the permit, meaningful progress on a yet to be determined timeline is not a reasonable expectation.

Exxon submitted a permit application (> 2,000 pages) approximately one year ago. Given the environmental impact of a severe drought in the Magdalena Basin, the Agency responsible for the environmental permit approval process has informed industry participants that no application responses will be issued until after drought conditions have improved substantially.

VMM-4 Block, Colombia (Sintana – 15% private participation interest - carried)

The VMM-4 Block is located on the eastern edge of the Middle Magdalena Basin, where the basin ends against the Eastern Cordillera with its major mainly strike-slip fault-systems and rugged highlands. The Block consists of an area of 154,904 acres.

In the fourth quarter of 2013, a 206 square kilometer 3D seismic data acquisition program on VMM-4 was completed and has now been processed and interpreted. The number and size of prospects identified in both conventional and unconventional formations are very encouraging. In addition, nearby exploration wells drilled by Canacol, Conoco, Shell and other industry participants have reportedly discovered substantial conventional and unconventional oil resources on several blocks, including Midas B, VMM-2 and Santa Isabel.

The operator has advised the Company that the drilling phase of the Work Program will commence once all necessary permits are obtained. Two wells are planned with a program design of back-to-back drilling operations.

As is the case with VMM-37, an environmental permit is required before drilling operations may commence. Given the severe drought conditions in the Magdalena Basin, described in more detail above, a timeline for initiating detailed planning for a number of complex and time consuming pre-drill activities cannot be finalized at this time.

Talora Block, Colombia (Sintana – 0.85% private participation back-in interest)

In August 2011, the Company entered into an agreement with Petrodorado Energy Ltd. ("Petrodorado"), to farm-in to an undivided 30% private participation interest in the Petrodorado operated 34,194 acres Talora Block. This block straddles the transition area between the Upper and Middle Magdalena Basins and is flanked by Middle Magdalena oil fields to the north and Upper Magdalena oil fields to the south.

To date, three exploration wells have been drilled on the Talora Block (Verdal-1X & 2X and Dorados-1X). The requirements of the initial License Contract Work Program have been satisfied and Sintana has completed the carry phase of the Talora Farmout Agreement. In July, 2014, Petrodorado submitted a Commercialization Plan to the ANH. Requirements of the approved Work Plan call for:

- Verdal - 2X well: reenter and drill underbalanced laterally up to 5,000 feet through the naturally factured Loma Gorda interval (La Luna equivalent) and conduct flow tests during drilling operations.
- Dorados – 2X well: drill a twin to the Dorados – 1X well.

After an extensive, but ultimately unsuccessful, effort to identify a farmout partner willing to take responsibility for making the substantial investments required to execute this Work Program, Petrodorado and Sintana elected to divest of their respective interests. Post the drilling and payout of the next well on the Talora Block, the Company will have the option to back-in to it and future wells with a private participation interest of 0.85%.

Technical Information

Douglas Manner, Chief Executive Officer of Sintana, has reviewed and verified the technical content of the information contained in this MD&A.

Environmental Contingency

The Company's Colombia exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of the date of this MD&A, the Company believes that there are no significant environmental obligations requiring material capital outlays in the immediate future for Colombia exploration activities. However, an asset retirement obligation has been recorded for Canadian oil and gas lease interests acquired as a result of the Business Combination.

Discussion of Operations

Year Ended December 31, 2015, compared with the year ended December 31, 2014

Sintana's net loss totalled $4,826,232 for the year ended December 31, 2015, with basic and diluted loss per share of $0.05. This compares with a net loss of $6,317,487 for the year ended December 31, 2014, with basic and diluted loss per share of $0.08. The decrease of $1,491,255 in net loss was principally due to:

- Exploration and evaluation expenditures decreased to $2,588,130 compared to $4,763,327 for the comparative period. See "Petroleum and Natural Gas Prospects", above for a description of current exploration activities.

- General and administrative expenses increased by $1,541,599. General and administrative expenses totalled $3,195,309 for the year ended December 31, 2015 (year ended December 31, 2014 - $1,653,710) and consisted of administrative and general expenses of $538,505 (year ended December 31, 2014 - $147,636), professional fees of $895,526 (year ended December 31, 2014 - $442,783), reporting issuer costs of $28,403 (year ended December 31, 2014 - $9,582), travel expenses of $90,623 (year ended December 31, 2014 - $197,442), salaries and benefits of $1,669,685 (year ended December 31, 2014 - $857,258) and interest and other income of $27,433 (year ended December 31, 2014 – $991). These general and administrative expenses were materially impacted by one time legal and other expenditures associated with the Business Combination.

  - The Company incurred an increase in salaries and benefits of $812,427 for the year ended December 31, 2015, compared to the year ended December 31, 2014. The increase can be attributed to management salaries and benefits recorded for months renounced during fiscal year 2014 and 2015 but for which the Company determined would be paid in 2015 and 2016 after completion of the Business Combination as well as the addition of one employee (Vice President Canadian Operations). The increase can also be attributed to the vesting over time of options granted.

    - On November 5, 2015, the Company granted a total of 4,375,000 stock options to several directors, officers and consultants of the Company. The options have an exercise price of $0.175, vest in three equal tranches over the next 24 months and expire on November 5, 2020. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 341.77%; risk-free interest rate of 0.97%; and an expected average life of 5 years. The options were value at $765,625. $313,941 (year ended December 31, 2014 - $nil) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus for the year ended December 31, 2015.

  Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

    - The expected term: the Company used the maximum term ascribed to stock options issued for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.

    - Volatility: the Company used historical information on the market price of common shares of a similar company to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

    - Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate varies depending on the date of the grant of the stock options and their expected term.

    - Dividend yield: the Company has not paid dividends in the past because it is in the exploration phase of discovering crude oil and natural gas resources and has not yet earned any significant income. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

- The Company incurred an increase in professional fees of $452,743 for the year ended December 31, 2015, compared to the year ended December 31, 2014. The increase can be attributed to higher corporate activity requiring legal assistance principally related to the Business Combination.

- Administrative and general expenses include rent and other corporate office expenses. The increase in administrative and general expenses can be attributed to higher support costs for Sintana's operations in Colombia and Business Combination activities.

- The Company incurred a decrease in travel expenses of $106,819 for the year ended December 31, 2015, compared to the year ended December 31, 2014. The decrease can be attributed to lower business development, operations monitoring and investor relations activities.

- The Company incurred a foreign exchange gain of $365,761, up from a loss of $10,810 in the previous period, which was primarily attributable to US dollar and Colombian peso exchange rate fluctuations.

- The Company incurred a decrease in other income of $110,360 for the year ended December 31, 2015, compared to the year ended December 31, 2014. The decrease is due to the sale of working and overriding royalty interests in Marion County, Texas, for a total of USD$100,000 during the year ended December 31, 2014.

- The Company incurred an increase in gain on Business Combination of $591,446 for the year ended December 31, 2015, compared to the year ended December 31, 2014. The increase is due to the completion of the Business Combination.

<u>Three Months Ended December 31, 2015, compared with the three months ended December 31, 2014</u>

Sintana's net loss totalled $1,743,972 for the three months ended December 31, 2015, with basic and diluted loss per share of $0.01. This compares with a net loss of $2,418,695 for the three months ended December 31, 2014, with basic and diluted loss per share of $0.01. The decrease of $674,723 in net loss was principally due to:

- Exploration and evaluation expenditures decreased to $659,827 compared to $1,654,033 for the comparative period. See "Petroleum and Natural Gas Prospects", above for a description of current exploration activities. A primary driver of this substantial decrease was releasing all Colombia based employees over the course of the first 9 months of 2015.

- General and administrative expenses increased by $954,311. General and administrative expenses totalled $1,240,031 for the three months ended December 31, 2015 (three months ended December 31, 2014 - $285,720) and consisted of administrative and general expenses of $283,245 (three months ended December 31, 2014 - $21,725), professional fees of $240,465 (three months ended December 31, 2014 - $120,719), reporting issuer costs of $833 (three months ended December 31, 2014 - $829), travel expenses of $19,726 (three months ended December 31, 2014 - $31,229), salaries and benefits of $703,816 (three months ended December 31, 2014 - $111,225) and interest and other income of $8,054 (three months ended December 31, 2014 – $7).

- The Company incurred an increase in salaries and benefits of $592,591 for the three months ended December 31, 2015, compared to the three months ended December 31, 2014. The increase can be attributed to management salaries and benefits recorded for months renounced during fiscal year 2014 and 2015 but for which the Company decided to partially pay in fiscal 2015.

  - On November 5, 2015, the Company granted a total of 4,375,000 stock options to several directors, officers and consultants of the Company. The options have an exercise price of $0.175, vest in three equal tranches over the next 24 months and expired on November 5, 2020. For the purpose of the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 341.77%; risk-free interest rate of 0.97%; and an expected average life of 5 years. The options were value at $765,625. $313,941 (three months ended December 31, 2014 - $nil) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus for the three months ended December 31, 2015.

  Several variables are used, including the expected term, volatility, risk-free interest rate and dividend yield, when determining the value of stock options using the Black-Scholes valuation model, as described on pages 17 and 18.

- The Company incurred an increase in professional fees of $119,746 for the three months ended December 31, 2015, compared to the three months ended December 31, 2014. The increase can be attributed to higher corporate activity requiring legal assistance.

- Administrative and general expenses include rent and other corporate office expenses. The increase in administrative and general expenses can be attributed to additional costs, primarily rent, for Calgary office leases inherited as a result of the Business Combination.

- The Company incurred a decrease in travel expenses of $11,503 for the three months ended December 31, 2015, compared to the three months ended December 31, 2014. The decrease can be attributed to lower business development, operations monitoring and investor relations activities.

- The Company incurred a foreign exchange gain of $125,614, up from a loss of $478,942 in the previous period, which was primarily attributable to US dollar and Colombian peso exchange rate fluctuations.

Recent Accounting Pronouncements

IFRS 9 – Financial Instruments ("IFRS 9") was initially issued by the IASB in November 2009 and issued in its completed version in July 2014, and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company will adopt the standard on its effective date and is currently assessing the impact of this pronouncement.

(ii) IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases.

The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board (FASB). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15, has been applied, or is applied at the same date as IFRS 16.

Liquidity and Financial Position

Expected use of funds for fiscal 2016 includes:

	Budget from January 1, 2016 to December 31, 2016 ($ millions) (1)
Cash inflow	
Cash balance at December 31, 2015	**2.1**
Cash receivable from Exxon	**0.1**
Total cash inflow	**2.2**
Cash outflow	
Exploration expenses and capital expenditures	**0.5**
General and corporate expenses	**1.4**
Total cash outflow	**1.9**
Expected cash balance	**0.3**

(1) The Company has projected the flow of funds for the following twelve months. These events may or may not occur. See "Cautionary Note Regarding Forward-Looking Information".

Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Company. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as needs arise. See "Risks Factors" and "Cautionary Note Regarding Forward-Looking Information".

Changes in capital markets, including a decline in the market prices for crude oil and / or natural gas, could materially and adversely impact Sintana's ability to complete further financings or disposition of assets, with the result that it may be forced to scale back its operations.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 ("NI 52-109), Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital

As of the date of this MD&A, an aggregate of 117,227,824 common shares of Sintana are issued and outstanding.

In addition, as of the date of this MD&A, Sintana had the following securities outstanding, each entitling the holder to acquire one common share of Sintana in accordance with the terms thereof:

- 9,857,871 stock options with exercise prices of $0.145 to $15.60 which will expire between May 5, 2016 and November 5, 2020.

Outlook

The Company routinely evaluates various business development opportunities which could entail farm-ins, farmouts, acquisitions and / or divestitures.

The Company continues to monitor its spending and will amend its plans and budgets based on exploration results and expectations of being able to obtain additional funds as and when required.

Additional Information

Additional information relating to the Company is available on SEDAR at **www.sedar.com** and the Company's website at **www.sintanaenergy.com**.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions are conducted at normal commercial terms.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Remuneration of directors and key management personnel of the Company was as follows:

Salaries and Benefits [1]	Year Ended December 31, 2015 $	Year Ended December 31, 2014 $
2015 salaries and benefits paid		
Keith D. Spickelmier - Director / Executive Chairman	147,160	184,100
Douglas G. Manner - Director / Chief Executive Officer	153,552	253,137
David L. Cherry - President & Chief Operating Officer	147,160	184,100
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	133,847	166,187
Lee Pettigrew – Vice President Canadian Operations	23,886	Nil
Bruno Maruzzo – Director	20,000	20,000
Ron MacMicken – Director [A]	10,000	20,000

Ian Macqueen – Director	10,000	Nil
Phil de Gruyter – Vice President Exploration & South America Manager [(B)]	198,376	595,072
Greg Schlatcher – Reservoir Engineering Manager [(C)]	351,558	378,414
2015 salaries and benefits paid	**1,119,539**	**1,801,010**
Deferred salaries		
Keith D. Spickelmier - Director / Executive Chairman	152,141	Nil
Douglas G. Manner - Director / Chief Executive Officer	152,141	Nil
David L. Cherry - President & Chief Operating Officer	152,141	Nil
Sean J. Austin - Vice President, Controller, Secretary & Treasurer	135,521	Nil
Lee Pettigrew – Vice President Canadian Operations	90,421	Nil
Deferred salaries	**682,365**	**Nil**
Total	**1,877,904**	**1,801,010**

[(A)] Did not stand for reelection in July 2015.

[(B)] Employment ceased in April 2015.

[(C)] Employment ceased in September 2015.

[(1)] Salaries and benefits include director fees. During the year ended December 31, 2015, $716,609 (year ended December 31, 2014 - $1,162,413) of salaries and benefits expense was included in exploration and evaluation expenditures. Advances to employees for $nil are included in accounts receivable and other assets at December 31, 2015 (December 31, 2014 - $125,731). Balances due to directors and key management personnel for $752,287 are included in accounts payable and other liabilities as at December 31, 2015 (December 31, 2014 - $nil).

Share-based payments	Year Ended December 31, 2015 $	Year Ended December 31, 2014 $
Keith D. Spickelmier - Director / Executive Chairman	46,390	25,926
Douglas G. Manner - Director / Chief Executive Officer	46,390	25,926
David L. Cherry - President & Chief Operating Officer	46,390	25,926
Sean J. Austin - Vice President, Controller, Corporate Secretary & Treasurer	43,313	10,371
Lee Pettigrew – Vice President – Canadian Operations	41,261	Nil
Bruno Maruzzo – Director	17,939	Nil
Ian Macqueen – Director	17,939	Nil
Carmelo Marrelli, Chief Financial Officer	7,176	Nil
Phil de Gruyter - Vice President Exploration & South America Manager	nil	17,965
Greg Schlatcher - Reservoir Engineering Manager	nil	10,267
Total	**266,798**	**116,381**

The Company entered into the following transactions with related parties:

For the year ended December 31, 2015, the Company paid professional fees and disbursements of $84,081 (year ended December 31, 2014 - $77,022) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Carmelo Marrelli is the Chief Financial Officer of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. An amount of $20,980 is included in accounts payable and other liabilities as at December 31, 2015 (December 31, 2014 - $20,785).

For the year ended December 31, 2015, the Company paid professional fees and disbursements of $36,532 (year ended December 31, 2014 - $26,718) to DSA Corporate Services Inc. ("DSA"), an organization which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, DSA was owed $3,104 (December 31, 2014 - $1,609) and this amount is included in accounts payable and other liabilities.

Certain related parties of the Company participated in the 2014 private placement and acquired an aggregate of 1,953,333 Units as follows:

- Sean Austin, Vice President of the Company, purchased 105,260 Units of the Company at a price of US$0.34 per Unit on December 16, 2014.
- David Cherry, President and Chief Operating Officer of the Company, purchased 303,500 Units of the Company at a price of US$0.34 per Unit on December 16, 2014.
- Douglas Manner, Director and Chief Executive Officer of the Company, purchased 105,260 Units of the Company at a price of US$0.34 per Unit on December 16, 2014.

Financial Instruments

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest and foreign exchange risk).

Risk management is carried out by Sintana's management team with guidance from the Board of Directors.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. All of the Company's cash is held with well-known and established financial institutions. As such, management considers credit risk related to these financial assets to be minimal.

Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote. During the year ended December 31, 2015, $nil (December 31, 2014 - $90,000) of accounts receivable was considered impaired with the corresponding charge recorded in exploration and evaluation expenditures.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in economic conditions generally or matters specific to Sintana. The Company generates cash flow primarily from its financing and business development activities.

Most of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms, except for Colombian income taxes. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

- Interest rate risk

  The Company's current policy is to invest excess cash in short-term guaranteed investment certificates or money market funds of major Canadian chartered banks.

- Foreign currency risk

  As of December 31, 2015, the Company funds certain operations, exploration and administrative expenses in Colombia on a cash call basis using US dollar currency and Colombian Pesos. The Company maintains US dollar bank accounts in Canada, Colombia, Panama and the United States. The Company maintains two Colombian Peso bank accounts in Colombia. The Company is subject to gains and losses from fluctuations in the Canadian dollar, Colombian Peso and the United States dollar. The Company does not use currency derivative instruments to manage its exposure to foreign currency fluctuations.

  The following are the Canadian dollar equivalent balances for items denominated in foreign currencies:

	December 31, 2015 ($)
Cash and cash equivalents	797,221
Accounts receivable and other assets	130,636
Accounts payable and other liabilities	(1,604,216)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- Sintana holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. As at December 31, 2015, a plus or minus 10% change in the Colombian Peso and US dollar foreign exchange rates against the Canadian dollar, with all other variable held constant, would have affected the reported loss and comprehensive loss by approximately $68,000.

Commitments

(i) The Company holds an operating lease agreement for office space in Calgary, Alberta commencing on March 1, 2012 and ending on February 28, 2017. The annual average basic rent obligation is approximately $115,000, payable in monthly installments of approximately $10,000. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. As of August 1, 2013, a portion of the space was subleased to a third party reducing the annual average basic rent obligation to approximately $67,000, payable in monthly installments of approximately $6,000 for the remaining term.

(ii) The Company holds an operating lease agreement for office space in Calgary, Alberta commencing on November 1, 2013 and ending on October 31, 2016. The annual average basic rent obligation is approximately $139,000, payable in monthly installments of approximately $12,000. A portion of the space was subleased to a third party reducing the annual average basic rent obligation to approximately $37,000, payable in monthly installments of approximately $3,000 for the remaining term. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes.

(iii) The Company holds an operating lease agreement for office space in Bakersfield, California commencing July 1, 2012 and ending on June 30, 2017. The annual average basic rent obligation is approximately US$80,000 per annum, payable in average monthly installments of approximately US$7,000. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. Effective March 1, 2014, the Company entered into an agreement to sublet the office space for approximately $4,000 per month for the first year, increasing to $5,000 per month after the first year and $6,000 after the second year.

Additional Disclosure for Venture Issuers Without Significant Revenue

General and administrative	Year Ended December 31, 2015 $	Year Ended December 31, 2014 $
Salaries and benefits	1,669,685	857,258
Professional fees	895,526	442,783
Administrative and general	538,505	147,636
Travel expenses	90,623	197,442
Reporting issuer costs	28,403	9,582
Interest and other income	(27,433)	(991)
Total	**3,195,309**	**1,653,710**

Risk Factors

Investment in Sintana must be considered highly speculative due to the nature of Sintana's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of Sintana should only be considered by those persons who can afford a total loss of their investment.

Requirement to invest to retain rights

Most of the leases and other operating rights that Sintana has and will acquire granting Sintana the right to explore for and exploit crude oil and natural gas resources require, within defined lengths of time, Sintana to drill wells and / or conduct seismic activities to maintain those rights. There can be no assurance that Sintana will have the resources necessary to drill the required wells or conduct the requisite seismic activities within the required time periods. Sintana does not have adequate cash at present to complete all of its drilling and seismic activities required to maintain its interests in oil and natural gas properties. In addition, Sintana will prioritize its drilling and seismic programs so as to pursue its best prospects, thus running the risk that certain of its rights may expire. If Sintana does not perform the required drilling or other required activities within the defined time periods, its rights to explore may lapse, which could have a material adverse effect on Sintana.

Ongoing need for financing

As Sintana has limited revenue, its ability to continue exploration, development, acquisition and divestiture efforts are largely reliant on its continued attractiveness to equity investors. Sintana will incur operating losses as it continues to expend funds to explore and develop its properties. There is no guarantee that Sintana will be able to develop any of its properties to commercial production. Additionally, Sintana will require additional capital to continue exploration and development. Failure to raise such capital could result in Sintana going out of business. From time to time, Sintana may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase Sintana's debt levels above industry standards.

Crude oil and natural gas development

No reserves have been assigned in connection with Sintana's property interests to date, given their early stage of development. The future value of Sintana is therefore dependent on the success or otherwise of Sintana's activities, which are principally directed toward the further exploration, appraisal and development of its assets in Colombia, and potential acquisition of additional property interests in the future. Exploration, appraisal and development of crude oil and natural gas reserves are speculative and involve a significant degree of risk. There is no guarantee that exploration or appraisal of the property interests of Sintana will lead to a commercial discovery or, if there is a commercial discovery, that Sintana will be able to realize the value of such reserves as intended. Few properties that are explored are ultimately developed into new reserves. If at any stage Sintana is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, Sintana's business, financial condition and / or results of operations and, accordingly, the trading price of Sintana shares, is likely to be materially adversely affected.

Crude oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made for future exploration or development activities by Sintana will result in discoveries of crude oil, condensate or natural gas that are commercially or economically viable. It is difficult to project the costs of implementing any exploratory drilling or development program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Political risks

All of Sintana's current operations are conducted in Colombia and as such, Sintana's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; terrorism; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Sintana. Changes, if any, in oil and natural gas or investment policies or shifts in political attitude in the countries in which Sintana holds property interests may adversely affect Sintana's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and oil and natural gas safety matters. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to property applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Volatile stock price

The stock price of Sintana is highly volatile and will most likely be drastically affected by exploration and development results. Sintana cannot predict the results of its exploration and development activities expected to take place in the future. The results of these activities will inevitably affect Sintana's decisions related to further exploration and development of any of the properties that Sintana may hold in the future, and will likely trigger major changes in the trading price of the Sintana shares.

Potential conflicts of interest

Some of the individuals who serve as directors or officers of Sintana are also directors, officers and / or promoters of other reporting and non-reporting issuers. As of the date of this MD&A, and to the knowledge of the directors and officers of Sintana, there are no existing conflicts of interest between Sintana and any of the individuals who are directors or officers of SNN other than as disclosed elsewhere in this MD&A. Situations may arise where the directors and / or officers of Sintana may be in competition with Sintana. Any conflicts will be subject to and governed by the laws applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of Sintana's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Sintana are required to act honestly, in good faith and in the best interests of Sintana.

No history of production

Sintana's properties are exploration stage only. Sintana has never had any material interest in crude oil and / or natural gas producing properties. There is no assurance that commercial quantities of crude oil or natural gas will be discovered at any of the properties of Sintana or any future properties, nor is there any assurance that the exploration or development programs of Sintana thereon will yield any positive results. Even if commercial quantities of crude oil and / or natural gas are discovered, there can be no assurance that any property of Sintana will ever be brought to a stage where oil and / or natural gas can profitably be produced thereon. Factors which may limit the ability of Sintana to produce oil and / or natural gas from its properties include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any crude oil and / or natural gas deposits.

Reliance on limited number of properties

The principal property interests of Sintana are currently the VMM-37, VMM-4, Talora, COR-11 and COR-39 Blocks. As a result, any adverse developments affecting any or all of these Blocks could have a material adverse effect upon Sintana and would materially and adversely affect the potential production, profitability, financial performance and results of operations of Sintana.

Future sales of Sintana shares by existing shareholders

Sales of a large number of Sintana shares in the public markets, or the potential for such sales, could decrease the trading price of the Sintana shares and could impair Sintana's ability to raise capital through future sales of Sintana shares. Sintana may from time to time have previously issued securities at an effective price per share that is lower than the then current market price of Sintana shares. Accordingly, certain shareholders of Sintana may have an investment profit in Sintana shares that they may seek to liquidate.

Market price of Sintana shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of Sintana shares is also likely to be significantly affected by short-term changes in oil and natural gas prices or in Sintana's financial condition or results of operations of the Company. Other factors unrelated to Sintana's performance that may have an effect on the price of Sintana shares include the following: the extent of analytical coverage available to investors concerning Sintana's business may be limited if investment banks with research capabilities do not follow Sintana's securities; lessening in trading volume and general market interest in Sintana's securities may affect an investor's ability to trade significant numbers of Sintana shares; the size of Sintana's public float may limit the ability of some institutions to invest in Sintana's securities; and a substantial decline in the price of Sintana shares that persists for a significant period of time could cause Sintana's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of Sintana shares at any given point in time may not accurately reflect Sintana's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. Sintana may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Environmental regulation and risks

All phases of Sintana's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Sintana's operations. Environmental hazards may exist on the properties in which Sintana holds interests that are unknown to Sintana at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval of aboriginal people and permits are currently and may in the future be required in connection with Sintana's direct and indirect operations. To the extent such approvals are required and not obtained, Sintana may be curtailed or prohibited from continuing its oil and / or natural exploration operations or from proceeding with planned exploration or development of its properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of natural resource properties may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of crude oil and natural gas exploration companies, or more stringent implementation thereof, could have a material adverse impact on Sintana and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Requirement for permits and licenses

The operations of Sintana require it to obtain licenses for operating, permits, and in some cases, renewals of existing licenses and permits from various authorities in Colombia. Sintana believes that it currently holds or has applied for all necessary licenses and permits to carry on the activities it is currently conducting under applicable laws and regulations in respect of its properties, and also believes that it is complying in all material respects with the terms of such licenses and permits. However, the ability of Sintana to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions.

Exploration, development and operating risks

Exploration, development and production operations generally involve a high degree of risk. The operations of Sintana are subject to all the hazards and risks normally encountered in the exploration, development and production of oil and natural gas, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability.

Insurance and uninsured risks

Sintana's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, mechanical failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to crude oil and natural gas properties and / or production facilities, personal injury or death, environmental damage to the properties of Sintana, or the properties of others, delays in exploration, development and production activities, monetary losses and possible legal liability.

Although Sintana maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with crude oil and natural gas operations. Sintana may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to Sintana or to other companies in the oil and natural gas industry on acceptable terms. Sintana might also become subject to liability for pollution or other hazards that may not be insured against or which Sintana may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Sintana to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Infrastructure

Crude oil and natural gas exploration, development and production activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, water supply and disposal facilities are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of Sintana.

Participation Interests

No assurances can be given that there are no participation interests defects affecting any properties of Sintana. Insurance generally is not available, and the ability of Sintana to ensure that it has obtained secure claim to individual properties or concessions may be severely constrained. Furthermore, Sintana has not conducted surveys of the claims in which it currently holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, such natural resource properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and participation interests may be affected by, among other things, undetected defects. In addition, Sintana may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition

The crude oil and natural gas industries are competitive in all of their phases. Sintana faces strong competition from other companies in connection with the acquisition of properties producing, or capable of producing, crude oil and natural gas. Many of these companies have greater financial resources, operational experience and technical capabilities than Sintana. As a result of this competition, Sintana may be unable to maintain or acquire attractive properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of Sintana could be materially adversely affected.

Commodity prices

The price of Sintana shares, its financial results and its exploration, development and production activities, if any, could be significantly adversely affected by declines in the price of crude oil and / or natural gas. The prices of crude oil and natural gas fluctuate widely and are affected by numerous factors beyond Sintana's control, such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major oil-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future price declines in the market value of crude oil and / or natural gas could cause continued development of and commercial production from its properties to be impracticable. Depending on the price of crude oil and natural gas, cash flow from any potential future operations may not be sufficient and Sintana could be forced to discontinue production and may lose its interests in, or be forced to sell, some of its properties. Potential future production from Sintana's properties, if any, is dependent upon the price of crude oil and / or natural gas being adequate to make these properties economic.

In addition to adversely affecting Sintana's financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government regulation

Sintana's exploration, development and production activities are subject to various laws, regulations and rules governing prospecting, development, production, taxes, labour standards and occupational health and safety, toxic substances, land use, water use, land claims of local people and other matters. Although to the best knowledge of Sintana the exploration, development and production activities are currently carried out in all material respects in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner that could limit or curtail exploration, development, production and / or sales activities. Amendments to current laws, rules and regulations governing oil and natural gas operations, or more stringent implementation thereof, could have a substantial adverse impact on Sintana.

Global financial conditions

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or had to be rescued by governmental authorities. Access to public financing has been negatively impacted by government debt burdens, sub-prime mortgages, the liquidity crisis affecting the asset-backed commercial paper market and other factors. These factors may adversely impact the ability of Sintana to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, the operations of Sintana could be impacted and the value and the price of Sintana shares and other securities could be adversely affected.

Dividend policy

No dividends on any of the Sintana shares have been paid to date. Payment of future dividends, if any, will be at the discretion of the Board of Directors after taking into account multiple factors, including Sintana's operating results, financial condition, and current and anticipated cash needs.

Management

The success of the Company is heavily dependent on the performance of management. Shareholders will be relying on the good faith, experience and judgment of the Company's management, directors and advisers in supervising and providing for the effective management of the Company's business. The loss of the services of one or more of these persons could have a materially adverse effect on the Company's business. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company.

Additionally, directors and officers of the Company may also serve as directors and / or officers of other reporting issuers from time to time.

The Company has not purchased "key-man" insurance.

Subsequent Events

(i) On January 27, 2016, the Company settled debt of $65,000 through the issuance of an aggregate of 361,110 common shares, in partial consideration of the past services provided to Sintana by five officers of the Company (the "Recipients"), in lieu of cash compensation previously earned by such Recipients but not paid. The common shares are subject to a statutory hold period expiring on May 28, 2016.

(ii) On February 5, 2016, 6,667 warrants with an exercise price of $4.50 expired unexercised.

(iii) On April 1, 2016, 667 stock options with an exercise price of $15.75 expired unexercised.

(iv) On April 19, 2016, 1,740,801 stock options with an exercise price of $1.03 expired unexercised.

SINTANA ENERGY INC.

(FORMERLY MOBIUS RESOURCES INC.)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE STATED)

AUDITED

Independent Auditors' Report

To the Shareholders of Sintana Energy Inc.

We have audited the accompanying consolidated financial statements of Sintana Energy Inc., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sintana Energy Inc. as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Sintana Energy Inc.'s ability to continue as a going concern.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 28, 2016

MNP LLP

Sintana Energy Inc. (Formerly Mobius Resources Inc.)

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars, Unless Otherwise Stated)

As at December 31,	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents (note 7)	**$ 2,147,770**	$ 1,876,191
Accounts receivable and other assets (notes 8 and 19)	**331,083**	340,305
Total current assets	**2,478,853**	2,216,496
Non-current assets		
Deposits	**48,640**	-
Total assets	**$ 2,527,493**	$ 2,216,496
(DEFICIT) EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and other liabilities (notes 9 and 19)	**$ 2,286,292**	$ 1,173,278
Total current liabilities	**2,286,292**	1,173,278
Non-current liabilities		
Asset retirement obligation (note 11)	**402,800**	-
Total liabilities	**2,689,092**	1,173,278
(Deficit) equity	**(161,599)**	1,043,218
Total (deficit) equity and liabilities	**$ 2,527,493**	$ 2,216,496

The accompanying notes are an integral part of these consolidated financial statements.

Nature of operations and going concern (note 1)
Commitments (note 21)
Subsequent events (note 22)

Approved on behalf of the Board:
(signed) "Douglas G. Manner", Director
(signed) "Bruno C. Maruzzo", Director

Sintana Energy Inc. (Formerly Mobius Resources Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars, Unless Otherwise Stated)

Year Ended December 31,	2015	2014
Operating expenses		
Exploration and evaluation expenditures (notes 16 and 19)	**$ 2,588,130**	$ 4,763,327
General and administrative (notes 17 and 19)	**3,195,309**	1,653,710
Other income (note 16(ii))	**-**	(110,360)
Foreign exchange (gain) loss	**(365,761)**	10,810
Net loss before gain on Business Combination	**(5,417,678)**	(6,317,487)
Gain on Business Combination (note 3)	**591,446**	-
Net loss and comprehensive loss for the year	**$ (4,826,232)**	$ (6,317,487)
Loss per share - basic and diluted (note 15)	**$ (0.05)**	$ (0.08)
Weighted average number of common shares outstanding - basic and diluted (note 15)	**91,441,992**	82,020,646

The accompanying notes are an integral part of these consolidated financial statements.

Sintana Energy Inc. (Formerly Mobius Resources Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars, Unless Otherwise Stated)

Year Ended December 31,	2015	2014
Operating activities		
Net loss for the year	**$ (4,826,232)**	$ (6,317,487)
Adjustment for:		
Share-based compensation (note 14)	**331,380**	139,476
Gain on Business Combination (note 3)	**(591,446)**	-
Non-cash working capital items:		
Accounts receivable and other assets	**2,665,504**	453,010
Deposits	**3,068**	-
Accounts payable and other liabilities	**457,335**	177,493
Asset retirement obligation	**265,701**	-
Net cash used in operating activities	**(1,694,690)**	(5,547,508)
Investing activity		
Cash acquired from Business Combination (note 3)	**966,269**	-
Net cash provided by investing activity	**966,269**	-
Financing activities		
Proceeds from convertible debentures (note 10)	**1,000,000**	-
Common shares issued, net of issuance costs (note 12(b)(i))	**-**	1,867,604
Net cash provided by financing activities	**1,000,000**	1,867,604
Net change in cash and cash equivalents	**271,579**	(3,679,904)
Cash and cash equivalents, beginning of year	**1,876,191**	5,556,095
Cash and cash equivalents, end of year	**$ 2,147,770**	$ 1,876,191
Non-cash consideration paid for the acquisition of Mobius		
Issuance of shares (note 3)	**$ 3,128,269**	$ -
Issuance of options (note 3)	**$ 161,766**	$ -

The accompanying notes are an integral part of these consolidated financial statements.

Sintana Energy Inc. (Formerly Mobius Resources Inc.)
Consolidated Statements of Changes in Equity (Deficit)
(Expressed in Canadian Dollars, Unless Otherwise Stated)

	Number of common shares #	Share capital	Warrants	Contributed surplus	Convertible debentures	Deficit	Total
Balance, December 31, 2013	**81,746,050**	**$ 72,860,611**	**$ -**	**$ 3,711,654**	**$ -**	**$ (71,218,640)**	**$ 5,353,625**
Units issued in private placement (note 12(b)(i))	6,681,856	2,281,465	-	-	-	-	2,281,465
Warrants issued (note 12(b)(i))	-	(264,852)	264,852	-	-	-	-
Broker warrants issued (note 12(b)(i))	-	(31,360)	31,360	-	-	-	-
Share issue costs (note 12(b)(i))	-	(362,176)	(51,685)	-	-	-	(413,861)
Share-based compensation (note 14)	-	-	-	139,476	-	-	139,476
Net loss and comprehensive loss for the year	-	-	-	-	-	(6,317,487)	(6,317,487)
Balance, December 31, 2014	**88,427,906**	**74,483,688**	**244,527**	**3,851,130**	**-**	**(77,536,127)**	**1,043,218**
Convertible debentures (note 10)	-	-	-	-	131,101	-	131,101
Share-based compensation (note 14)	-	-	-	331,380	-	-	331,380
Securities of Sintana issued and outstanding at date of Business Combination (note 3)	28,438,808	3,128,269	-	161,766	-	-	3,290,035
Convertible debentures extinguishment (note 3)	-	-	-	-	(131,101)	-	(131,101)
Net loss and comprehensive loss for the year	-	-	-	-	-	(4,826,232)	(4,826,232)
Balance, December 31, 2015	**116,866,714**	**$ 77,611,957**	**$ 244,527**	**$ 4,344,276**	**$ -**	**$ (82,362,359)**	**$ (161,599)**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern

Sintana Energy Inc. (formerly Mobius Resources Inc.) ("Sintana" or the "Company") is a public Canadian oil and gas exploration company listed on the TSX Venture Exchange ("TSXV"), with offices in Toronto and Calgary, Canada; Plano, Texas; and Bogota, Colombia. The trading symbol of the Company changed from SNN to SEI effective August 10, 2015, subsequent to the Business Combination (as defined below) (see note 3). The Company is targeting assets in Colombia's Magdalena Basin. The Company's exploration strategy is to acquire, explore, develop and produce superior quality assets with significant reserve potential. The primary office of the Company is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada, M5C 2C5.

On August 6, 2015, Sintana completed a business combination (the "Business Combination") with Sintana Holdings Corp. (formerly Sintana Energy Inc.) ("Sintana Holdings"). The Business Combination was treated as a reverse acquisition where Sintana Holdings acquired Sintana (note 3). All per share information has been retrospectively adjusted to give effect to the exchange ratio as part of the reverse takeover transaction.

Sintana is at an early stage of development and as is common with similar exploration companies, it raises financing for its property acquisition and exploration activities. Sintana has incurred losses in the current and prior periods. For the year ended December 31, 2015, the Company incurred a loss of $4,826,232 and had an accumulated deficit of $82,362,359. Results for the year ended December 31, 2015 are not necessarily indicative of future results. Sintana had working capital of $192,561 at December 31, 2015 (December 31, 2014 - working capital of $1,043,218). As a result of the close of the Business Combination, Sintana will fund its exploration and operating expenses from its available cash for the following twelve months starting from December 31, 2015.

These consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. The certainty of funding future exploration expenditures and availability of additional financing sources cannot be assured at this time. These uncertainties cast significant doubt as to the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production.

2. Significant accounting policies

(a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2015. The policies set out below are based on IFRS issued and outstanding as of April 28, 2016, the date the Board of Directors approved these consolidated financial statements.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could materially differ from these estimates.

2. Significant accounting policies (continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Sintana and its wholly-owned subsidiaries. The Company has (A) five direct subsidiaries, being (i) 1873520 Ontario Inc., which exists under the laws of Ontario; (ii) Sintana Energy Exploration and Production Inc., which exists under the laws of Texas; (iii) Sintana Energy Finance Inc., which exists under the laws of Ontario; (iv) Sintana Energy Peru S.A.C., which exists under the laws of Peru (dissolved in 2014); and (v) Mobius Resources Corp., which exists under the laws of Alberta; (B) six indirect subsidiaries, being: (i) Northbrook Oil and Gas LLC which exists under the laws of Texas; (ii) Patriot Energy Oil and Gas Inc. ("Patriot Energy"), which exists under the laws of Panama; (iii) Patriot Energy Services LLC Corp. ("Patriot"), which exists under the laws of Panama; (iv) Zodiac USA Corp., which exists under the laws of Nevada; (v) Zodiac Montana LLC, which exists under the laws of Nevada; and (vi) Zodiac Energy LLC, which exist under the laws of Nevada; and (C) two branches, being (i) Sintana Energy (Colombia) Inc., which has been established under the laws of Colombia; and (ii) Patriot Energy (Colombia), which has been established under the laws of Colombia.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(d) Financial assets and liabilities

Sintana's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash and cash equivalents	Fair value through profit and loss ("FVTPL")
Accounts receivable and other assets	Loans and receivables
Deposits	Loans and receivables

Financial liabilities:	**Classification:**
Accounts payable and other liabilities	Other financial liabilities

FVTPL:

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in profit or loss.

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

2. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the instrument or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2015 and 2014, except for cash and cash equivalents – which are Level 1 financial instruments, none of Sintana's financial instruments are recorded at fair value in the consolidated statements of financial position.

2. Significant accounting policies (continued)

(e) Impairment of non-financial assets

At the end of each reporting period, Sintana reviews the carrying amounts of its non-financial assets with finite lives to determine whether there are any indications that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use, which is determined using discounted estimated future net cash flows. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(f) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand, and guaranteed investment certificates with an original maturity of three months or less, and which are readily convertible into a known amount of cash. Sintana does not invest in any asset-backed deposits/investments.

(g) Compound instruments

Compound instruments are separated into their liability and equity components using the residual method. The Company values the liability component at its fair value and the residual value is assigned to equity. The liability component accretes up to the principal balance at maturity using the effective interest rate method. The equity component will be reclassified to share capital on conversion. Any balance in equity that remains after the settlement of the liability is transferred to contributed surplus.

(h) Foreign currency

The Company's functional and presentation currency is the Canadian dollar. Transactions in foreign currencies are translated to Canadian dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss.

(i) Provisions

A provision is recognized when Sintana has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by Sintana from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Sintana had no material provisions at December 31, 2015 and 2014 other than the asset retirement obligation.

2. Significant accounting policies (continued)

(j) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an oil and gas property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises, whether at the start of each project or on an ongoing basis during production. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit of production or the straight-line method as appropriate under IFRS. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(k) Exploration and evaluation expenditures

Sintana expenses exploration and evaluation expenditures as incurred for oil and gas prospects not commercially viable and financially feasible. Exploration and evaluation expenditures include acquisition costs of oil and gas prospects, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for production operations. Capitalization ceases when the oil and natural gas reserves are capable of commercial production, with the exception of development costs that give rise to a future benefit.

Exploration and evaluation expenditures are capitalized if Sintana can demonstrate that these expenditures meet the criteria of an identifiable intangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

(l) Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of Sintana.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based payments to non-employees are measured at fair value of services provided, measured on the service date and recorded over the service period. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

2. Significant accounting policies (continued)

(m) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that Sintana does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

(n) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

(o) Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given up, liabilities incurred or assumed, and equity instruments issued by Sintana in exchange for control of the subsidiary. Acquisition related costs are recognized in profit or loss as incurred.

(p) Joint arrangements

The Company classifies its interests in joint arrangements as either a joint venture or a joint operation. A joint arrangement is a contractual arrangement whereby the Company and other parties undertake an economic activity that is subject to joint control. A joint arrangement is classified as a joint venture when the parties to the joint arrangement have rights over the net assets of the joint arrangement whereas a joint arrangement is classified as a joint operation when the arrangement provides rights to assets and obligations for liabilities for the parties sharing joint control. Joint ventures are accounted for using the equity method of accounting and joint operations are accounted for by using the proportionate consolidation method whereby the Company’s share of assets, liabilities, income, expenses and cash flows of jointly controlled operations are combined with the equivalent items in the results on a line-by-line basis.

2. Significant accounting policies (continued)

(q) Segment reporting

The Company determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), who are the Company's chief operating decision makers. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results, for which discrete financial information is available, are reviewed regularly by the CEO and CFO to make decisions about resources to be allocated to the segment and assess its performance. The Company has a single class of business which is the exploration and development of oil and gas properties.

(r) Recent accounting pronouncements

(i) IFRS 9 – Financial Instruments ("IFRS 9") was initially issued by the IASB in November 2009 and issued in its completed version in July 2014 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company will adopt the standard on its effective date and is currently assessing the impact of this pronouncement.

(ii) IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases.

The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board (FASB). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position.

The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15, has been applied, or is applied at the same date as IFRS 16.

3. Reverse takeover transaction

On August 6, 2015, the Company announced the completion of the Business Combination with Sintana Holdings. In connection with the Business Combination, Sintana acquired all of the issued and outstanding common shares of Sintana Holdings ("Sintana Holdings Shares") from the existing holders thereof in consideration of the issuance of 0.26316 of one common share of Sintana (each whole such common shares, a "Sintana Share") for each Sintana Holdings Share so held (the "Exchange Ratio") pursuant to a three-cornered amalgamation effected by way of a plan of arrangement in which Sintana Holdings amalgamated with a wholly-owned subsidiary of Sintana. Also in connection with the Business Combination, (i) the Company changed its name to "Sintana Energy Inc." (the "Name Change"); (ii) each outstanding share purchase warrant of Sintana Holdings (each, a "Sintana Holdings Warrant") became exercisable to acquire Sintana Shares in lieu of Sintana Holdings Shares subject to adjustment in number and exercise price to give effect to the Exchange Ratio; and (iii) each stock option of Sintana Holdings was exchanged for an equivalent stock option of Sintana, subject to adjustment in number and exercise price to give effect to the Exchange Ratio.

Each stock option of Sintana outstanding immediately prior to the effective date of the Business Combination vested and will remain outstanding until the earlier of: (A) the original expiration date thereof; and (B) the date that is the later of: (i) December 31, 2016, and (ii) the latest date provided for pursuant to the Sintana stock option plan.

On August 6, 2015, in connection with the Business Combination, Sintana Holdings and 1935370 Ontario Inc. amalgamated to continue as one corporation under the name "Sintana Holdings Corp.".

The shares of the combined company after giving effect to the Business Combination and the Name Change to "Sintana Energy Inc." commenced trading on the TSXV under the symbol "SEI" effective as of the market open on August 10, 2015.

In connection with the Business Combination, all of the existing stock options and the stock option plan of Sintana Holdings were cancelled, and Sintana issued an aggregate of 5,419,777 stock options to certain directors, officers, employees and consultants, each exercisable to acquire one Sintana Share at an exercise price range of $0.51 and $1.86. Immediately following the closing of the Business Combination, an aggregate of 116,866,714 Sintana Shares were issued and outstanding, of which 88,427,906 Sintana Shares were held by former Sintana Holdings shareholders and 28,438,808 Sintana Shares were held by Sintana shareholders existing immediately prior to closing. Furthermore, an additional 3,621,632 Sintana Shares were reserved for issuance upon the closing of the Business Combination pursuant to pre-existing share purchase warrants of Sintana Holdings and 98,385 Sintana Shares were reserved for issuance upon the closing of the Business Combination pursuant to pre-existing share purchase warrants of Sintana.

This transaction was accounted for as an issuance of shares, warrants and options by Sintana Holdings for net assets of Mobius Resources Inc. followed by a recapitalization of Sintana Holdings. For accounting purposes, Sintana Holdings was deemed to be the acquirer. The gain on Business Combination amounted to $591,446. Sintana Holdings acquired the assets and liabilities of Sintana as follows:

(Expressed in Canadian Dollars, Unless Otherwise Stated)

3. Reverse takeover transaction (continued)

Purchase Price Consideration	
28,438,808 common shares of Sintana [a]	$ 3,128,269
98,385 warrants of Sintana [b]	-
1,930,002 stock options of Sintana [c]	161,766
	$ 3,290,035

Net Assets Acquired (Fair Value)	
Cash and cash equivalents	$ 966,269
Accounts receivable and other assets [d]	2,682,309
Convertible debentures receivable [e]	1,009,863
Deposits	51,708
Accounts payable and other liabilities	(406,005)
Asset retirement obligation	(422,663)
Total net assets	3,881,481
Excess of the fair value of net assets acquired over purchase price (gain)	**$ (591,446)**

The consolidated financial statements reflect the assets, liabilities and results of operations of Sintana Holdings for the full year, and Mobius from the transaction date. The comparative information throughout the consolidated financial statements represent that of Sintana Holdings.

[a] For the purpose of determining the value of the purchase price consideration, the 28,438,808 Sintana Shares were valued at $0.11 per share based on Sintana close price as of August 6, 2015.

[b] The fair value of the Sintana warrants was estimated to $nil due to the limited remaining life of the warrants.

[c] The fair value of the Sintana stock options was estimated using the Black-Scholes option pricing model based on the following assumptions: volatility - 80% to 112%, risk-free interest rate - 0.43% to 0.55%, expected life - 1.41 to 4.38 years, share price - $0.11 and dividend yield - nil%.

[d] Includes an intercompany balance of $2,555,337 receivable from Sintana Holdings that was eliminated upon consolidation.

[e] The convertible debentures receivable was receivable from Sintana Holdings. Refer to note 10.

4. Capital risk management

Sintana manages its capital with the following objectives:

- ensure sufficient financial flexibility to achieve its ongoing business objectives;
- maintain a balanced portfolio of various participation interests, with a focus on conventional and unconventional opportunities in the Magdalena Basin, Colombia; and
- maximize shareholder value.

Sintana monitors its capital structure and makes adjustments, as deemed necessary, in an effort to meet its commitments and objectives. Sintana can manage its capital structure by issuing new shares and debt, repurchasing outstanding shares, reducing participation interests, adjusting capital spending and operating costs, and / or disposing of assets. The cash forecast and capital structure are reviewed by management and the Board of Directors on an ongoing basis.

4. Capital risk management (continued)

Sintana considers its financial capital to be equity (deficit), which comprises share capital, warrants, contributed surplus (which includes stock options), equity conversion feature of convertible debentures and deficit, which at December 31, 2015, totaled a deficit of $161,599 (December 31, 2014 - equity of $1,043,218).

Sintana monitors its sources and uses of capital through its financial and operational forecasting processes. Sintana reviews its working capital and forecasts the timing and amounts of its future cash flows based on anticipated operating and overhead expenditures, and other investing and financing activities. The forecast is updated periodically based on current and planned activities related to its oil and natural gas participation interests. Forecast summaries are provided to the Board of Directors.

Sintana's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2015, the Company was compliant with Policy 2.5.

5. Financial risk management

Financial risk

Sintana's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest and foreign exchange risk).

Risk management is carried out by Sintana's management team with guidance from the Board of Directors.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. All of the Company's cash is held with well-known and established financial institutions. As such, management considers credit risk related to these financial assets to be minimal.

Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote. During the year ended December 31, 2015, $nil (December 31, 2014 - $90,000) of accounts receivable was considered impaired with the corresponding charge recorded in exploration and evaluation expenditures.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in economic conditions generally or matters specific to Sintana. The Company generates cash flow primarily from its financing and business development activities.

Most of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms, except for Colombian income taxes. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(Expressed in Canadian Dollars, Unless Otherwise Stated)

5. Financial risk management (continued)

Financial risk (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company's current policy is to invest excess cash in short-term guaranteed investment certificates or money market funds of major Canadian chartered banks.

(b) Foreign currency risk

As of December 31, 2015, the Company funds certain operations, exploration and administrative expenses in Colombia on a cash call basis using United States Dollars ("USD") currency and Colombian Pesos. The Company maintains USD bank accounts in Canada, Colombia, Panama and the United States. The Company maintains two Colombian Peso bank accounts in Colombia. The Company is subject to gains and losses from fluctuations in the Canadian Dollar, Colombian Peso and the USD. The Company does not use currency derivative instruments to manage its exposure to foreign currency fluctuations.

The following are the Canadian Dollar equivalent balances for items denominated in foreign currencies:

	December 31, 2015
Cash and cash equivalents	$ 797,221
Accounts receivable and other assets	$ 130,636
Accounts payable and other liabilities	$ (1,604,216)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) Sintana holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. As at December 31, 2015, a plus or minus 10% change in the Colombian Peso and USD foreign exchange rates against the Canadian dollar, with all other variables held constant, would have affected the reported loss and comprehensive loss by approximately $68,000.

(Expressed in Canadian Dollars, Unless Otherwise Stated)

6. Fair value measurements of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(a) Assets and liabilities measured at fair value on a recurring basis:

As at December 31, 2015	**Quoted prices in active markets for identical assets (level 1)**	**Significant other observable inputs (level 2)**	**Significant unobservable inputs (level 3)**	**Aggregate fair value**
Cash and cash equivalents	$ 2,147,770	$ -	$ -	**$ 2,147,770**
As at December 31, 2014				
Cash and cash equivalents	$ 1,876,191	$ -	$ -	**$ 1,876,191**

(b) Categories of financial instruments

As at December 31,	**2015**	**2014**
Financial assets:		
FVTPL		
Cash and cash equivalents	**$ 2,147,770**	$ 1,876,191
Loans and receivables		
Accounts receivable	**$ 158,904**	$ 198,910
Deposits	**48,640**	-
Financial liabilities:		
Other financial liabilities		
Accounts payable and other liabilities	**$ 2,286,292**	$ 1,173,278

The Company has not offset financial assets with financial liabilities.

The carrying value of the Company's accounts receivable and accounts payable and other liabilities is close to fair value due to their short-term maturity.

7. Cash and cash equivalents

As at December 31,	**2015**	**2014**
Cash	**$ 2,141,415**	$ 1,868,917
Cash equivalents - certificate of deposit	**6,355**	7,274
	$ 2,147,770	$ 1,876,191

(Expressed in Canadian Dollars, Unless Otherwise Stated)

8. Accounts receivable and other assets

As at December 31,	2015	2014
Accounts receivable	$ **158,904**	$ 198,910
Prepaids and other advances	**81,019**	141,395
Exploration advances	**91,160**	-
	$ **331,083**	$ 340,305

9. Accounts payable and other liabilities

Accounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and evaluation expenditures and general operating and administrative activities:

As at December 31,	2015	2014
Accounts payable	$ **1,209,675**	$ 1,042,882
Accrued liabilities	**1,076,617**	130,396
	$ **2,286,292**	$ 1,173,278

The following is an aged analysis of accounts payable and other liabilities:

As at December 31,	2015	2014
Less than 1 month	$ **1,200,071**	$ 1,163,022
1 to 3 months	**267,786**	3,763
Greater than 3 months	**818,435**	6,493
	$ **2,286,292**	$ 1,173,278

10. Convertible debentures

On May 26, 2015, Sintana Holdings, now Sintana, completed a private placement of secured convertible debentures in the aggregate principal amount of $1,000,000 (the "Debentures") to Sintana, formerly Mobius Resources Inc. The Debentures bore a one year term and were subject to a 5% interest rate, accruing annually. The debentures would have been convertible at the option of the holder into common shares of the Company at any time following the termination of the Business Combination until maturity. The Debentures were cancelled as part of the closing process of the Business Combination (see note 3) and all income and expense amounts related to the Debentures eliminated upon consolidation.

11. Asset retirement obligation

As at December 31, 2015, the Company has estimated the net present value of its total asset retirement obligation ("ARO") to be $402,800 (December 31, 2014 - $nil). The settlement period has been estimated to occur over the next two fiscal years. The ARO was acquired upon completion of the Business Combination for the Windsor Basin in Nova Scotia and for the Duvernay formation in Alberta.

(Expressed in Canadian Dollars, Unless Otherwise Stated)

12. Share capital

a) Authorized share capital:

At December 31, 2015, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued:

At December 31, 2015, the issued share capital amounted to $77,611,957. The change in issued share capital for the periods presented was as follows:

	Number of common shares	Amount
Balance, December 31, 2013	**81,746,050**	**$ 72,860,611**
Units issued in private placement (i)	6,681,856	2,281,465
Warrants issued (i)	-	(264,852)
Broker warrants issued (i)	-	(31,360)
Share issued costs (i)	-	(362,176)
Balance, December 31, 2014	**88,427,906**	**74,483,688**
Common shares of Sintana issued and outstanding at date of Business Combination (August 6, 2015) (note 3)	28,438,808	3,128,269
Balance, December 31, 2015	**116,866,714**	**$ 77,611,957**

(i) On December 16, 2014, the Company closed a private placement pursuant to which the Company issued an aggregate of 6,681,856 units (the "Units") for aggregate gross proceeds of $2,281,465. The private placement consisted of 4,678,222 Units at a price of $0.34 per Unit and 2,003,380 Units at a price of $0.34 (US$0.292) per Unit. Each Unit consisted of one common share of Sintana and one-half share purchase warrant (each whole such warrant, a "Warrant"). Each Warrant entitled the holder thereof to acquire one additional common share of the Company until December 16, 2015 at an exercise price of $0.03. The Company paid the agents a cash commission of $96,000 and issued broker warrants entitling the agents to acquire an aggregate of 280,693 common shares of the Company at a price of $0.34 per share until December 16, 2015.

A value of $264,852 was estimated for the 3,340,801 warrants on the date of issuance using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 116.57% using the historical price history of the Company; risk-free interest rate of 0.95%; and an expected average life of 1 year.

A value of $31,360 was estimated for the 280,693 broker warrants on the date of issuance using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 116.57% using the historical price history of the Company; risk-free interest rate of 0.95%; and an expected average life of 1 year.

Total share issue costs of $413,861 were charged, of which $362,176 was allocated to share capital and $51,685 was allocated to warrants.

(Expressed in Canadian Dollars, Unless Otherwise Stated)

13. Warrants

The following table reflects the continuity of warrants for the years presented:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2013	**-**	**$ -**
Issued (note 12(b)(i))	3,340,928	0.46
Issued (note 12(b)(i))	280,704	0.34
Balance, December 31, 2014	**3,621,632**	**0.46**
Warrants of Sintana issued in exchange for Sintana Holdings securities (note 3)	98,385	4.50
Expired	(3,713,350)	0.55
Balance, December 31, 2015	**6,667**	**$ 4.50**

The following table reflects the actual warrants issued and outstanding as of December 31, 2015:

Expiry date	Exercise price ($)	Warrants outstanding	Fair value
February 5, 2016	4.50	6,667	$ -

14. Stock options

The following table reflects the continuity of stock options for the years presented:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2013	**5,682,941**	**0.99**
Cancelled	(78,952)	0.76
Balance, December 31, 2014	**5,603,989**	**0.99**
Cancelled before Business Combination (note 3)	(184,212)	0.20
Stock options of Sintana issued and outstanding at date of Business Combination (August 6 2015) (note 3)	1,930,002	0.32
Expired	(13,158)	0.51
Cancelled	(112,282)	3.19
Granted (ii)	4,375,000	0.18
Balance, December 31, 2015	**11,599,339**	**0.55**

(i) Share-based compensation included in salaries and benefits expense includes $17,439 (year ended December 31, 2014 - $139,476) relating to stock options granted in previous years in accordance with their respective vesting terms.

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14. Stock options (continued)

(ii) On November 5, 2015, the Company granted a total of 4,375,000 stock options to several directors, officers and consultants of the Company. The options have an exercise price of $0.175, vest in three equal tranches over the next 24 months and expire on November 5, 2020. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 341.77%; risk-free interest rate of 0.97%; and an expected average life of 5 years. The options were valued at $765,625. $313,941 (year ended December 31, 2014 - $nil) was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during the year ended December 31, 2015.

The following table reflects the actual stock options issued and outstanding as of December 31, 2015:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
April 1, 2016	15.75	0.25	667	667	-
April 19, 2016	1.03	0.30	1,740,801	1,740,801	-
May 5, 2016	15.60	0.35	1,667	1,667	-
May 11, 2016	1.86	0.36	710,532	710,532	-
October 16, 2016	3.00	0.79	2,667	2,667	-
November 13, 2016	4.35	0.87	1,667	1,667	-
December 20, 2016	0.76	0.97	1,552,644	1,552,644	-
December 31, 2016	0.15	1.00	566,667	566,667	-
March 2, 2017	1.03	1.17	7,894	7,894	-
April 25, 2017	1.03	1.32	78,948	78,948	-
November 28, 2017	0.76	1.91	342,108	342,108	-
December 11, 2017	1.50	1.95	3,333	3,333	-
April 29, 2018	0.76	2.33	894,744	894,744	-
December 21, 2019	0.15	3.98	1,320,000	1,320,000	-
November 5, 2020	0.18	4.85	4,375,000	1,458,333	2,916,667
		2.78	**11,599,339**	**8,682,672**	**2,916,667**

15. Net loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2015 was based on the loss attributable to common shareholders of $4,826,232 (year ended December 31, 2014 - loss of $6,317,487) and the weighted average number of common shares outstanding of 91,441,992 (year ended December 31, 2014 - 82,020,646). Diluted loss per share did not include the effect of options and warrants for the year ended December 31, 2015 and 2014 as they are anti-dilutive.

(Expressed in Canadian Dollars, Unless Otherwise Stated)

16. Exploration and evaluation expenditures

Year Ended December 31,	2015	2014
Magdalena Basin, Colombia (i)(iii)(iv)(v)		
Salaries and benefits	**$ 997,015**	$ 1,707,252
Administrative and general	**320,012**	260,182
Consulting fees	**264,265**	301,900
Other	**193,177**	625,813
Professional fees	**155,537**	184,158
Office rent	**146,049**	143,099
Drilling	**137,858**	-
Travel expenses	**97,691**	104,987
Seismic	**-**	1,471,393
Technical support services	**-**	(90,243)
	$ 2,311,604	$ 4,708,541
Sechura Basin, Peru		
Professional fees	**$ 10,825**	$ 54,773
Other	**-**	13
	$ 10,825	$ 54,786
Duvernay formation, Alberta		
Well abandonment and site cleanup	**$ 50,000**	$ -
Nova Scotia properties, Nova Scotia		
Well abandonment and site cleanup	**$ 215,701**	$ -
	$ 2,588,130	$ 4,763,327

(i) On January 16, 2014, the Company announced that it had received written notice from the Autoridad Nacional de Licencias Ambientales of Colombia of final approval of the Environmental License effective January 17, 2014 for the VMM-37 Block in Colombia's Middle Magdalena Basin.

(ii) On March 18, 2014, the Company sold its working and overriding royalty interests in Marion County, Texas, for a total of $110,360 (USD$100,000) which was recorded as other income in the consolidated statements of loss and comprehensive loss.

(iii) On October 22, 2013, the Company announced that it had commenced an arbitration action, through the International Chamber of Commerce in Paris, France, against Petrodorado Energy Ltd. ("Petrodorado"), the operator, relating to the Talora Block. Sintana contends that Petrodorado committed multiple breaches of their farmout agreement. On May 27, 2014, the Company entered into a settlement agreement (the "Settlement Agreement") with Petrodorado. In accordance with the Settlement Agreement, the parties have terminated the arbitration process with all present and future claims related to the arbitration having been settled in full.

(iv) On July 21, 2014, the Company announced that it had entered into an amendment to an Asset Purchase Agreement with Live Oak Holdings, Inc. and its wholly-owned Colombia subsidiary, LOH Energy Sucursal Colombia, (together "LOH"). Under the amendment, and as a further step in the Company's efforts to high grade its asset base, the Company assigned and transferred its 25% participation interests in two non-core Colombia blocks to LOH. In addition, it reduced its participation interest in the strategic VMM-4 Block from 25% to 15%, in exchange for LOH bearing 100% of Exploration Phase II costs and to facilitate and accelerate execution of the License Contract Work Program.

(v) On March 20, 2015, Canacol Energy Inc. advised the Company that it was taking the position that it has the right to terminate Farmout Agreements for each of the COR-11 and COR-39 Blocks. Management is currently evaluating this matter and, together with legal counsel and other experts, assessing its potential options and alternatives with respect to these property interests and any consequences relating to the termination of same.

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17. General and administrative

Year Ended December 31,	2015	2014
Salaries and benefits (note 14)	**$ 1,669,685**	$ 857,258
Professional fees	**895,526**	442,783
Administrative and general	**538,505**	147,636
Travel expenses	**90,623**	197,442
Reporting issuer costs	**28,403**	9,582
Interest and other income	**(27,433)**	(991)
	$ 3,195,309	$ 1,653,710

18. Income taxes

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the difference between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2015	2014
Exploration and evaluation assets	**$ 41,193,730**	$ 36,894,386
Share issuance costs	**680,820**	1,766,851
Non-capital losses carried forward - Canada	**37,713,800**	8,348,787
Non-capital losses carried forward - Peru	**65,700**	65,701
Non-capital losses carried forward - U.S.	**6,801,000**	5,151,565
Other temporary differences	**198,260**	220,063

The Canadian non-capital loss carry forwards expire as noted in the table below. The U.S. non-capital loss carry forwards expire between 2029 and 2035. Share issue and financing costs will be fully amortized in 2018. The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

	Canadian
2016	$ 63,680
2027	1,445,370
2028	1,776,470
2029	1,010,740
2030	8,398,950
2031	9,559,310
2032	2,232,010
2033	6,482,940
2034	4,063,630
2035	2,680,700
	$ 37,713,800

(Expressed in Canadian Dollars, Unless Otherwise Stated)

19. Related party transactions and balances

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of directors and key management personnel of the Company was as follows:

Year Ended December 31,	2015	2014
Salaries and benefits (1)	**$ 1,877,904**	$ 1,801,010
Share-based compensation (2)	**$ 266,798**	$ 116,381

(1) Salaries and benefits include director fees. During the year ended December 31, 2015, $716,609 (year ended December 31, 2014 - $1,162,413) of salaries and benefits expenses were included in exploration and evaluation expenditures. Advances to employees for $nil are included in accounts receivable and other assets at December 31, 2015 (December 31, 2014 - $125,731). Balances due to directors and key management personnel for $752,287 are included in accounts payable and other liabilities as at December 31, 2015 (December 31, 2014 - $nil).

(2) Share-based compensation is recorded in salaries and benefits under general and administrative.

(b) The Company entered into the following transactions with related parties:

For the year ended December 31, 2015, the Company paid professional fees and disbursements of $84,081 (year ended December 31, 2014 - $77,022) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Carmelo Marrelli is the CFO of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. An amount of $20,980 is included in accounts payable and other liabilities as at December 31, 2015 (December 31, 2014 - $20,785).

For the year ended December 31, 2015, the Company paid professional fees and disbursements of $36,532 (year ended December 31, 2014 - $26,718) to DSA Corporate Services Inc. ("DSA"), an organization which Carmelo Marrelli controls. Carmelo Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2015, DSA was owed $3,104 (December 31, 2014 - $1,609) and this amount is included in accounts payable and other liabilities.

(c) Certain related parties of the Company participated in the 2014 private placement and acquired an aggregate of 1,953,333 common shares as follows:

- Sean Austin, Vice President of the Company, purchased 105,260 common shares of the Company at a price of US$0.34 per common share on December 16, 2014 (note 12(b)(i)).
- David Cherry, the President and Chief Operating Officer of the Company, purchased 303,500 common shares of the Company at a price of US$0.34 per common share on December 16, 2014 (note 12(b)(i)).
- Douglas Manner, a director and CEO of the Company, purchased 105,260 common shares of the Company at a price of US$0.34 per common share on December 16, 2014 (note 12(b)(i)).

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20. Segmented information

The Company's operations comprise a single reporting operating segment engaged in oil and natural gas exploration in Colombia. The Company has administrative and/or operating offices in Toronto and Calgary, Canada; Plano, Texas; and Bogota, Colombia. Segmented information on a geographic basis is as follows:

December 31, 2015	Canada	United States	Colombia	Total
Cash and cash equivalents	$ 1,910,827	$ 127,874	$ 109,069	$ 2,147,770
Accounts receivable and other assets	291,607	17,302	22,174	331,083
Total current assets	2,202,434	145,176	131,243	2,478,853
Deposits	48,640	-	-	48,640
Total assets	$ 2,251,074	$ 145,176	$ 131,243	$ 2,527,493

December 31, 2014	Canada	United States	Colombia	Total
Cash and cash equivalents	$ 1,774,373	$ 73,684	$ 28,134	$ 1,876,191
Accounts receivable and other assets	166,408	29,303	144,594	340,305
Total assets	$ 1,940,781	$ 102,987	$ 172,728	$ 2,216,496

21. Commitments

Office lease agreement	2016	2017	Total
(i)	$ 115,260	$ 19,210	$ 134,470
(ii)	115,950	-	115,950
(iii)	111,174	57,273	222,348
	$ 342,384	$ 76,483	$ 472,768

(i) The Company holds an operating lease agreement for office space in Calgary, Alberta commencing on March 1, 2012 and ending on February 28, 2017. The annual average basic rent obligation is approximately $115,000, payable in monthly installments of approximately $10,000. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. As of August 1, 2013, a portion of the space was subleased to a third party reducing the annual average basic rent obligation to approximately $67,000, payable in monthly installments of approximately $6,000 for the remaining term.

(ii) The Company holds an operating lease agreement for office space in Calgary, Alberta commencing on November 1, 2013 and ending on October 31, 2016. The annual average basic rent obligation is approximately $139,000, payable in monthly installments of approximately $12,000. A portion of the space was subleased to a third party reducing the annual average basic rent obligation to approximately $37,000, payable in monthly installments of approximately $3,000 for the remaining terms. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes.

(iii) The Company holds an operating lease agreement for office space in Bakersfield, California commencing July 1, 2012 and ending on June 30, 2017. The annual average basic rent obligation is approximately US$80,000 per annum, payable in average monthly installments of approximately US$7,000. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. Effective March 1, 2014, the Company entered into an agreement to sublet the office space for approximately $4,000 per month for the first year, increasing to $5,000 per month after the first year and $6,000 after the second year.

22. Subsequent events

(i) On January 27, 2016, the Company settled debt of $65,000 through the issuance of an aggregate of 361,110 common shares, in partial consideration of the past services provided to Sintana by five officers of the Company (the "Recipients"), in lieu of cash compensation previously earned by such Recipients but not paid. The common shares are subject to a statutory hold period expiring on May 28, 2016.

(ii) On February 5, 2016, 6,667 warrants with an exercise price of $4.50 expired unexercised.

(iii) On April 1, 2016, 667 stock options with an exercise price of $15.75 expired unexercised.

(iv) On April 19, 2016, 1,740,801 stock options with an exercise price of $1.03 expired unexercised.

CORPORATE INFORMATION

DIRECTORS

Keith Spickelmier, Executive Chairman
Douglas Manner, CEO & Director
Ian Macqueen, Independent Director
Bruno Maruzzo, Independent Director

OFFICERS

Douglas Manner, Chief Executive Officer
David Cherry, President & COO
Carmelo Marrelli, Chief Financial Officer
Sean Austin, VP, Controller, Secretary & Treasurer

AUDIT COMMITTEE

Ian Macqueen, Independent Director
Bruno Maruzzo, Independent Director

AUDITORS

MNP LLP Chartered Accountants
Toronto, Ontario

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Toronto, Ontario

LEGAL COUNSEL

Cassels Brock, LLC
Toronto, Ontario

LISTING

Exchange: TSX Venture
Trading Symbol: SEI
Cusip Number: 82938H
Fiscal Year End: Dec 31

UNITED STATES

Sintana Energy Inc. – Head Office
6860 North Dallas Parkway, Suite 208
Plano, TX., USA 75024

☎ 713.825.9591
🖷 972.781.6577
✉ info@sintanaenergy.com

CANADA

Sintana Energy Inc. – Registered Office
36 Toronto Street, Suite 1000
Toronto, Ontario M5C 2C5

☎ 416.361.0737
🖷 416.361.0923

SOUTH AMERICA

Sintana Energy Inc. – SA Operations
Avenida 9 No. 113-52
Oficina 1804, Torres Unidas II
Bogotá D.C., Colombia

☎ 011.571.214.8365
🖷 011.571.612.3193