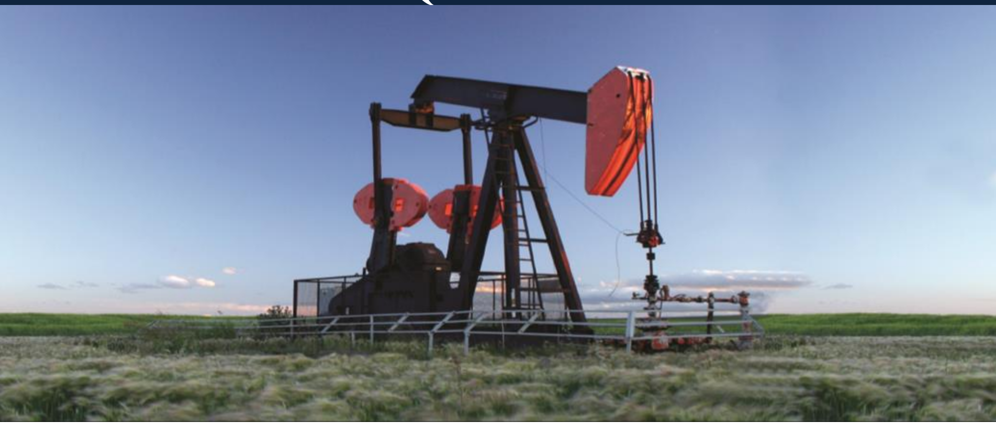

Kingsland Energy Corp

Q2 2015 Management's Discussion and Analysis

TSX – V:KLE

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") of financial conditions and results of operations is current to May 31, 2015 and is management's assessment of the operations and financial results together with future prospects of Kingsland Energy Corp. ("**KLE**" or the "**Corporation**"). The MD&A should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements and the notes to the unaudited condensed consolidated financial statements for the period ended May 31, 2015 (together the "**Financial Statements**"). All amounts reflected in this MD&A and the Corporation's Financial Statements, are reported in Canadian dollars and in accordance with International Financial Reporting Standard ("**IFRS**"). The Corporation has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Terms used but not defined in this MD&A, shall bear the meaning as set out in Part 1 of National Instruments ("**NI**") 51-101 *Standards of Disclosure for Oil and Gas Activities*, NI 51-102 *Continuous Disclosure Obligations* and NI 14-101 *Definitions* and accounting terms that are not defined herein, shall bear the meaning as described or used in IFRS applicable to publicly accountable enterprises.

This MD&A is dated July 20, 2015.

FORWARD-LOOKING STATEMENTS

Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties that may cause the Corporation's actual results or outcomes to be materially different from those anticipated and discussed herein. In assessing forward-looking statements contained herein, readers are urged to read carefully all cautionary statements contained in this MD&A and accompanying Financial Statements and in those other filings with the Corporation's Canadian regulatory authorities and to not put undue reliance on such forward looking statements. Although the Corporation's management ("**Management**") believes that the expectations reflected in the forward-looking statements are reasonable, Management cannot guarantee future results, levels of activity, performance or achievements or other future events. Management is under no duty to update any of its forward-looking statements after the date of this MD&A, other than as required and governed by law.

BOE CONVERSION

Where amounts are expressed on a barrel of oil equivalent ("**BOE**") basis, natural gas volumes have been converted to BOE using a ratio of six thousand cubic feet ("**Mcf**") of natural gas to one barrel of oil equivalent (6Mcf:1bbl). This conversion ratio of 6:1 is based upon an industry standard energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. BOE figures may be misleading, particularly if used in isolation.

RESERVES DATA

Reserves data containing estimates of proved reserves and probable reserves and related future net revenue, estimated using forecast prices and costs are contained in KLE's Statement of Reserves Data and Other Information, and can be found on SEDAR at www.sedar.com.

DESCRIPTION OF THE CORPORATION

Kingsland Energy Corp. ("**KEC**") was incorporated as 101142883 Saskatchewan Ltd. under the *Business Corporations Act* (Saskatchewan) on April 27, 2009. The Corporation commenced operations on February 23, 2010. On February 23, 2011 it was continued from Saskatchewan to the province of Alberta. On December 19, 2011, KEC and Millstreet Industries Inc. amalgamated ("**Amalgamation**") to form a new corporation under the name of "Kingsland Energy Corp." ("**KLE**" or "**Corporation**"). The Corporation is a resident Saskatchewan oil corporation.

The Corporation is classified as a distribution corporation under the *Business Corporations Act* (Alberta), a reporting issuer for the purposes of the *Securities Act (*Alberta*)*, a TSX Venture Tier 2 "Exploration" Oil and Gas issuer (as defined in TSX Venture Exchange Inc. Policies) which trades under the symbol "KLE" and is engaged in the business of oil and natural gas acquisition, exploration and development in Saskatchewan and Manitoba. The Corporation's head office is located at #001, 2305 Victoria Avenue, Regina, Saskatchewan, Canada.

Additional information related to the Corporation is available for view on SEDAR at www.sedar.com.

QUARTERLY ACCOMPLISHMENTS

During the first quarter, the Corporation continued to develop certain international interests into strategic long term relationships and financings. The Corporation issued 1,051,190 common shares (at $0.18 per share) for gross proceeds of $189,214.

During the six month period ending May 31, 2015 (the "**Period**") the Corporation acquired an additional 28% of a private company producing approximately 54boe/day from the Upper Shaunavon Formation near Gull Lake, Saskatchewan. The private company also has approximately 8,500 additional acres of undeveloped land with drilling potential from the Cantuar and Upper Shaunavon interval. The Corporation continues to evaluate additional acquisitions with similar characteristics to the Gull Lake assets to leverage technologies, capabilities and relationships into commercial opportunities. KLE expects to receive distribution from this investment on an ongoing basis. Current expectation is that additional investment will be made through the private company and will benefit The Corporation though its percentage ownership.

2015 Business Focus

The Corporation will continue to leverage the EHR Enhanced Hydrocarbon Recovery Inc. ("**EHR**") technology and relationships to capitalize on attracted international interest. Throughout 2015, the Corporation will rationalize its asset base to strategically position itself to develop these international interests into commercial opportunities.

The Corporation continues to evaluate additional acquisitions with similar characteristic to the Gull Lake assets to leverage technologies, capabilities and relationships of its wholly owned subsidiary EHR and capitalize on established strategic long term partnerships for additional investment and joint asset development.

The Corporation will continue to pursue opportunities through acquisition, farm in or joint venture initiative established to pursue asset opportunities whereby the EHR suite of technologies and strategic relationships will increase reservoir recovery factors, and position KLE with an opportunity to develop a scalable, less capital intensive, means to develop lower cost heavy oil resource plays.

In the current commodity market pricing environment the Corporation continues to rationalize its costs, continually evaluates associated human resource requirements and had decided not to renew certain non-core oil and gas mineral leases.

SELECTED ANNUAL INFORMATION

In thousands of Canadian Dollars (except earnings per share)	Year ending November 30, 2014	Year ending November 30, 2013	Year ending November 30, 2012
Total Revenues	**164,255**	**21,500**	**416,265**
Profit/Loss from continuing operations, in total	**(762,807)**	**(2,722,025)**	**(709,573)**
on a per-share and diluted per-share basis	**(.01)**	**(.04)**	**(.012)**
Profit/Loss in total	**(1,527,237)**	**(2,655,438)**	**(201,113)**
on a per-share and diluted per-share basis	**(0.021)**	**(0.039)**	**(0.003)**
Total assets	**5,625,601**	**6,233,806**	**6,185,411**
Total non-current liabilities	**1,404,290**	**1,873,228**	**2,324,520**

SUMMARY OF CUMULATIVE QUARTERLY RESULTS

In Canadian Dollars (except earnings per share)	3 months ended May 31, 2015 (unaudited)	3 months ended May 31, 2014 (unaudited)	3 months ended Feb 28, 2015 (unaudited)	3 months ended Feb 28, 2014 (unaudited)	3 months ended Nov 30, 2014 (unaudited)	3 months ended Nov 30, 2013 (unaudited)	3 months ended Aug 31, 2014 (unaudited)	3 months ended Aug 31, 2013 (unaudited)
Total Revenues	4,500	59,575	68,500	10,000	45,180	-	49,500	-
Income (Loss)*	(1,362,022)	(410,485)	(120,201)	(267,282)	(684,677)	(1,725,081)	(164,793)	(294,369)
Income (Loss) on a per-share basis**	(0.018)	(0.006)	(0.002)	(0.003)	(.009)	(.026)	(.002)	(.004)
Total Assets	4,159,913	5,205,601	5,450,558	5,500,926	5,625,601	6,233,806	5,419,270	8,422,218
Long term Liabilities	1,454,290	1,873,228	1,454,290	1,873,228	1,404,290	1,873,228	1,873,228	3,415,310
Shareholder Equity	1,213,349	2,901,490	2,575,371	3,311,975	2,695,572	3,459,257	3,161,697	4,804,838
Cash Flow from operations	(64,117)	(144,048)	(78,217)	(553,828)	(23,897)	(446,890)	(113,902)	(374,363)

***** *from continuing operations.*
****** *from continuing operations, in total and on a per-share and diluted per-share basis.*

Previous quarter results and commentary are available under the Corporation's profile on SEDAR at www.sedar.com and should be read in conjunction with the annual management's discussion and analysis and the annual audited consolidated financial statements associated with the specific year.

REVENUE

Revenues for the Period were $73,000 compared with $69,575 for the six period ending May 31, 2014. Revenues are associated with consulting services and rental revenues. Revenue from consulting services may occur from time to time as opportunities arise, but are not an ongoing source of revenues. There are no revenues from oil and gas production for the Period. Revenues from oil and gas will not resume until the Corporation acquires existing production, realizes revenue from the farm in opportunities. Rents and other revenues arise from temporary rental of leased space as well as other nonrecurring recoveries.

GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense for the Period was $112,468 compared with $277,252 for the period ending May 31, 2014. The decrease of $164,784 is attributable to reduction in salaries and consulting expenses.

DEPLETION AND AMORTIZATION

Depletion and amortization for the Period was $157,090 ($157,414 – May 31, 2014).

EXPLORATION AND EVALUATION

During the Period exploration and evaluation cost were $1,204,347 compared with $243,677 for the period ending May 31, 2014. Period costs relates to leases that were allowed to lapse, as they did not coincide with the current operational plans. The expiration of leases does not result in a use of cash flow.

FINANCE COSTS

Finance costs relate to interest accrued on debentures in accordance with the terms laid out in the "Long Term Liability" discussion below. Finance costs for the Period were $81,404 (versus $107,897 in the period ending May 31, 2014). The decrease is due to a debenture payout in the prior year and the decreased interest rate for the Period.

NET LOSS AND COMPREHENSIVE LOSS

Net loss and comprehensive loss for the Period was $1,482,223 compared with a loss of $677,767 (May 31, 2014). The increase in loss is described above and is primarily attributable to an increase in exploration and evaluation costs offset by a reduction in general and administrative, finance costs and an increase in consulting and other revenue.

CASH AND CASH DEPOSITS

As at May 31, 2015 the Corporation had cash and cash equivalents of $13,445 as compared with cash balance of $805,556 at November 30, 2014. The decrease in cash is primarily attributable to the investment purchase of $680,000 (see below).

INVESTMENT

During the Period KLE acquired an additional 28% interest in a Canadian controlled private company with oil and gas production for consideration of $680,000. At May 31, 2015 KLE ownership was 45%.

PROPERTY AND EQUIPMENT

Total property and equipment for the Period was $2,027,513 versus $3,247,054 as at November 30, 2014. The change is attributable to a net decrease in exploration and evaluation properties due to a combination of market conditions, cash flow and a change in strategic emphasis, The Corporation allowed $1,204,347 to expire (see above). This reduction is not a use of cash.

	Exploration & Evaluation	Other Equipment	Total
Carrying amount May 31, 2015	$1,937,076	$ 90,437	$2,027,513
Carrying amount November 30, 2014	$3,137,965	$109,089	$3,247,054

As of May 31, 2015 petroleum properties consist of undeveloped land with a cost of $1,937,076. No depletion or amortization has been recorded on the Corporation's petroleum properties as the Corporation has not commenced developments.

INTANGIBLES

	Assets under development	Enhanced Oil Technology	Total
Opening balance, November 30, 2014	$91,000	$1,000,000	$1,091,000
Amortization	-	(138,438)	(138,438)
Closing balance, May 31, 2015	**$91,000**	**$ 861,562**	**$952,562**

	Assets under development	Enhanced Oil Technology	Total
Opening balance, November 30, 2013	$91,000	$1,699,899	$1,790,889
Amortization	-	(276,876)	(276,876)
Impairment	-	(423,013)	(423,013)
Closing balance, November 30, 2014	**$91,000**	**$1,000,000**	**$1,091,000**

Management performs an analysis of the carrying value of its goodwill and intangible assets as laid out in Note 4 of the Financial Statements. Intangible assets were recorded on acquisition of EHR. IFRS requires identifiable intangible assets that meet recognition criteria be identified, valued and disclosed separately from goodwill. Items giving rise to intangibles and related goodwill include, but are not limited to: intellectual property (i.e. rights to provisional patents, technology rights software rights), contractual rights with advantageous conditions, human resources (i.e. research teams, project management, patent resources), and branding and name recognition related items (literature, data base, videos, domain names, etc.) as well as various other items. The value of these intangibles has been determined at the date of acquisition using valuation techniques.

Intangible assets under development are currently not being amortized. The enhanced oil technology asset is being amortized over its useful life of amortization of $138,438 and has been included in depreciation and amortization expense.

All the intangibles relate to EHR's cash generating units (CGU). At November 30, 2014, the Corporation tested EHR for impairment to determine the fair value. The recoverable amount was based on expected discounted cash flows. Cash flows are discounted using discount rates of approximately 25%. The calculation of fair value is sensitive to various assumptions associated with potential cash flows including, but not limited to, margin rates, timing of commercialization of technologies etc.

Depending on the assumption, a downward change of 2% to 16% or more in the assumptions if not offset by other events, will result in a further impairment as of November 30, 2014.

Another significant assumption used in computing fair values is discount rate. A rise in discount rate by 13% would result in a further impairment as of November 30, 2014. As at November 30, 2014 the Corporation determined that the asset was impaired by $423,013 and accordingly reduced the carrying value of intangibles asset through income.

Intangible assets under development are currently not being amortized. The enhanced oil technology asset is being amortized over its useful life of 7 years. Amortization of $138,439 has been included in depreciation and amortization expense.

Management has determined at November 30, 2014 that the recoverable amount of the assets was $1,091,000 which is based on its value in use using an average discount rate of approximately 25%. There has been no previous estimate of value in use made.

ASSETS

Total assets for the Period were $4,159,913 versus $5,625,601 as at November 30, 2014. The net decrease in assets is attributed to amortization, expired leases of property, equipment and intangibles and ongoing operations.

CURRENT LIABILITIES

As at May 31, 2015 current liabilities were $1,492,274 versus $1,525,739 as at November 30, 2014. The decrease is a combination of the repayment of short term debt, decrease in current portion of long term debt and payment of trade payables outstanding at November 30, 2014.

LONG TERM LIABILITIES

The Corporation raised $1,933,228 capital through the original issuance of a 3 year convertible debt instrument, bearing interest between 8% and 20% per annum depending on the average daily closing price of the West Texas Intermediate light oil ("**WTI**") spot price. The Corporation may selectively redeem the principal sum 30 days following an annual interest payment by paying the lender 1.2 times the principal sum in cash. The lender may transfer the principal sum any time after the second anniversary date of the agreement to Kingsland Capital Management Inc. ("**KCM**") in exchange for shares held by KCM at a conversion rate of 1.5 times the principal sum at which time a new 5 year debenture at 7% will be executed between KCM and KLE for the converted value. Principal sums not redeemed prior to maturity will be due and payable at maturity. During the 2014 year the Corporation started restructuring debt resulting in a number of debenture holders allowing interest due, to be added to the principal balance ($61,000) and continuing under the same terms, save for fixing the interest (10%) for the remaining year or alternatively extending the maturity date 2 years and fixing the interest rate at 10% for the next year and 6.5% for years 2 and 3. As a result of the restructuring, $1,095,000 matures in 2015, $98,228 matures in 2016, $1,041,662 matures in 2017 and $270,000 matures in 2018. The Corporation restructuring program is ongoing.

On November 25, 2014, the Corporation issued a 2 year convertible debenture instrument, bearing interest at 3.5% per annum due at maturity and secured by shares in the private company Kingsland Oil Corp. The conversion feature allows the lender to convert the principle sum to common shares of the Corporation at any time prior to maturity at a price of $0.30 per common share. As the conversion amounts is fixed, the debenture is considered a compound instrument. Accordingly, $29,338 being the difference between the estimated fair value at maturity of the debt instrument at a market adjusted discount factor to the original cash consideration received has been adjusted to contributed surplus.

	May 31, 2015	November 30, 2014
Original long term debenture	$1,193,228	$1,193,228
Renegotiated long term debenture	726,000	701,000
Convertible debenture	585,662	585,662
	2,504,890	2,479,890
Current portion of Long term debt	1,095,000	1,120,000
Balance	**$1,409,890**	**$1,359,890**

Principal repayments over the next four years are as follows:

2015	1,095,000
2016	98,228
2017	1,041,662
2018	270,000

The increase in long term debt is the result of capitalization of interest and the restructuring of debt referenced above resulting in reclassification from current to long term debt.

LIQUIDITY

The Corporation's strategy is to preserve liquidity and capital resources by prudent investment in resource properties and selective drilling programs. The Corporation considers the cash flows from the underlying assets and future needs when assessing the need for additional capital, if any. Depending on future liquidity requirements, the Corporation may invest excess cash in short or long-term financial instruments.

The Corporation intends to secure additional funds and or renegotiate existing debt to meet its debt obligation. This will require that the Corporation acquires funding through strategic asset dispositions and normal capital markets, including private placements, flow through share issuance, debentures and other financings.

This MD&A to be read with the Financial Statements, have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

CAPITAL STOCK

Share capital:

Authorized:
An unlimited number of common shares
An unlimited number of preferred shares

	As at May 31, 2015		As at November 30, 2014	
Common Shares	**Number**	**Amount**	**Number**	**Amount**
Balance, beginning of Period	73,681,038	$7,394,628	71,314,371	$6,849,628
Shares issued	1,051,190	189,214	2,366,667	545,000
Balance, end of Period	74,732,228	$7,583,842	73,681,038	$7,394,628

Shares issued\Exchanged:
On January 17, 2014 the Corporation issued 342,857 common shares (at $.35 per share) for gross proceeds of $120,000.

On September 2, 2014 the Corporation issued 2,023,810 common shares (at $.21 per share) for gross proceeds of $425,000.

As of November 30, 2014, the Corporation had 16,311,780 common shares in TSX Venture Exchange Inc. ("**Exchange**") imposed Surplus Escrow and 274,500 common shares in Exchange imposed Value Escrow (as these terms are defined in Exchange policies) pursuant to the Amalgamation. These shares were all released on December 19, 2014.

On December 4, 2014 the Corporation issued 1,051,190 common shares (at $.18 per share) for gross proceeds of $189,214.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value:
Management believes the carrying value of cash, accounts receivable, and accounts payable approximate their fair value at year end due to their short-term nature.

RISKS & UNCERTAINTIES

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive, but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs.

Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated, and can be expected to adversely affect revenue and cash flow levels to varying degrees.

FINANCIAL RISK MANAGEMENT:

FAIR VALUE
Management believes the carrying value of accounts receivable, and accounts payable and accrued liability approximate their fair value at Period end due to their short-term nature.

Management's risk management policies are typically performed as a part of the overall management of the Corporation's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Corporation is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Corporation has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Corporation, management considers the avoidance of undue concentrations of risk. These risks and the actions taken to manage them include the following:

COMMODITY RISK

The Corporation is at risk to the volatility of oil and natural gas prices and markets. Financial performance and condition are substantially dependent on the prevailing prices of oil and natural gas which are unstable and subject to fluctuation. Fluctuations in oil or natural gas prices could have an adverse effect on operations and financial condition and the value and amount of its reserves. Prices for crude oil fluctuate in response to global and North American supply of and demand for oil, market performance and uncertainty and a variety of other factors which are outside the Corporation's control including, but not limited, to the world economy and OPEC's ability to adjust supply to world demand, government regulation, political stability and the availability of alternative fuel sources. In addition, the prices received by KLE for its oil are subject to differentials against such benchmarks as WTI and Edmonton Par, which can fluctuate substantially and result in KLE realizing prices substantially below such benchmarks. Natural gas prices are influenced primarily by factors within North America, including North American supply and demand, economic performance, weather conditions and availability and pricing of alternative fuel sources.

Decreases in oil and natural gas prices realized will result in reduced net production revenue and may change the economics of producing from some wells, which could result in a reduction in the volume of KLE's reserves. Any further substantial declines in the prices of crude oil or natural gas could also result in delay or cancellation of existing or future drilling, development or construction programs or the curtailment of production. All of these factors could result in a material decrease in KLE net production revenue, cash flows and profitability, causing a reduction in its oil and gas acquisition and development activities.

As at May 31, 2015 KLE does not have any producing properties.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The Corporation's main sources of liquidity are its operations and equity financing. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Corporation's financial obligations associated with financial liabilities.

The timing of cash outflows relating to the financial liabilities are outlined in the table below:

May 31, 2015	**< 1 period**	**1-2 periods**	**2-4 periods**	**Total**
Accounts payable and accrued liabilities	$ 162,793	$ -	$ -	$ 162,793
Short term debt	234,481	-	-	234,481
Long term debt	1,095,000	1,139,890	270,000	2,504,890
Balance	**$1,492,274**	**$1,139,890**	**$270,000**	**$2,902,164**

November 30, 2014	**< 1 period**	**1-2 periods**	**2-4 periods**	**Total**
Accounts payable and accrued liabilities	$179,940	$ -	$ -	$179,940
Short term debt	225,799	-	-	225,799
Long term debt	1,120,000	1,114,890	245,000	2,479,890
Balance	**$1,525,739**	**$1,114,890**	**$245,000**	**$2,885,629**

CURRENCY RISK

Currency risk is that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation has no significant transactions denominated in foreign currency and is not exposed to any material foreign currency risk aside from broad unquantifiable macro-economic factors arising from fluctuations in foreign exchange, which could result in Canadian products becoming more expensive to international purchasers.

INTEREST RATE RISK

Interest rate risk primarily is associated with interest fluctuations earned on the Corporation's cash and term deposits. The Corporation mitigates exposure by attempting to match rates and terms to expected cash requirements. A 1% change in the prime interest rate would have a negligible impact on the Corporation's income.

The Corporation is exposed to interest rate risk through its issuance of long term debt bearing interest between 8% and 20% per annum depending on the average daily closing price of the WTI spot price. The following provides an approximation of the effect of a reasonably possible change in interest rate as a result of the average daily closing price of WTI spot price on the finance costs.

	< $80 bbl	**$80-$90 bbl**	**$90-$100 bbl**	**$100-$110 bbl**	**>$110 bbl**
Effect on finance costs	(23,865)	(11,932)	-	59,661	119,323

CREDIT RISK

Credit risk is the risk of financial loss if counterparty to a financial transaction fails to meet its obligations. The Corporation attempts to reduce such exposure to its cash, and short term deposits by only investing in low risk investments with Canadian Chartered Banks and taking advantage of government guarantees. The Corporation attempts to reduce its loss on amounts receivable by assessing the ability of the counterparties to fulfill their obligation under contract prior to entering into the contracts and by the nature of customers the Corporation deals with.

The Corporation's accounts receivable is $3,150 at the end of the Period compared to $nil as at May 31, 2014.

RELATED PARTY TRANSACTIONS

The key management personnel of the Corporation consist of the executive officers, vice-president, other senior managers and members of the board of directors. Key management personnel also include those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Compensation for the current Period was $40,000 (2014 - $62,502). As of May 31, 2015, there is no outstanding amount owing to key management personnel (2014 - $Nil).

KCM is considered a related party through key management. KCM supported the 3 year convertible debenture issuance as described in Note 11. KCM holds $60,000 of this debenture. KCM has accrued interest of $3,156 as of May 31, 2015 (2014 - $2,904).

Directors, directly and indirectly, hold $162,500 of the three year convertible debenture described in Note 11 of the Financial Statements. The directors have accrued interest for the Period of $5,300 (2014 - $7,136) and received interest payments of $15,000 in consideration of cash and interest rolled into principle during the Period. Each director also is entitled to receive a fee of $500 for attending board meetings. The total fees paid to directors during the Period were $1,500 (2014 - $3,500).

On August 1, 2013 KLE entered into a lease agreement for its exiting premises with the landlord KF Kambeitz Land Corp ("**LC**") under the same terms and conditions as its previous agreement. LC is considered a related party through one of KLE's directors. Total rent paid to LC as of May 31, 2015 is $23,070. KLE subleases a portion of this property on a month to month basis for $1,500 per month to a corporation related to LC.

There are no trade receivable or trade payables between parent and subsidiaries that would normally be eliminated on consolidation. There are no sales or purchases between the KLE and its subsidiary.

These transactions are in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

COMMITMENTS AND CONTINGENCIES

The Corporation pays office rent on a month to month basis with minimum monthly rental payments of $4,115.

OTHER DISCLOSURES

The Corporation has capitalized development costs relating to the Rising Bubble Test Apparatus acquired with EHR. The value on consolidation was determined to be $150,000 and the asset is to be amortized over a period of 5 years.

Expensed research and development costs since the acquisition of EHR are $119,500 relating to ongoing research to validate and model application of blended solvents with CO_2 and water to efficiently enhance recovery from heavy oil pay zones. Research and development costs incurred by EHR prior to acquisition are not included in this amount nor are costs incurred directly by EHR's collaborative technology development research initiatives.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the MD&A and the Financial Statements in accordance with IFRS requires Management to make judgements, estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the MD&A and the Financial Statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the year they become known.

Judgment is used mainly in determining whether a balance or transaction should be recognized in the Financial Statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years affected.

Use of estimates and judgement – Information about judgment, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are as follows:

Reserve estimates

Petroleum and natural gas assets are depleted on a unit of production basis at a rate calculated by reference to prove and probable reserves determined in accordance with NI 51-101 and incorporating the estimated future cost of developing and extracting those reserves. Proved and probable reserves are estimated using independent reservoir engineering reports and techniques and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrating with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Reserves estimates and data contained within reserve reports, although not reported as part of the Corporation's Financial Statements, can have a significant effect on net income, assets and liabilities as a result of their impact on depletion and depreciation, decommissioning liabilities, deferred taxes, asset impairments and accounting for business combinations. Independent reservoir engineers perform evaluations of the Corporation's oil and natural gas reserves on an annual basis. The estimation of reserves is an inherently complex process requiring significant judgment. Estimates of economically recoverable oil and natural gas reserves are based upon a number of variables and assumptions such as geoscientific interpretation, production forecasts, commodity prices, costs and related future cash flows, all of which may vary considerably from actual results. These estimates are expected to be revised upward or downward over time, as additional information such as reservoir performance becomes available or as economic conditions change.

Impairment indicators and discount rate

For purposes of impairment testing, petroleum and natural gas assets are aggregated into CGU's, based on separately identifiable and largely independent cash inflows. The determination of the Corporation's CGU's is subject to judgment. The recoverable amounts of CGU's and individual assets have been determined based on the higher of the value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions, including the discount rate. It is reasonably possible that the commodity price assumptions may change, which may impact the estimated life of the field and economical reserves recoverable and may require a material adjustment to the carrying value of petroleum and natural gas assets. The Corporation monitors internal and external indicators of impairment relating to its assets.

Decommissioning costs

At the end of the operating life of the Corporation's facilities and properties and upon retirement of its oil and natural gas assets, decommissioning costs will be incurred by the Corporation. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the amount expensed are impacted by estimates with respect to the costs and timing of decommissioning.

Technical feasibility and commercial viability of exploration and evaluation assets

The determination of technical feasibility and commercial viability, based on the presence of proved and probable reserves, results in the transfer of assets from exploration and evaluation assets to petroleum and natural gas assets. As discussed above, the estimate of proved and probable reserves is inherently complex and requires significant judgment. Thus, any material change to reserve estimates could affect the technical feasibility and commercial viability of the underlying assets.

Intangible assets

Intangible assets are also aggregated into CGU's based on separately identifiable and largely independent cash inflows and are subject to judgement. The identification of intangibles is subject to judgement. These calculations also require the use of estimates and assumptions, including the discount rate. The Corporation monitors internal and external indicators of impairment relating to its assets.

Provision

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past obligating event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Identification and evaluation of provision is subject to judgment and estimates.

Utilization of tax losses
Due to current circumstances there is no immediate expectation for utilization of losses. The Corporation is currently in a loss position and as such is accumulating tax losses and tax carry forward positions, but are unable to recognize or utilize them.

Contingencies
By their nature contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

FUTURE CHANGES IN ACCOUNTING POLICIES

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the Corporation's Financial Statements, and that may have an impact on the disclosures and financial position of the Corporation, are disclosed below. The Corporation intends to adopt these standards and interpretations, if applicable, when they become effective.

Accounting for Acquisitions of Interests in Joint Operations:
In May 2014, the IASB issued amendments to IFRS 11 *Joint Arrangements* to clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply all of the principles of business combinations accounting in IFRS 3 *Business Combinations*. Prospective application of this interpretation is effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amendment could impact the Corporation in the event it increases or decreases its ownership share in an existing joint operation or invests in a new joint operation.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:
In September 2014, the IASB issued amendments to address an inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and those in International Accounting Standard (IAS) 28 *Investments in Associates and Joint Ventures* regarding the sale or contribution of assets between an investor and its associate or joint venture. The amendment clarified that a full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business. Prospective application of this interpretation is effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amendment could impact the Corporation in the event that it has transactions with Associates or Joint Ventures.

Disclosure Initiative:
In December 2014, the IASB issued narrow-focus amendments to IAS 1 *Presentation of Financial Statements* to clarify existing requirements related to materiality, order of notes, subtotals, accounting policies and disaggregation. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2016, with earlier application permitted. The adoption of this amended standard is not expected to have a material impact on the Corporation's disclosure.

Revenue from Contracts with Customers:
In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*. It replaces existing revenue recognition guidance and provides a single, principles based five-step model to be applied to all contracts with customers. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2017, with earlier application permitted. The Corporation is currently assessing the impact of this standard.

Financial Instruments: Recognition and Measurement:
In July 2014, IFRS 9 *Financial Instruments* was issued as a complete standard, including the requirements previously issued related to classification and measurement of financial assets and liabilities, and additional amendments to introduce a new expected loss impairment model for financial assets including credit losses. Retrospective application of this standard with certain exemptions is effective for fiscal years beginning on or after January 1, 2018, with earlier application permitted. The Corporation is currently assessing the impact of this standard.

Signed "Mark Kilback"
MARK KILBACK
CEO and Director

Signed "Jeffrey Allison"
JEFFREY ALLISON
CFO and Director

KINGSLAND ENERGY CORP.

Management's Responsibility for Financial Statements

To the Shareholders of Kingsland Energy Corp. ("Corporation")

The management's discussion and analysis ("**Management's Discussion and Analysis**") and the unaudited condensed consolidated interim financial statements ("**Financial Statements**") included in the report of Kingsland Energy Corp. for the period ended May 31, 2015 ('**Period**') is the responsibility of management and have been approved by the audit committee of the Corporation as appointed and delegated to, by the Board of Directors of the Corporation ("**Board**"). Management has prepared the Management's Discussion and Analysis and Financial Statements in accordance with International Financial Reporting Standard. The financial information presented in the Management's Discussion and Analysis is consistent with the Financial Statements.

The Board fulfills its responsibility with regard to the Financial Statements, by meeting periodically with management, the Corporation's audit committee, as well as with the external auditors. The Board is responsible for recommending to the shareholders the engagement or re-appointment of the external auditor. The auditors have free access to the Board to discuss their audit work and the quality of financial reporting.

We have reviewed the filings of the Corporation's Management's Discussion and Analysis, Financial Statements and attachments thereto for the Period contained in this report. Based on our knowledge, having exercised reasonable diligence, these filings 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, with respect to the period covered by the interim filings. The Financial Statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation as at May 31, 2015 and for the periods presented in the interim filings.

Signed "Mark Kilback"	*Signed "Jeffrey Allison"*
MARK KILBACK	**JEFFREY ALLISON**
CEO and Director	**CFO and Director**

KINGSLAND ENERGY CORP.
Board of Directors and Senior Officers of the Corporation
As at May 31, 2015

Directors and Officers:

Mark Kilback: Director and CEO
Regina, Saskatchewan

Lionel Kambeitz: Director and Executive Chairman, Regina, Saskatchewan

Jeff Allison: Director and CFO
Regina, Saskatchewan

Wayne Bernakevitch: Director,
Regina, Saskatchewan

Dwain Lingenfelter: Director,
Regina, Saskatchewan

Murray Pierce: Director,
Brandon, Manitoba

Committees of the Board of Directors:

Audit Committee: Lionel Kambeitz, Murray Pierce and Wayne Bernakevitch.

Compensation Committee: Murray Pierce, Wayne Bernakevitch and Lionel Kambeitz

Nominating Committee: Mark Kilback, Lionel Kambeitz and Wayne Bernakevitch

Reserves Committee: Mark Kilback, Dwain Lingenfelter and Wayne Bernakevitch

KINGSLAND ENERGY CORP.
Shareholder Information

Common Shares outstanding as of

May 31, 2015: 74,732,228

Head office and Investor relations address:
Kingsland Energy Corp.
#001 –2305 Victoria Ave.
Regina, Saskatchewan
S4P 0S7
Telephone: (306) 359 3444
Fax: (306) 359-3456
E-mail: mark@kingslandenergy.com

Bank:
HSBC
Main Branch,
1847 Scarth St.
Regina, Saskatchewan

Auditors:
CalVista LLP
Calgary, Alberta

Legal Counsel:
McDougall Gauley LLP
Barristers and Solicitors
Regina, Saskatchewan

Borden Ladner Gervais LLP,
Barristers and Solicitors,
Calgary, Alberta

Dividend policy:
No dividends have been paid on any shares of the Corporation since the date of inception, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.