CLEARVIEW
RESOURCES LTD

Clearview Resources Ltd.

Management Discussion and Analysis (MD&A)

For the three and six months ended September 30, 2018

HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2018

- On April 16, 2018, the Company closed the acquisition of Bashaw Oil Corp. ("Bashaw") through a share for share exchange.
- The Board of Directors of Clearview effected a change in management with an emphasis on current operational excellence and expertise in horizontal drilling and completions using multi-stage fracturing technology.
- On April 10, 2018, the Company closed the disposition of a non-core, non-operated light oil property located in southern Alberta for $3.4 million.
- Clearview closed a private placement during the second quarter ended September 30, 2018 and through November, issuing 210,390 common shares at a price of $6.25 per share for gross proceeds of $1.27 million and 101,543 flow-through common shares at a price of $7.00 per share for gross proceeds of $0.75 million. Total gross proceeds raised were $2.0 million.
- The Company's field capital program of $6.1 million in the six months ended September 30, 2018 has largely been funded from adjusted funds flow of $1.3 million, cash from the Bashaw acquisition of $1.7 million and equity proceeds of $1.3 million, with the balance funded by an increase in net debt. Net debt increased to $15.9 million at September 30, 2018 from $14.2 million at March 31, 2018. Outstanding bank debt was reduced from $16.3 million at March 31, 2018 to $13.1 million at September 30, 2018.
- During the second quarter, the Company's lender reconfirmed Clearview's credit facility at $21.0 million with the next scheduled review set for no later than June 30, 2019.
- During the second quarter, the Company drilled, completed and equipped its first Cardium formation, operated, horizontal well, brought on-stream at Wilson Creek 15-20-44-4 W5M. Clearview also completed drilling operations at the Company's second operated, horizontal well targeting the Bluesky formation at Windfall 1-3-59-15 W5M. The 1-3 well has since been completed, equipped and placed on production.
- Consistent with the strategy of the Company, oil production increased 36% in the second quarter ended September 30, 2018 to 580 bbls/d, up from 427 bbls/d in the comparative period of the prior year.
- Realized sales price for the three months ended September 30, 2018 was $32.49 per boe compared to $21.54 per boe for the comparative period, an increase of 51%, due to higher crude oil and natural gas liquids prices. The realized sales price for the three months ended September 30, 2018 was 12% higher than the prior quarter ended June 30, 2018, primarily due to higher natural gas liquids prices for propane, butane and pentanes.
- Operating netbacks were $10.95 per boe for the three months ended September 30, 2018, 125% higher than the comparative period of the prior year at $4.87 per boe. The increase over the comparative period is primarily due to higher realized prices for the Company's production. Operating netbacks in the prior quarter ended June 30, 2018 were $10.16 per boe.
- Corporate netback increased by 22% to $3.87 per boe for the three months ended September 30, 2018 as compared to $3.17 per boe in the three months ended June 30, 2018.

Clearview Resources Ltd.
Management Discussion and Analysis (MD&A)
September 30, 2018

The management discussion and analysis ("MD&A") is a review of the financial position and results of operations of the Company for the three and six months ended September 30, 2018 and 2017 and should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three months ended September 30, 2018 and 2017 and the audited financial statements and accompanying notes for the year ended March 31, 2018 and 2017. The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Unless otherwise noted, all dollar amounts are expressed in thousands of Canadian dollars ($000's), except per unit amounts. The MD&A has been prepared and approved by the Board of Directors as of November 19, 2018.

Refer to page 17 for information about non-GAAP measures and information on forward-looking statements and page 18 for measures, conversions and acronyms used in the MD&A.

OVERVIEW OF THE COMPANY

Clearview Resources Ltd. (the "Company") is a privately owned, growth-oriented oil and natural gas producing company based in Calgary, Alberta with production and development primarily focused in the Greater Pembina area of Alberta. Additional information about the Company is available on the Canadian Securities Administrators' System for Electronic Distribution and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.clearviewres.com.

The Company's oil and natural gas properties are listed below:

Region - Alberta	Property	Primary production	P+P Reserves[1]	Average WI	Operatorship[3]
Greater Pembina	Northville[2]	Liquids rich natural gas	5,800	87%	Yes
	Pembina[2]	Liquids rich natural gas	1,544	80%	Yes
	Wilson Creek[2]	Light oil and liquids rich natural gas	3,766	60%	Yes
	Lindale (Unit)	Light oil with associated natural gas and liquids	423	10.6%	No
	Windfall[4]	Light oil	4,236	100.0%	Yes
Other	Bantry	Medium oil	501	40.0%	No
	Caribou[2]	Light oil	408	63.3%	Yes
	Carstairs (Unit)	Liquids rich natural gas	562	17.0%	No
	Crossfield (Unit)	Liquids rich natural gas	119	4.2%	No
	Warburg (Unit)	Light oil	29	3.8%	No
	Caroline (Unit)	Liquids rich natural gas	9	0.2%	No
	Miscellaneous	Various	11	Various	Mixed
Total			15,487		

[1] mboe of total proved plus probable reserves at March 31, 2018 as determined by the independent reserves evaluator, GLJ Petroleum Consultants Ltd.
[2] Acquired in the quarter ended March 31, 2017 except for approximately 17% of the Wilson Creek reserves
[3] Operatorship of a majority of the property
[4] Acquired remaining 50% working interest and operatorship as part of the acquisition of Bashaw Oil Corp. in April 2018

The Company's objectives continue to be:

- acquire long life, cash generating oil and natural gas properties with growth potential;
- maintain a low cost and financially robust structure;
- maintain an appropriate debt versus equity capital structure;
- build the Company's production base to fund the field capital program from internally generated funds;
- maintain strong lending values to support the Company's credit facility;
- maintain a current licensee liability rating of 2.0 or greater, providing the Company with the ability to transact on further acquisition opportunities; and
- evaluate non-core assets, for potential disposition, to fund the capital program.

DISCUSSION OF OPERATIONS

Business combination

On April 16, 2018, Clearview acquired all of the issued and outstanding common shares of Bashaw Oil Corp. ("Bashaw") through a share for share exchange with the issuance of 1,560,046 voting common shares of the Company. The operations of Bashaw have been included in Clearview's results commencing on April 16, 2018.

The total consideration paid by Clearview was approximately $8.2 million based on a share price, agreed upon by the two parties, for Clearview of $5.28 per share. Transaction costs of $16 thousand were recorded in earnings.

The acquisition of Bashaw has been accounted for as a business combination. The allocation of the purchase price is preliminary and may be subject to change. Net assets have been allocated as follows:

Acquisition Date	April 16, 2018
Consideration	
Share consideration (1,560,046 common shares)	8,237
Net assets at estimated fair value	
Working capital (including cash of $1,671)	1,809
Exploration and evaluation assets	290
Property, plant and equipment	7,335
Decommissioning obligations (see Note 9)	(1,197)
Net assets	8,237

Bashaw Oil Corp. was subsequently amalgamated into Clearview Resources Ltd.

Capital expenditures

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Land	-	247	(100)	31	247	(87)
Drilling, completions, equipping	5,447	555	881	5,520	670	724
Facilities	363	517	(30)	530	640	(17)
Other	(10)	51	(120)	27	91	(70)
Capital invested	5,800	1,370	323	6,108	1,648	271
Disposition of properties	-	-	-	(3,367)	-	100
Net capital invested	5,800	1,370	323	2,741	1,648	66
Acquisition of properties	-	7	(100)	67	7	857
Total capital expenditures	5,800	1,377	321	2,808	1,655	70

In the three months ended September 30, 2018, Clearview incurred $5.4 million on drilling and completion operations at its horizontal Cardium well in Wilson Creek and drilling a horizontal Bluesky well at Windfall. The Wilson Creek well was equipped for $0.4 million and brought on-stream late in the quarter.

In the previous quarter, the Company closed the disposition of its light oil property located in southern Alberta for $3.4 million. The Company sold the property for approximately $53.5 thousand per flowing boe/d. There was no gain or loss on disposal as a result of this transaction. The Company also acquired working interests of several joint interest partners in a core operating area for $67 thousand prior to commencement of its summer drilling program and the Company participated in Crown land sales, investing $25 thousand to acquire 1 gross (1.0 net) section. The acquired land and mineral rights are immediately adjacent to existing lands in the Greater Pembina core area.

Production

Production is summarized in the following table:

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Oil – bbl/d	580	427	36	518	406	28
Natural gas liquids – bbl/d	437	497	(12)	447	463	(3)
Total liquids – bbl/d	1,017	924	10	965	869	11
Natural gas – mcf/d	6,537	7,576	(14)	6,650	7,253	(8)
Total – boe/d	2,104	2,187	(4)	2,075	2,079	-

In the three months ended September 30, 2018, oil production increased 36% from new production at Wilson Creek from drilling operations and workovers undertaken in the Windfall area as well as the acquisition of Windfall in January 2018 and the acquisition of Bashaw Oil Corp on April 16, 2018. Natural gas liquids and natural gas production decreased by 12% and 14%, respectively, due to bad weather conditions causing production to be shut-in while limiting access to repair wells which had stopped producing.

Clearview's production portfolio for the quarter ended September 30, 2018 was weighted 28% to oil, 21% to natural gas liquids and 51% to natural gas. The majority of the natural gas produced by the Company is either associated with light oil production or has significant natural gas liquids in the natural gas production stream.

Benchmark prices and economic parameters

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Oil – Edmonton Par ($/bbl)	82.12	56.70	45	81.37	59.27	37
Oil – Hardisty Bow River ($/bbl)	62.11	48.25	29	62.62	44.99	39
Differential – Medium oil ($/bbl)	13.54	8.91	52	14.12	13.71	3
NGLs - Pentane ($/bbl)	86.04	61.42	40	86.24	61.70	40
NGLs – Butane ($/bbl)	31.73	39.90	(20)	36.45	38.12	(4)
NGLs – Propane ($/bbl)	26.17	26.66	(2)	25.42	19.02	34
Natural gas – AECO ($/mcf)	1.28	1.61	(20)	1.24	2.39	(48)
Exchange rate – US$/CAD$	0.7651	0.7981	(4)	0.7700	0.7620	1

Benchmark prices
The refiners' posted prices are influenced by the WTI reference price, transportation capacity and costs, US$/CAD$ exchange rates and the supply/demand situation of particular crude oil quality streams during the period. Benchmark oil and natural gas liquids prices performed well in the six months ended September 30, 2018 with pentanes and propane showing significant gains. Conversely, natural gas prices continue to be low. Benchmark natural gas prices in the six months

ended September 30, 2018 averaged $1.24 per mcf versus $2.39 per mcf for the comparative period, a decrease of 48%.

The Company has benefited from the higher prices for oil and natural gas liquids, particularly the increase in pentane and propane prices. Butane prices declined from higher prices in the three months ended September 30, 2018 as demand for the product as a diluent declined with lower heavy oil prices.

Realized sales prices

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Oil – $/bbl	73.44	51.70	42	73.56	53.37	38
NGLs – $/bbl	39.70	28.85	38	38.06	29.09	31
Natural gas – $/mcf	1.24	1.40	(11)	1.26	2.07	(39)
Total – $/boe	32.49	21.54	51	30.78	24.15	27

Realized prices

Realized prices vary from the benchmark prices largely due to quality differences including differences for density and sulphur. Bantry produces medium gravity oil while all other oil production is light oil. Medium gravity oil realizes a lower price than light oil. The company received $73.44 per barrel for its crude oil production, 42% higher than the comparative period and consistent with a 45% increase in the price of the Edmonton light oil benchmark price. Natural gas liquids prices were higher by 38%, consistent with the increase in benchmark oil prices other than ethane which is influenced more by natural gas prices. The Company's realized natural gas price was 11% lower in the three months ended September 30, 2018 versus the comparative period. This is consistent with a 20% decrease in the benchmark AECO price over the same time period. Overall, the Company's realized price per boe of production was 51% higher than the comparative period.

Natural gas prices for the six months ended September 30, 2018 were 39% lower than the comparative period. This decrease is primarily due to much lower AECO pricing over these six months in 2018 as compared to the same period of the prior year.

Revenue

Oil and natural gas sales

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Oil	3,922	2,031	93	6,975	3,984	75
Natural gas liquids	1,628	1,328	23	3,185	2,497	28
Total liquids	5,550	3,359	65	10,160	6,481	57
Natural gas	747	976	(23)	1,528	2,757	(45)
Total sales	6,297	4,335	45	11,688	9,238	27
Per boe	32.49	21.54	51	30.78	24.15	27

Crude oil sales increased 93% in the second quarter of the current fiscal year compared to the same quarter of the prior year. Growth in oil sales was due to a combination of higher production volumes, relating primarily to the acquisitions completed in the last six months and new drilling and higher prices received for the Company's production. While oil production represented 28% of the production volumes for the quarter, oil sales represented 62% of total oil and natural gas sales.

Natural gas liquids revenue increased 23% in the quarter ended September 30, 2018 versus the comparative quarter. Increased revenue from natural gas liquids was a result of higher prices received for those volumes sold. Natural gas liquids generated 26% of total oil and natural gas sales but represented 23% of the production volumes for the year.

Natural gas revenue decreased 23% in the quarter ended September 30, 2018 versus the comparative quarter. Decreased revenue from natural gas was primarily due to a decrease in the price received for the natural gas volumes sold. Natural gas generated 12% of total oil and natural gas sales but represented 51% of the production volumes for the quarter.

Processing income

Clearview has a working interest in natural gas processing and compression facilities at its Caroline, Carstairs, Crossfield, Wilson Creek and Northville properties. The capital expenditures to acquire the working interests in these facilities is included in property, plant and equipment on the statement of financial position. The Company earns processing fees on third party production volumes processed through these facilities on a fee for service arrangement. Management of the Company considers processing income to be a recovery of costs to operate these facilities when calculating operating costs on a per boe basis.

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Processing income	201	198	2	363	366	(1)
Per boe	1.04	0.99	5	0.95	0.96	(1)

Risk management activities

Clearview enters into financial commodity contracts as part of its risk management program to manage commodity price fluctuations, thereby protecting a portion of the revenues received from its production.

With respect to financial contracts, which are derivative financial instruments, management has elected not to use hedge accounting. Rather, the Company records the fair value of its natural gas and crude oil financial contracts on the statement of financial position at each reporting period with the change in the fair value being classified as an unrealized gain or loss in the statement of operations.

The following table lists the financial commodity contracts held by the Company that were outstanding as of September 30, 2018:

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
Jan. 1, 2018	Dec. 31, 2018	bbls/d	100	NYMEX WTI CDN	$65.00
Jan. 1, 2018	Dec. 31, 2018	bbls/d	100	NYMEX WTI CDN	$67.25
Jan. 1, 2018	Dec. 31, 2018	bbls/d	100	NYMEX WTI CDN	$70.00
Jan. 1, 2019	Dec. 31, 2019	bbls/d	100	NYMEX WTI CDN	$90.00

The fair value of the financial contracts outstanding as at September 30, 2018 is estimated to be a liability of $0.8 million. The fair value of these contracts is based on the forward prices and market values provided by independent sources and represents the liability that would have been paid to the counterparties to settle the contracts at the end of the reporting period. Due to the volatility of commodity prices, interest rates and foreign exchange rates, actual amounts may differ from these estimates.

For the three months ended September 30, 2018, the Company recognized an unrealized gain of $0.6 million on its outstanding commodity contracts versus an unrealized loss in the comparative period of $0.2 million. The unrealized loss in the three and six months ended September 30, 2018 is the difference between the fair values of the commodity contracts at September 30, 2018 and the fair values at the respective prior reporting period.

For the three months ended September 30, 2018, the Company had a realized loss on commodity contracts of $0.6 million versus a realized gain in the comparative period of $0.5 million.

Management monitors the forward price market for oil and natural gas, on an ongoing basis, and may contract additional production volumes as attractive pricing opportunities become available or if production increases from development or acquisitions.

Subsequent to the end of the quarter, the Company entered into the following risk management contract.

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
Nov. 1, 2018	Mar. 31, 2019	gj/d	1,000	AECO - 7A	$2.07

Royalties

	Three months ended September 30			Six months ended September 30		
Amount	2018	2017	% Change	2018	2017	% Change
Crown – oil	558	111	403	872	204	327
Crown – natural gas liquids	510	339	50	956	705	36
Crown – natural gas	48	127	(62)	84	257	(67)
Gas cost allowance	(483)	(427)	13	(934)	(741)	26
Total Crown	633	150	322	978	425	130
Freehold	154	129	19	305	257	19
Gross over-riding	200	132	52	349	247	41
Total royalties	987	411	140	1,632	929	76
Per boe	5.09	2.04	150	4.30	2.43	77

The Company pays royalties to the provincial government ("Crown"), freeholders and gross over-riding royalty holders, which may be individuals or companies, and other oil and gas companies that own surface or mineral rights. Crown royalties are calculated on a sliding scale based on commodity prices and individual well production rates. Royalty rates can change due to commodity price fluctuations and changes in production volumes on a well-by-well basis, subject to a minimum and maximum rate restriction prescribed by the Crown. The provincial government has also enacted various royalty incentive programs that are available for wells that meet certain criteria which can result in fluctuations in royalty rates. Freehold and gross overriding royalties are generally at a fixed rate.

The Company reviews its entitlement to gas cost allowance at each reporting period. The timeframe for the royalty regulatory process, the complexity of the calculation and the uncertainty (particularly for non-operated properties from which the Company takes its revenue in kind) as to whether the Company will be eligible to actually receive the allowance are factors considered in determining the estimate and the amount to record for that period.

	Three months ended September 30			Six months ended September 30		
Royalty rate	2018	2017	% Change	2018	2017	% Change
Total Crown	10.0%	3.5%	186	8.4%	4.6%	83
Freehold	2.4%	3.0%	(20)	2.6%	2.8%	(7)
Gross over-riding	3.2%	3.1%	3	3.0%	2.7%	11
Total royalties	15.6%	9.6%	63	14.0%	10.1%	39

The overall royalty burden for the three months ended September 30, 2018 increased by 63% to a rate of 15.6% versus 9.6% for the comparative period. The increase in royalty rate for the three and six months ended September 30, 2018 is primarily due to the higher royalty rates associated with the new properties acquired last year and also the higher prices received for production which increases the royalty rate due to the sliding scale nature of the calculation. Freehold royalties were lower than the comparative periods for the three and six months ended September 30, 2018 as new production brought on-stream has been on Crown lands versus freehold lands.

Transportation expenses

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Transportation costs	211	218	(3)	478	507	(6)
Per boe	1.09	1.08	1	1.26	1.33	(5)

Transportation expenses include trucking costs for delivery of the Company's oil production and third-party pipeline tariffs to deliver production to the purchasers at the main market hubs. Transportation expense per boe was lower by 5% due to lower charges for trucking oil.

Operating expenses

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Operating costs	3,179	2,927	9	5,930	5,301	12
Per boe	16.40	14.54	13	15.61	13.85	13

The Company has focused on reducing production costs given the prolonged period of low oil and natural gas prices. However, some components of operating an oil and natural gas property are essentially fixed, e.g. property taxes, lease rentals.

Operating costs for the three months ended September 30, 2018 were $3.2 million versus $2.9 million for the comparative period. The increase in operating costs were primarily a result of higher repairs and maintenance costs of $0.1 million, higher fuel and power costs of $0.1 million and higher freehold lease rentals of $0.1 million. These increases were partially offset by lower treating and compression fees of $0.2 million. Operating costs per boe were $16.40 per boe, higher by 13%, than the comparative quarter of the prior year, at $14.54 per boe.

Operating costs for the six months ended September 30, 2018 were $5.9 million versus $5.3 million for the comparative period. The increase in operating costs were primarily a result of higher repairs and maintenance costs of $0.2 million, higher fuel and power costs of $0.1 million, higher workover costs of $0.2 million and higher freehold lease rentals of $0.1 million. These increases were partially offset by lower treating and compression fees of $0.2 million.

General and administrative expenses

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Gross costs	654	503	30	1,227	1,052	17
Overhead recoveries	(145)	(150)	(3)	(205)	(164)	25
Total G&A expenses	509	353	44	1,022	888	15
Per boe	2.63	1.75	50	2.69	2.32	16

General and administrative costs increased 30% in the three months ended September 30, 2018 versus the comparative period. The increase in costs for the quarter was due to payouts under the Company's bonus program as well as having the required complement of personnel to manage and grow the Company. Overhead recoveries in the three months ended September 30, 2018 were virtually unchanged from the comparative period.

Stock based compensation

Stock based compensation is the amortization over the vesting period of the fair value of stock options. The Company has granted options to acquire voting common shares to directors, officers, employees and consultants to provide an incentive and retention component of the compensation plan. The Board of Directors of the Company set the terms of the options at the time of grant. The

fair value of all options granted is estimated at the time of the grant using the Black-Scholes option pricing model.

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Stock based compensation	249	246	1	333	486	(31)
Per boe	1.28	1.22	5	0.88	1.27	(31)

Stock based compensation expense for the three months ended September 30, 2018 was slightly higher by 1% versus the comparative period. The increase in expense is partly due to options granted to a director and employees in the second quarter. For the six months ended September 30, 2018, the expense was lower by 31% as a result of the reversal of stock based compensation for options expiring previously held by option holders no longer employed with Clearview.

Depletion and depreciation

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Depletion	2,008	2,135	(6)	3,902	4,039	(3)
Depreciation	2	-	100	4	-	100
Total	2,010	2,135	(6)	3,906	4,039	(3)
Per boe – depletion	10.36	10.61	(2)	10.27	10.56	(3)
Per boe – depreciation	0.01	-	100	0.01	-	100
Total	10.37	10.61	(2)	10.28	10.56	(3)

The Company calculates depletion on property, plant and equipment using the unit-of-production method based on proved plus probable reserves. Depreciation is calculated based on the useful lives of office equipment and furniture. The depletion costs for the three and six months ended September 30, 2018 was lower than the comparative period as lower production in both periods was also affected by a 3% lower depletion rate.

Transaction costs

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Transaction costs	-	-	-	16	-	100
Per boe	-	-	-	0.04	-	100

Transactions costs for the six months ended September 30, 2018 related to the acquisition of Bashaw Oil Corp. which closed on April 16, 2018.

Finance costs

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Interest on bank debt	213	192	11	430	390	10
Credit facility fees and costs	3	85	(96)	3	124	(98)
Cash finance costs	216	277	(22)	433	514	(16)
Accretion expense (1)	164	83	98	271	167	62
Total finance costs	380	361	5	704	681	3
Per boe – cash finance costs	1.12	1.38	(19)	1.14	1.34	(15)
Per boe – accretion expense	0.85	0.41	107	0.71	0.44	61

(1) Accretion is a non-cash finance cost associated with the Company's decommissioning obligation.

Cash finance costs include interest on bank debt and lender fees plus minor amounts for miscellaneous interest and penalties charged by vendors and taxing authorities. For the three

months ended September 30, 2018, interest on bank debt was higher than the comparative period as a lower average bank debt balance outstanding was offset by higher average interest rates payable on the bank debt. The interest rate had increased due to a higher credit spread, based on the Company's credit facility pricing grid, as well as increases over time in the prime lending rate. The average rates for prime based borrowings during the three and six months ended September 30, 2018 were 6.62% and 6.53%, respectively.

The Company also has the option of borrowing using the lender's guaranteed notes which are subject to a current stamping fee of 4.0% per annum plus the guaranteed note rate for 30, 60, 90 and 180 day terms. Guaranteed notes resulted in an average rate of approximately 5.80% and 5.77% during the three and six months ended September 30, 2018, respectively.

The accretion of decommissioning obligations relates to the passing of time until the Company estimates it will retire its assets and restore the asset locations to a condition which at a minimum meets environmental standards. This accretion expense is estimated to extend over a term of 2 to 55 years due to the long-term nature of certain assets. Accretion expense increased in the three and six months ended September 30, 2018, compared to the prior respective periods, due to a higher decommissioning liability from the acquisition of Bashaw Oil Corp.

Adjusted funds flow

The following is a reconciliation of cash flow provided by (used in) operating activities to adjusted funds flow:

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Cash flow provided by (used in) operating activities	(501)	87	(675)	(224)	1,351	(117)
Add back (deduct)						
Change in non-cash working capital	1,250	737	70	1,565	710	119
Adjusted funds flow [1]	749	824	(9)	1,341	2,061	(35)

[1] See non-GAAP measures

Cash flow from operations decreased for the three months ended September 30, 2018 to a use of $0.5 million from cash flow from operations of $0.1 million for the comparative period. The decrease in cash flow from operations was primarily due to lower realized gains from commodity contracts of $1.1 million, lower unrealized losses from commodity contracts of $0.8 million and an increased use of working capital of $0.5 million.

Cash flow from operations decreased for the six months ended September 30, 2018 to a use of $0.2 million from cash flow from operations of $1.4 million for the comparative period. The decrease in cash flow from operations was primarily due to lower realized gains from commodity contracts of $1.7 million.

Adjusted funds flow differs from cash flow from operations due to the exclusion of decommissioning expenditures and changes in non-cash working capital.

Adjusted funds flow for the three months ended September 30, 2018 was $0.7 million compared to $0.8 million for the three months ended September 30, 2017. The decrease in adjusted funds flow is primarily due to lower realized gains from commodity contracts of $1.1 million offset by improved operating income of $1.0 million.

Adjusted funds flow for the six months ended September 30, 2018 was $1.3 million compared to $2.1 million for the three months ended September 30, 2017. The decrease in adjusted funds flow is primarily due to lower realized gains from commodity contracts of $1.8 million offset by improved operating income of $1.1 million.

Net loss

	Three months ended September 30			Six months ended September 30		
	2018	2017	% Change	2018	2017	% Change
Net earnings (loss)	(1,000)	(1,864)	(46)	(2,749)	(2,146)	28
Per boe	(5.15)	(9.24)	(44)	(7.23)	(5.60)	29
Per share – basic	(0.10)	(0.22)	(55)	(0.28)	(0.25)	12
Per share – diluted	(0.10)	(0.22)	(55)	(0.28)	(0.25)	12

The Company sustained a net loss of $1.0 million for the three months ended September 30, 2018 compared to a net loss $1.9 million for the comparative period. The difference in net loss was primarily due to the change in realized and unrealized gain or losses in commodity contracts of $0.3 million lower offset by an improvement in operating income of $1.1 million.

Netback analysis

	Three months ended September 30			Six months ended September 30		
Barrel of oil equivalent ($/boe)	2018	2017	% Positive (Negative)	2018	2017	% Positive (Negative)
Realized sales price	32.49	21.54	51	30.78	24.15	27
Royalties	(5.09)	(2.04)	(150)	(4.30)	(2.43)	(77)
Processing income	1.04	0.99	5	0.95	0.96	(1)
Transportation	(1.09)	(1.08)	(1)	(1.26)	(1.33)	5
Operating	(16.40)	(14.54)	(13)	(15.61)	(13.85)	(13)
Operating netback	10.95	4.87	125	10.56	7.50	41
Realized gain (loss) – commodity contracts	(3.33)	2.37	(241)	(3.16)	1.56	(303)
General and administrative	(2.63)	(1.75)	(50)	(2.69)	(2.32)	(16)
Transaction costs	-	-	-	(0.04)	-	(100)
Cash finance costs	(1.12)	(1.38)	19	(1.14)	(1.34)	15
Corporate netback	3.87	4.11	(6)	3.53	5.40	(35)
Unrealized gain (loss) – commodity contracts	3.11	(1.11)	380	0.92	1.27	(28)
Stock based compensation	(1.28)	(1.22)	(5)	(0.88)	(1.27)	31
Depletion and depreciation	(10.37)	(10.61)	2	(10.28)	(10.56)	3
Accretion	(0.85)	(0.41)	(107)	(0.71)	(0.44)	(61)
Deferred income taxes	0.37	-	100	0.19	-	100
Net earnings (loss)	(5.15)	(9.24)	44	(7.23)	(5.60)	(29)

[1] % Positive (Negative) is expressed as being positive (better performance in the category) or negative (reduced performance in the category) in relation to operating netback, corporate netback and net earnings.
[2] See non-GAAP measures.

The Company's corporate netback for the three months ended September 30, 2018 decreased 6% to $3.87 per boe compared to the comparative period of $4.11 per boe. The decrease is primarily due to higher realized prices being more than offset by higher royalties, higher operating costs and lower realized gains from risk management contracts.

SUMMARY OF QUARTERLY RESULTS

	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Production								
Oil (bbl/d)	580	455	498	434	427	389	243	199
Natural gas liquids (bbl/d)	437	462	450	514	497	435	130	78
Natural gas (mcf/d)	6,537	6,764	7,175	7,085	7,576	7,006	2,223	1,591
Total (boe/d)	2,104	2,044	2,144	2,129	2,187	1,992	744	542
Financial								
Oil and natural gas sales	6,297	5,391	5,793	5,254	4,335	4,903	2,279	1,602
Adjusted funds flow (1)	749	592	429	1,189	824	1,237	223	(608)
Per share – basic	0.07	0.06	0.05	0.14	0.10	0.15	0.05	(0.14)
Per share – diluted	0.07	0.06	0.05	0.14	0.10	0.15	0.05	(0.14)
Net earnings (loss)	(1,000)	(1,749)	(3,879)	(2,435)	(1,864)	(282)	1,031	(1,028)
Per share – basic	(0.10)	(0.18)	(0.46)	(0.29)	(0.22)	(0.03)	0.21	(0.24)
Per share - diluted	(0.10)	(0.18)	(0.46)	(0.29)	(0.22)	(0.03)	0.21	(0.24)

(1) See non-GAAP measures.

Production was relatively flat on a quarter over quarter basis compared to the prior fiscal periods after a step change in production levels related to the property acquisitions in the fourth quarter of fiscal year 2017. Oil and natural gas sales increased on a quarterly basis as commodity prices, primarily oil and natural gas liquids, continued to increase over the quarters. The increase in oil and natural gas sales in the current quarter was primarily due to additional oil production from the acquisition of Bashaw Oil Corp. and the Company's new light oil well at Wilson Creek and higher oil prices. Adjusted funds flow improved with the increase in prices and increasing oil production over most quarters. Adjusted funds flow for the second quarter of the current fiscal year was slightly better than the prior quarter but lower than other quarters due to realized losses on commodity contracts. The increased loss in the fourth quarter of the prior year was primarily due to an impairment loss of $1.4 million related to an asset held for sale, losses on risk management contracts and higher general and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity was strengthened by the cash and working capital acquired through Bashaw Oil Corp., the proceeds on disposition from the asset held for sale as of March 31, 2018 and proceeds received from the issue of common shares and flow-through common shares to fund the Company's capital program. After the capital program incurred in the second quarter, net debt is $15.9 million at September 30, 2018 up from $14.2 million at March 31, 2018, with the components set out below:

As at	September 30, 2018	March 31, 2018
Cash and cash equivalents	296	-
Trade and other receivables	4,012	2,711
Prepaid expenses and deposits	699	324
Assets held for sale	-	4,636
Bank debt	(13,027)	(16,250)
Accounts payable and accrued liabilities	(7,877)	(4,308)
Liabilities associated with assets held for sale	-	(1,267)
Net debt	(15,897)	(14,154)

Balance sheet strength and flexibility remain a priority through a challenging environment. The Company continues to proactively consider alternatives, including a further equity raise and/or non-

core asset sales, building on the steps taken in fiscal 2017. Improved liquidity is a priority as the Company initiates its drilling plans. The Company monitors net debt as a key component of managing liquidity risk and determining capital resources available to finance future development.

At September 30, 2018, the Company had a demand revolving operating facility with ATB Financial with a limit of $21.0 million (March 31, 2018 - $21.0 million) of which $13.1 million (March 31, 2018 - $16.3 million) was drawn. The interest rate is prime plus 3% and the loan agreement requires monthly interest payments only.

During the quarter, the Company's lender reconfirmed the credit facility of $21.0 million and set the next annual review date at no later than June 30, 2019. Additional changes made to the lending agreement at that time included revisions to the calculation of net debt to trailing cash flow ratio for the purposes of the credit facility's pricing grid. The net debt to trailing cash flow ratio is now calculated as current liabilities less current assets, excluding the fair value of financial instruments, divided by the most recent quarter's adjusted funds flow multiplied by four. The numerator now excludes the Company's long term decommissioning obligations.

The Company's credit facility is also a demand loan and as such the lender could demand repayment at any time. Since the facility is a demand loan it is classified as a current liability. Management is not aware of any indications the lender would demand repayment. The Company is current with all interest and fee payments and is compliant with all financial and non-financial covenants, particularly the working capital covenant. Refer to Note 8 of the Company's audited financial statements for the definition of how this covenant is calculated. The Company's ratio as per the working capital covenant is 1.6 to 1, in excess of the minimum requirement of 1:1.

The Company manages liquidity risk, the risk that the Company will not be able to meet its financial obligations as they become due, by monitoring cash flows from operating activities, reviewing actual capital expenditures against budget, managing maturity profiles of financial assets and liabilities and managing its commodity price risk management program.

CONTRACTUAL OBLIGATIONS

The Company is committed to future minimum payments for natural gas transmission and office space. In the prior year, the Company entered a lease for new office space which expires June 29, 2020 and acquired office lease obligations through the acquisition of Bashaw Oil Corp. which expire April 30, 2020. The Company recovers a portion of the office costs from subleases to other corporations. These amounts are not reflected as recoveries in the table below.

The following is a summary of the Company's future minimum contractual obligations and commitments as of September 30, 2018:

	2019	2020	2021	2022	Thereafter
Bank debt	-	13,027	-	-	-
Accounts payable and accrued liabilities	-	7,877	-	-	-
Decommissioning obligations	-	-	-	-	21,678
Financial instruments	782	-	-	-	-
Gas transportation	192	340	40	6	2
Office lease	151	312	55	-	-
Total	1,125	21,556	95	6	21,680

The Company has successfully subleased the office space associated with the Bashaw office lease for the term February 1, 2019 to April 30, 2020. Clearview will recover approximately 66% of its monthly lease costs over the term of the sublease.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements. The commodity contracts for oil prices disclosed in the MD&A are recorded at fair value as "Financial instruments – commodity contracts" on the statements of financial position at each reporting period with gains and losses recognized in earnings.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of voting common shares, an unlimited number of non-voting common shares and an unlimited number of preferred shares, issuable in series. On September 7, 2018, the Company issued 103,143 common shares at a price of $6.25 per share for gross proceeds of $0.6 million and 94,400 flow-through common shares at a price of $7.00 per share for gross proceeds of $0.7 million. Subsequent to the end of the quarter, the Company issued 107,247 common shares at $6.25 per share and 7,143 flow-through common shares at $7.00 per share for gross proceeds of $0.7 million. Total gross proceeds raised from the private placement closings in September through November were $2.0 million.

As of November 19, 2018, the Company has 10,195,455 voting common shares outstanding and options to acquire 1,125,334 voting common shares outstanding. All outstanding options have a 7-year life from the date of grant with exercise prices between $4.50 and $5.00 per option.

For further details about the options refer to Note 10 of the condensed interim financial statements as at and for the three and six months ended September 30, 2018.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 14 of the condensed interim financial statements as at and for the three and six months ended September 30, 2018.

During the three and six months ended September 30, 2018, $11 thousand and $19 thousand (September 30, 2017 - $21 thousand and $27 thousand), respectively, was recovered for shared office occupancy costs from Front Range Resources Ltd., a company with a director in common. In the six months ended September 30, 2018, geological systems cost of $37 thousand (September 30, 2017 - $19 thousand) were paid to this same related party.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of revision and in any future periods affected.

The Company's significant accounting policies are described in Note 3 to the audited financial statements for the years ended March 31, 2018 and 2017. Certain estimates and judgments are described in Note 2 to the audited financial statements for the years ended March 31, 2018 and 2017.

NEW ACCOUNTING POLICIES

Effective April 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replacing IAS 11 - Construction Contracts and IAS 18 - Revenue. The adoption of IFRS 15 did not have a material impact on the Company's consolidated financial statements.

Effective April 1, 2018 Clearview adopted IFRS 9, Financial Instruments ("IFRS 9") replacing IAS 39 – Financial Instruments: Recognition and Measurement. The adoption of IFRS 9 did not have a material impact on Clearview's consolidated financial statements.

Additional information about the changes to our accounting policies from the adoption of IFRS 9 and IFRS 15 can be found in Note 3 to the condensed interim financial statements

New accounting standards not yet adopted

IFRS 16, "Leases" will come into effect for fiscal years beginning on or after January 1, 2019, with earlier adoption permitted but only if the Company also applies IFRS "Revenue from Contracts with Customers". IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases and will require lessees to recognize most lease assets and lease obligations on the balance sheet, effectively classifying all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as an operating lease.

IFRS 16 is required to be adopted either retrospectively or using a modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect of IFRS 16 as an adjustment to opening retained earnings and applies the standard prospectively. Clearview is currently assessing its outstanding leases and anticipates the adoption of IFRS 16 to increase the Company's assets and liabilities, increase depletion and depreciation expense, increase finance costs and reduce operating and general and administrative expenses. Cash payments associated with operating leases are currently presented within cash flows from operating activities. Under IFRS 16, the cash flows will be allocated between financing activities for the repayment of the principal obligation and operating activities for the financing expense portion.

INDUSTRY CONDITIONS AND RISKS

The business of exploration, development, and acquisition of oil and gas reserves involves financial, operational and regulatory risks inherent in the oil and gas industry, several of which are beyond control of the Company, which may impact the Company's results. These risks are operational, financial and regulatory in nature.

The Company's revenues, profitability, future growth and the carrying value of its properties are substantially dependent on prevailing prices of oil and natural gas. The Company's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to volatility in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Company.

While the Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks. These risks and the Company's approach to managing these risks are the same as outlined in the Management Discussion and Analysis for the year ended March 31, 2018. Refer to Note 13 of the audited financial statements for the year ended March 31, 2018 for additional analysis of these risks.

Non-GAAP measures

The Company's management uses and reports certain measures not prescribed by International Financial Reporting Standards ("IFRS") (referred to as "non-GAAP measures") in the evaluation of operating and financial performance.

Operating netback is a non-GAAP measure used by the Company to assess its operating results. The Canadian Oil and Gas Evaluation Handbook ("COGEH") describes netback as "an operations indicator to assess operating priorities and evaluate smaller capital expenditures normally associated with field maintenance and improvement". The COGEH provides guidance that "the netback calculation takes the price received for a unit of production at a point in time and deducts from it all production costs, royalties and production taxes to find the cash netback to the producer from each barrel of oil or mcf of sales gas". The Company computes the operating netback for the Company directly from the applicable amounts on the Statements of Operations in the financial statements being oil and natural gas sales and processing income less royalties, production and transportation costs. This amount divided by the associated production volume (usually in boe's) provides a per unit amount.

Corporate netback is the adjusted funds flow amount divided by the total production for the period and represents the cash margin received on each barrel of oil equivalent sold.

Adjusted funds flow is a non-GAAP measure derived from cash flow from operating activities excluding decommissioning expenditures and changes in non-cash working capital. The adjusted funds flow amount represents funds available for capital expenditures, repayment of net debt or distribution to shareholders. See the reconciliation of adjusted funds flow to cash flow from operations set out under the heading "Adjusted Funds Flow" in this MD&A.

Net debt consists of current assets (excluding financial derivatives) less current liabilities (excluding financial derivatives). Net debt is used to assess financial strength, capacity to finance future development and manage liquidity risk.

Operating netback, adjusted funds flow, corporate netback and net debt do not have any standardized meanings prescribed by IFRS and therefore may not be comparable with the calculation of a similar measure for other companies. The Company uses these terms as an indicator of financial performance because such terms are used internally in managing and governing the Company and are often utilized by investors and other financial statement users to evaluate producers in the oil and natural gas industry.

Natural gas is converted to a barrel of oil equivalent ("boe") using six thousand cubic feet of gas to one barrel of oil. Boe's may be misleading, particularly if used in isolation. A conversation ratio of one barrel to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. **Given that the value ration based on the current price of cured oil as compared to natural gas is significantly difference from the energy equivalency of 6:1, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.**

Forward-looking statements

The matters discussed in the MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Specifically, this document includes forward looking information with respect to: future drilling plans, completion plans, waterflood recovery, operating cost efficiencies, divestiture and acquisition plans, continued compliance with covenants under the credit facility, debt levels and overall growth strategy. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning. In addition, any statement that may be made concerning future performance, strategies or prospects and possible future

corporate action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date. Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Company. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. The Company stresses that the above-mentioned list of important factors is not exhaustive. The Company urges all readers to consider these and other factors carefully before making any investment decisions. The Company urges all readers to avoid placing undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise these forward-looking statements as a result of new information, future events or otherwise, except as required under applicable securities laws.

Measures, conversions and acronyms

In this document, the abbreviations set forth below have the following meanings:

bbl	Barrel	mcf	Thousand cubic feet
mbbl	Thousand barrels	mmcf	Million cubic feet
bbl/d	Barrels per day	mcf/d	Thousand cubic feet per day
NGLs	Natural gas liquids	mmbtu	Million British Thermal Units
boe	Barrels of oil equivalent	gj	Gigajoule
boe/d	Barrels of oil equivalent per day	mboe	Thousand boe

WTI - West Texas Intermediate is the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade**.**
AECO – AECO is a natural gas storage facility located at Suffield, Alberta and the price of natural gas at this terminal is used as a benchmark for Canadian purposes.
API - an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To	Multiply by
mcf	1,000 m^3 of gas	0.028
1,000 m^3 of gas	Mcf	35.493
Bbl	m^3 of oil	0.158
m^3 of oil	bbl	6.290
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
mcf	gj	0.95

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