VAST EXPLORATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended January 31, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of financial results and related data of Vast Exploration Inc. ("Vast" or the "Company") is intended to complement and supplement the consolidated financial statements of Vast Exploration Inc. for the year ended January 31, 2014 and 2013 (The "Financial Statements") and should be read in conjunction with the Financial Statements. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to May 6, 2014. The reader should be aware that historical results are not necessarily indicative of future performance.

FORWARD LOOKING STATEMENTS

Certain of the statements made and information contained herein are "forward-looking information" within the meaning of the Ontario Securities Act. Management's assessment of future plans and operations, capital expenditures, methods of financing capital expenditures and the ability to fund financial liabilities, expected commodity prices and the impact on Vast, future operating costs, future transportation costs, expected change in royalty rates, interest rates and the timing of and impact of adoption of IFRS and other accounting policies may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, the inability to fully realize the benefits of the acquisitions, delays resulting from or inability to obtain required regulatory approvals, ability to access sufficient capital from internal and external sources, and litigation risks. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward looking statements. Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Vast believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Vast operates; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Vast's ability to obtain financing on acceptable terms; field production rates and decline rates; the ability to reduce operating costs; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and Vast's ability to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website (www.vastexploration.com). Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

OVERVIEW

Vast Exploration Inc. is a Canadian company listed on the TSX Venture Exchange (VST.V) and is currently evaluating potential opportunities.

FISCAL 2014 HIGHLIGHTS

- On June 3, 2013, Mr. Paul Bozoki was appointed Chief Financial Officer of the Company replacing Mr. Sam Yik.
- On June 28, 2013, the Company sold its interest in Calver Resources Inc. and Calver Resources USA Inc., two non-core subsidiaries, to a non-related entity for $2, a $325,000 promissory note payable over three years and the assumption of all liabilities of the subsidiaries. The promissory note bears interest at 3% accruing annually and payable at maturity. This transaction is a part of the Company's ongoing plans to restructure and refocus for its next potential venture.
- On July 3, 2013, Vast received its USD $3.75 million net share of the proceeds from the relinquishment of the Qara Dagh Block located in the Kurdistan Region of Iraq. The USD $3.75 million net proceeds from the relinquishment will be used to strengthen the corporate balance sheet, pursue acquisition opportunities, and for general corporate purposes.
- On August 7, 2013, Vast announced that its common shares had been consolidated such that 1 new common share was issued for every 50 pre-consolidation shares. Following the share consolidation, 261,892,494 common shares were reduced to 5,237,849 common shares.
- On September 16, 2013, Vast's Barbados subsidiary: Vast Exploration (Kurdistan) Inc. was dissolved
- On October 3, 2013, Vast announced that it had terminated the farm-out agreement entered into with Sagres Energy Inc. ("Sagres") related to Put-03, a 148,005 acre block located in the Putumayo Basin of Colombia (the "Block"). Vast successfully acquired the Block in June 2010 through a bidding round organized by the Agencia Nacional de Hidrocarburos of Colombia. As per the terms of the agreement, Vast farmed out a 90% interest in the Block to a subsidiary of Sagres Energy Inc. in exchange for retaining a 10% carried interest during the first exploration phase, which consisted of a minimum expenditure of US$12.9 million over a period of 36 months. Vast identified several violations and breaches of representations and warranties contained in the farmout agreement primarily as a result of the financial standing of Sagres and the work program and obligations not being fulfilled. Vast submitted a letter to Sagres identifying the various breaches and noting the termination of the farmout agreement. As a result of the termination of the farmout agreement with Sagres, Vast held a 100% interest in the block
- On October 17, 2013, Vast's Barbados subsidiary: Putumayo 3 Holdings (Colombia) Inc. was dissolved.
- On November 4, 2013, Vast's Barbados subsidiary: Vast Exploration (Barbados) Holdings Inc. was dissolved.
- On December 2, 2013, the Company completed a private placement financing by issuing 11,333,333 common shares of the Company at a price of $0.15 per share for aggregate gross proceeds $1,700,000. The gross proceeds of the offering will be used to strengthen the corporate balance sheet, pay outstanding liabilities, pursue potential acquisition opportunities and for general corporate purposes. The common shares will be subject to a four month hold period that expires on April 3, 2014. Closing of the financing is subject to receipt of regulatory approval, including final TSX Venture approval. In connection with the financing, an arm's length finder was issued a total of 98,026 common shares as a finder fee.
- During January 2014, the ANH drew down USD $100,000 of the USD $110,000 fixed deposit securing the standby letter of credit. Management understands that the ANH is taking steps to take back the Putumayo Block.

OUTLOOK & SUBSEQUENT EVENTS

The outlook for Vast has shifted to focus on pursuit of domestic and international opportunities to provide value to shareholders.

On May 6, 2014, the Company announced that it had entered into a definitive agreement (the "Agreement") for the Company's acquisition (the "Acquisition") of Delebrity Inc. ("Delebrity"). The Acquisition will be accomplished through a "three-cornered" amalgamation, pursuant to which Vast's newly incorporated wholly-owned subsidiary will amalgamate with Delebrity, and each outstanding security of Delebrity will be exchanged for one equivalent security of Vast. The resulting entity will be a wholly-owned subsidiary of Vast and will carry on the business of Delebrity.

On closing of the Acquisition, the Company expects to issue an aggregate of 44,193,755 common shares to the existing shareholders of Delebrity, 3,750,000 options to the existing option holders of Delebrity and 370,000 finder's warrants to the existing warrant holders of Delebrity.

All securities issued in connection with the Acquisition will be subject a four-month statutory hold.

Completion of the Acquisition is subject to a number of conditions, including but not limited to, TSX Venture Exchange ("Exchange") acceptance and if applicable pursuant to Exchange requirements, shareholder approval. There can be no assurance that the transaction will be completed as proposed or at all.

DISCONTINUED OPERATIONS

The Company does not have any subsidiaries at January 31, 2014.

On June 28, 2013, the Company sold its interest in Calver Resources Inc. and Calver Resources USA Inc., two non-core subsidiaries, to a non-related entity and received in consideration $2 cash and a promissory note for $325,000 payable over three years. These companies were presented as "discontinued operations" in the January 31, 2013 comparative period. The promissory note bears interest at 3% accruing annually and payable at maturity. A loss on sale of discontinued operations was recorded at $101,660. Accordingly, Calver Resources Inc. and Calver Resources USA Inc. have been deconsolidated with an effective date of June 28, 2013.

Vast Exploration (Kurdistan) Inc. was dissolved on September 16, 2013. Putumayo 3 Holdings (Colombia) Inc. was dissolved on October 17, 2013. Vast Exploration (Barbados) Holdings Inc. was dissolved on November 4, 2013). These subsidiaries were all deconsolidated on their respective dissolution dates.

SELECTED ANNUAL FINANCIAL INFORMATION

The table below provides a summary of selected annual financial information for the years ended January 31, 2014, 2013 and 2012:

(Expressed in Canadian dollars $)	January 31, 2014	January 31, 2013	January 31, 2012
Petroleum and natural gas sales	$ -	$ -	$ -
Cash (used in) continuing operations	(5,196,631)	(1,036,895)	(5,965,139)
Cash (used in) from discontinued operations	-	(610,217)	629,909
Net (loss) from continuing operations	(5,260,409)	(16,625,061)	(48,807,584)
Net (loss) / income from discontinued operations	(108,663)	91,239	(176,869)
Per share - basic and diluted (from continuing operations)	(0.74)	(3.18)	(0.23)
Per share - basic and diluted (from discontinued operations)	(0.02)	0.02	(0.00)
Total Assets	740,925	11,622,395	24,219,512
Working Capital	619,409	3,942,625	351,770

SELECTED QUARTERLY FINANCIAL INFORMATION AND FOURTH QUARTER DISCUSSION

(Expressed in Canadian dollars $)	IFRS							
	Jan-14	Oct-13	Jul-13	Apr-13	Jan-13	Oct-12	Jul-12	Apr-12
Net income (loss) from continuing operations	(518,817)	(298,722)	(4,043,822)	(399,048)	(540,260)	(13,422,725)	(1,346,628)	(1,315,448)
Net income (loss) from discontinued operations	(100,286)	-	-	(8,377)	145,850	(20,518)	8,509	(42,602)
Per share - basic and diluted (from continuing operations)	(0.07)	(0.06)	(0.77)	(0.08)	(0.10)	(2.56)	(0.26)	(0.25)
Per share - basic and diluted (from discontinued operations)	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)
Total assets $000s	741	1,102	1,495	11,546	11,622	10,059	22,877	23,618

The quarterly and annual results presented above do not necessarily reflect any recurring expenditures patterns on predictable trends. Fluctuations in net loss for each quarter above are generally based on the amount of exploration activities that the Company undertook and asset impairment recorded during each quarter. During fiscal 2013, the Company wound down its Kurdistan operations which is why the net loss during this period is higher than during fiscal 2014. During fiscal 2014, the quarter ended July 31, 2013 includes bonus compensation for the successful relinquishment of the Kurdistan asset and associated change of control costs. In all the periods shown above, the Company did not generate any revenues.

RESULTS OF OPERATIONS FOR THE YEAR ENDED JANUARY 31, 2014

	For the Years ended	
	January 31, 2014	January 31, 2013
Revenues		
Other Income	**$ -**	$ 100,000
	-	100,000
Expenses		
General and administrative	**4,834,147**	1,824,999
Bad debt expense	**427,195**	541,498
Foreign exchange (gain) loss	**(46,286)**	39,006
Finance expense	**445**	4,930
Depreciation	**11,196**	32,970
Impairment on property and equipment	**47,912**	55,109
Impairment on exploration and evaluation assets	**-**	14,228,633
Loss before other items	**(5,274,609)**	(16,627,145)
Interest income	**-**	2,084
Finance income	**14,200**	-
Net loss from continuing operations	**(5,260,409)**	(16,625,061)
Net (loss) income from discontinued operations	**(108,663)**	91,239
Net loss	**(5,369,072)**	(16,533,822)

Other Income
Other income was $nil in 2014 down from $100,000 in 2013. Other income in 2013 related to the non-refundable deposit and extension fee received in relation to the proposed sale of Vast's discontinued operations. The proposed sale was considered terminated by the Company during 2013 fiscal year as the purchaser failed to complete the transaction before the closing date. Consequently, the Company confiscated the deposit and the extension fee and classified them as other income in the consolidated statement of comprehensive loss.

General and Administrative
During the year ended January 31, 2014, the Company incurred $4,834,147 in general and administrative expenses compared to $1,824,999 for the comparable period in last fiscal year. The increase in general and administrative expenses is largely attributable to $1,450,000 compensation expense triggered by a change of control event, higher consulting, salaries and benefits, office rent and supplies, business development and travel costs.

	Years ended	
	January 31, 2014	January 31, 2013
General and administrative expenses:		
Consulting, salaries and benefits	**$ 2,643,828**	$ 1,517,232
Compensation due on change of control	**1,450,000**	-
Office rent and supplies	**308,309**	182,374
Business development & travel costs	**113,195**	106,747
Director fees	**129,712**	-
Professional fees	**87,415**	-
Shareholder communications	**101,688**	-
Other	**-**	18,646
Total	**$ 4,834,147**	$ 1,824,999

Share-based compensation represents a non-cash charge resulting from applying the fair value method on stock options issued. Under this method, compensation expense related to the stock option grants is recorded in the consolidated statements of comprehensive loss over their respective vesting periods.

Bad Debt Expenses
For the year ended January 31, 2014, the Company recorded a bad debt expense of $427,195 compared to a bad debt expense of $541,498 recorded for the prior fiscal year. The decrease in bad debt expense is a result of management's assessment on the collectability of existing accounts receivable which largely relate to Sagres.

Foreign Exchange Losses
The Company recorded a net foreign exchange gain of $46,286 for the year ended January 31, 2014 compared to a net foreign exchange loss of $39,006 for the corresponding period in prior fiscal year. The foreign exchange gain or loss arises mainly from the fluctuation of the US to Canadian dollar which impacts the translation of the Company's working capital items denominated in US dollars.

Financing Expenses
During the year ended January 31, 2014, the Company recorded a finance expense of $445 representing a decrease from $4,930 in prior fiscal year. The decrease is primarily due to reduced level of corporate activities.

Impairment on Property and Equipment

Balance at January 31, 2012	$	133,443
Addition		2,403
Depreciation		(32,970)
Foreign currency translation		3,574
Impairment of property and equipment		(55,109)
Foreign currency adjustment associated with impairment of P&E		7,767
Balance at January 31, 2013	$	59,108
Depreciation		(11,196)
Impairment charge		(47,912)
Balance at January 31, 2014	$	-

Property and equipment consists of furniture and fixtures, computer hardware and computer software at the Company's Calgary leased office less accumulated depreciation. Following the dissolution of the Company's subsidiaries, the Calgary office was subleased and the property and equipment were subsequently impaired.

Impairment on Exploration and Evaluation Assets

Balance at January 31, 2012	$	18,802,500
Addition		1,729,566
Foreign currency translation		(34,550)
Foreign currency adjustment associated with impairment of E&E		425,568
Impairment of exploration and evaluation assets		(14,228,633)
Disposal of exploration and evaluation assets		(6,694,451)
Balance at January 31, 2013 and January 31, 2014	$	-

During the year ended January 31, 2014, the Company recorded an impairment on exploration and evaluation assets of $nil compared to $14,228,633 for the corresponding period in prior fiscal year resulting from a relinquishment and termination agreement with the Kurdistan Regional Government ("KRG") to surrender their collective interests in the production sharing contract to an oil and gas block in Kurdistan.

Loss on sale of discontinued operations
As a result of the sale of the Company's subsidiaries to a non-related entity on June 28, 2013, a loss on sale of discontinued operations was recorded at $108,663 (January 31, 2013: $nil).

EXPLORATION AND EVALUATION ASSET

Balance at January 31, 2012	$	18,802,500
Addition		1,729,566
Foreign currency translation		(34,550)
Foreign currency adjustment associated with impairment of E&E		425,568
Impairment of exploration and evaluation assets		(14,228,633)
Disposal of exploration and evaluation assets		(6,694,451)
Balance at January 31, 2013 and January 31, 2014	$	-

Vast's exploration and evaluation asset pool was entirely attributable to costs related to the exploration project in the Kurdistan region of Iraq. There were no proven reserves associated with the exploration project, and hence the project was considered to be in the pre-exploration stage.

On November 15, 2012, the Company announced that along with its consortium partners, it had entered into a relinquishment and termination agreement (the "Relinquishment Agreement") with the Kurdistan Regional Government ("KRG") to surrender their collective interests in the Kurdistan Profit Sharing Ccontract. Pursuant to the terms of the Relinquishment Agreement and other agreements with its consortium partners (collectively the "Agreements"), Vast received after adjustments for equalization, proportionate disposition costs, and settlement of partner payables, USD $8,750,000 of which USD $5,000,000 in disposition costs were payable on behalf of the consortium partners from these proceeds, leaving net proceeds of USD $3,750,000 (CAD $3,739,875) to the Company. Accordingly, the Company recorded a disposition of $6,694,451 in exploration and evaluation assets and $69,017 in associated foreign currency translation gain, together with extinguishment of $3,023,593 in accounts payable and accrued liabilities.

The Company reviews the carrying value of its unproven oil and gas assets pool regularly to ensure the carrying value of its E&E assets does not exceed its estimated recoverable amount. Upon evaluation of the terms pursuant to the Relinquishment Agreement, the Company recorded a general impairment loss of $14,228,633 to reflect the changes in the estimated recoverable amount from the project.

The Company does not currently have an exploration and evaluation asset.

CASH FLOWS

	For the year ended	
	January 31, 2014	January 31, 2013
Cash (used in) provided by:		
Operating activities:		
Loss before discontinued operations	**$ (5,260,409)**	$ (16,625,061)
Items not involving cash:		
Depreciation	**11,196**	32,970
Bad debt expense	**427,195**	541,498
Finance income	**(14,200)**	-
Unrealized foreign exchange (gain) / loss	**(46,286)**	8,610
Impairment of property and equipment	**47,912**	55,109
Impairment of exploration and evaluation assets	**-**	14,228,633
	(4,834,592)	(1,758,241)
Net change in non-cash working capital	**(362,039)**	721,346
Cash (used in) continuing operating activities	**(5,196,631)**	(1,036,895)
Discontinued operations:		
Discontinued operations	**-**	(610,217)
Cash (used in) operating activities	**(5,196,631)**	(1,647,112)
Financing activities:		
Private placement	**1,700,000**	759,750
Cash provided by financing activities	**1,700,000**	759,750
Investing activities:		
Net change in non-cash working capital	**-**	970,455
Restricted deposits	**11,050**	1,339
Proceeds from disposition of subsidiaries	**2**	-
Acquisition of exploration and evaluation assets	**3,739,875**	(1,729,566)
Acquisition of property and equipment	**-**	(2,403)
Cash provided by / (used in) investing activities	**3,750,927**	(760,175)
Increase (decrease) in cash	**254,296**	(1,647,537)

Cash of $5,196,631 used in operating activities during the year ended January 31, 2014 was higher than the $1,647,112 used in operating activities during the year ended January 31, 2013. During fiscal 2014, the Company paid $1.45 million of change of control compensation which is not included in the prior year.

Cash of $1,700,000 was provided from financing activities during the year ended January 31, 2014 compared to $759,750 provided from financing activities during the year ended January 31, 2013. On December 2, 2013, the Company completed a private placement financing by issuing 11,333,334 common shares of the Company at a price of $0.15 per share for aggregate gross proceeds $1,700,000. See Note 9 (b) (iii) of consolidated financial statements for the years ended January 31, 2014 and 2013.

Cash of $3,750,927 was provided by investing activities during the year ended January 31, 2014 compared to $760,175 used in the year ended January 31, 2013. Pursuant to the relinquishment of Kurdistan assets, the Company received net proceeds of USD $3,750,000 (CAD $3,739,875). See Note 6 of the consolidated financial statements for the years ended January 31, 2014 and 2013. On June 28, 2013, the Company sold its interest in Calver Resources Inc. and Calver Resources USA Inc., two non-core subsidiaries, to a non-related entity and received in consideration $2 cash. Cash of $11,050 was recovered from an undrawn letter of credit which expired during the year. In the prior year, $760,175 was used in investing activities mainly for acquisition of exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

Vast's policy is to maintain a capital base for the objectives of maintaining financial flexibility, joint venture partner and market confidence and to sustain the future development of the Company's business objectives. This capital structure is managed and adjusted in light of changes in economic conditions and the risk characteristics of the underlying oil and natural gas properties. In order to maintain or adjust the capital structure, the Company may from time to time issue shares from treasury and/or increase or decrease debt obligations.

Vast assesses its financing requirements and its ability to access debt or equity markets on an ongoing basis and will seek to maintain financial flexibility. The Company will monitor and assess its financing requirements as its exploration activities progress. It is possible that future economic events and conditions may result in further volatility in the financial markets which, in turn, could negatively impact Vast's ability to access equity or debt markets in the future. Any inability to access the equity or debt markets for sufficient capital, at acceptable terms, and within the required timeframes, could have a material adverse effect on Vast's financial condition, results of operations and prospects.

The Company does not have any operating assets that generate revenues, and its discontinued operations generated an insignificant amount of revenue during the current period. The Company incurred a net loss of $5.1 million for the year ended January 31, 2014 and generated a net cash outflow of $5.2 million from its operating activities. Consequently, the Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional financing if, as and when required, and ultimately the attainment of profitable operations or the profitable sale of its exploration assets. Management's assessment of the Company, based on its current cash flow forecast and financial model, is that there is significant doubt as to whether it is a going concern.

The Company will continue its efforts to seek appropriate financing initiatives that benefit the Company and its shareholders.

Working Capital

As at January 31, 2014, the Company had net working capital of $619,409 (January 31, 2013 – net working capital of $3,942,625).

There are no off-balance sheet financing arrangements

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Vast's significant accounting policies are disclosed in Note 2 to the Company's consolidated financial statements for the year ended January 31, 2014.

Certain accounting policies require that management make appropriate decisions with respect to the formation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These accounting policies are discussed below and are included to aid the reader in assessing the critical accounting policies and practices of the Company and the likelihood of materially different results being reported. Vast's management reviews its estimates regularly. The emergence of new information and changed circumstances may result in actual results or changes to estimate amounts that differ materially from current estimates.

The following assessment of significant accounting policies and associated estimates is not meant to be exhaustive. The Company might realize different results from the application of new accounting standards promulgated, from time to time, by various rule-making bodies.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them.

Income taxes
Management believes that the costs included in determining the recoverable taxes were appropriate in the circumstances and met the definition of qualifying expenditures; however, the final outcome may result in a materially different outcome than the amount included in other receivables. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped..

Allowance for note receivable
The fair value of the Company's notes receivable is considered to be the fair value of the amount expected to be received. Subsequent provisions for impairment are considered when amounts become past due or when other objective evidence is received that a specific counterparty will default.

Contingencies
Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against us or un-asserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or un-asserted claims or actions as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets are not recognized in the consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of directors and officers and companies controlled by officers and former officers of the Company.

The Company shares its office space with other companies who may have common officers and directors. The costs associated with the use of this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc., to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company. During the nine months ended January 31, 2014, Vast was invoiced $43,790 by 2227929 Ontario Inc. (2012 - $nil).

Vast was invoiced its share of accounting software costs (50% of amount invoiced by the supplier) and business travel expenses (allocated on a case-by-case basis) by a related company named Stetson Oil & Gas Ltd. As at January 31, 2014, the Company had a net payable balance to Stetson Oil & Gas Ltd. of $22,375 (2013 - $6,834). The amount was settled subsequent to year-end.

Compensation of key management personnel of the Company:

Key management personnel include the Board of Directors and executive officers of the Company. Key management personnel compensation during the years ended January 31, 2014 and 2013 was comprised of the following:

	Year ended January 31,	
	2014	2013
Salaries, wages and short-term benefits	**$ 2,351,048**	$ 331,307
Change of control benefit	**1,450,000**	-
Balance	**$ 3,801,048**	$ 331,307

COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company is party to certain management contracts. A minimum management contract commitments remaining under these contracts approximate $106,083 due within one year.

Colombia
In May 2011, the Company signed a Hydrocarbon Exploration and Production Contract ("E&P Contract") with the Agencia Nacional de Hydrocarburos of Colombia ("ANH") for the oil and gas block Putumayo-03 (the "Putumayo Block"). The Putumayo Block in the Putumayo Basin was successfully secured by the Company during a bid round held on June 22, 2010, in Cartagena, Colombia (the "Bid"). On June 21, 2011, Vast entered into a letter of intent and participation agreement with a private Ontario company ("Ontario Co.") pursuant to which Ontario Co. agreed to acquire a 90% private interest in the Putumayo Block in consideration for paying to Vast a fee of US$50,000, agreeing to reimburse Vast for all expenses of the Bid and to allow Vast to retain a 10% carried interest during the first exploration phase (the "Carried Interest"). Subsequent to the Bid, Ontario Co. was acquired by Sagres Energy Inc. ("Sagres"). The resulting gain from the transaction was recorded in the Statement of Loss and Comprehensive Loss for the year ended January 31, 2012. At the time of the acquisition, Sagres was a related party to the Company by virtue of having common directors.

The Putumayo Block carries an additional royalty of 7% payable to the Government of Colombia in addition to the basic royalty scheme established under Colombia law, being 8% for up to 5,000 bopd of production and increasing to 25% for a 600,000 bopd field. All other terms of the contract are standard to the model E&P Contract.

The transaction was considered a Non-Arm's Length Transaction for the purposes of the TSX Venture Exchange as Vast and Ontario Co. had common directors and officers at the time the terms of the letter of intent were negotiated.

The E&P Contract requires of a minimum expenditure of USD $12.9 million over a 36 month period and according to the terms of the E&P Contract, the Company was required to issue an additional letter of credit in favor of the ANH for approximately USD $4.0 million ("Additional Guarantee") and incur approximately USD $0.2 million for exploration fees. The Company is aware that Sagres did not meet its work commitments and that all of Sagres' directors and officers resigned on September 11, 2013. On October 3, 2013, the Company terminated its participation agreement with Sagres, and as a result, obtained a 100% interest in the Putumayo Block. The Company remains the contractual party to the E&P Contract and has the obligation to the ANH for all work commitments under the E&P Contract terms (approximately USD $12.9 million).

While the Company remains responsible for the USD $12.9 million work commitment on the Putumayo-3 block, due to security issue related to guerilla fighters in and around the Putumayo-3 block, the Company (and previously Sagres) were not able to enter the area and perform the required work commitments. The Company believes this inability to enter the area constitutes a force majeure under the E&P Contract. As a result, the Company has not recorded any provision for this obligation at January 31, 2014.

During January 2014, the ANH drew down USD $100,000 of the USD $110,000 fixed deposit securing the standby letter of credit. Management understands that the ANH is taking steps to take back the Putumayo Block and the Company is in negotiations with the ANH to waive all outstanding work commitments under the E&P Contract, but there is no guarantee the ANH will agree to such a waiver.

RISK FACTORS

Risk assessment
There are a number of risks facing participants in the oil and gas industry. Some risks are common to all participants while others are specific to the Company. The following are a number of identifiable business risks faced by The Company which will evolve and additional risks will emerge periodically. The risks shown are those identified by management at the date of completion of this report and may not describe all of the risks faced by the Company.

Regulatory
Oil and gas operations are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company's operations may require licenses and permits from various governmental authorities in the countries in which it operates. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

Litigation
All industries, including the oil and gas industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought against the Company or one or more of its subsidiaries in the future from time to time or the Company or one or more of its subsidiaries may be subject to another form of litigation, including a potential litigation by the ANH for unfulfilled work commitments related to the E&P Contract. Defense and settlement costs of legal claims can be substantial, even with respect to lawsuits that have no merit. As of the date hereof, no lawsuits have been brought against the Company, nor has the Company received an indication that any lawsuits are forthcoming. However, due to the inherent uncertainty of the litigation process, should a lawsuit be brought against the Company, the process of defending such lawsuit could take away from management time and effort and the resolution of any particular legal proceeding to which the Company or one or more of its subsidiaries may become subject could have a material effect on the Company's financial position and results of operations.

Dependence on Key Personnel
The success of the Company is dependent upon the efforts and abilities of its senior management and board of directors. The loss of any member of the management team or board of directors could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel will be found.

Substantial Capital Requirements
The Company anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. In addition, uncertain levels of near term industry activity coupled with the present global credit crisis exposes the Company to additional financing risks. There can be no assurance that debt or equity financing, or funds generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects.

Global Financial Uncertainty
Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility in commodity prices. These conditions are continuing in 2013 and expected to continue in 2014, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively impacted company valuations and will impact the performance of the global economy going forward. Commodity prices are expected to remain volatile for the near future as a result of market uncertainties concerning the supply and demand of these commodities due to the current state of the world economies, OPEC actions and the ongoing global credit and liquidity concerns.

Competition
The petroleum industry is competitive in all its phases. The Company competes with numerous other organizations in the search for and the acquisition of oil and natural gas properties and in the marketing of oil and natural gas. Our competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than the Company. The Company's ability to acquire properties in the future will depend not only on our ability to explore and develop current blocks and concessions, but also on our ability to select and acquire other suitable properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods, reliability of delivery and control over key operations infrastructure.

Conflicts of Interest
Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in oil and gas or natural resource exploration and development and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Third Party Credit Risk
The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner.

Exploration, Development and Production Risks
Oil and natural gas operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, appraise, develop and commercially produce oil and natural gas resources and reserves, which will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire additional producing properties or prospects.

The Company may not be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that commercial quantities of oil and natural gas will be discovered or acquired by the Company. Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but 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.

Outstanding Share Data

As at the date of this MD&A, the Company has:
1) 16,669,132 common shares outstanding
2) No warrants outstanding
3) 113,550 stock options outstanding with a weighted average exercise price of $28.31 per share with expiry dates between July 10, 2014 and August 4, 2016. If exercised, 113,550 shares would be issued for proceeds of $3,214,100.