FIRST SAHARA ENERGY INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended – December 31, 2013

This Management Discussion and Analysis ("**MD&A**") of First Sahara Energy Inc. (formerly PetroWorth Resources Inc.) (the "Company") provides analysis of the Company's financial results for the fourth quarter ended December 31, 2013. The following information should be read in conjunction with the audited financial statements for the year ended December 31, 2013 and 2012.

FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions of management and are subject to known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. In particular, forward-looking information and statements contained in this MD&A include: (i) the statement under the heading *Liquidity and Capital Resources* regarding the requirement that management identify, acquire and finance a project; and (ii) the statement under the heading *Liquidity and Capital Resources* regarding the requirement that additional cash flow will be required in the short term. Further, information concerning mineral resource estimates and the interpretation of drill results may also be considered as a forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The foregoing forward-looking statements are based on the assumptions that mineral resource prices will either stay at current levels or decrease in the future and that the costs of the Company remain static or increase. Risk factors that could cause results to differ materially include changes to commodity prices, changes to market conditions related to the acquisition of an appropriate project and the ability of the Company to obtain adequate financing. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Date of Report: April 22, 2014

General

On June 28, 2013, the Company closed the claim purchase agreement dated May 24, 2013 between the Company and Giant Exploration Inc. ("Giant") pursuant to which the company has purchased from Giant 695 mineral claims located in the province of Quebec, representing all or substantially all of the assets of Giant in exchange for the issuance of 3,236,095 post-consolidated common shares in the capital of the Company and assumption by the Company of all of Giant's current debt and other liabilities. In July 2013, the Company changed its name to First Sahara Energy Inc. to reflect its then focus on obtaining petroleum properties in Africa.

Nature of Business and overall Performance

First Sahara is an oil and gas exploration company with properties and interests in eastern Canada Morocco and which has a mandate to acquire potential oil and gas opportunities overseas. During the year the Company

negotiated a license block in the Kingdom of Morocco, however, the formal license agreement has not yet been executed.

In June 2007, it and acquired through a reverse merger, all of the shares of PetroWorth Resources Inc. a company with oil and gas exploration interests in Eastern Canada, as described below.

The Company further holds mining assets in the Abitibi Greenstone Belt in Quebec, Canada which management is presently undertaking a review of.

During the year, management wrote of a significant portion of its previously held exploration properties due to abandonment or expiration of lease interests.

Natural Gas Exploration Activities

Alberta

The Company has discontinued its oil and gas activities in southeastern Alberta. Accordingly, the Company wrote off the exploration assets associated with the permit area during the year.

New Brunswick

During the quarter, the Company resolved an ongoing dispute with the New Brunswick government regarding its oil and gas leases in an area south of Moncton called the Rosevale Block resulting in the relinquishment a portion of its permited lands in the region. As a result, the Company now holds four leases in the Rosevale Block totaling 7,811 hectares/19,301 acres. The Company is continuing discussions with the government to have its Sackville Basin permit (23,803 hectares/58,818 acres) converted to a five-year lease.

The Company is evaluating its overall strategy for the block and intends to formulate ongoing work programs for during this upcoming year. The Company is optimistic about the block's potential given prior drilling results based upon the prior three spot work program undertaken in prior years which included the successful fracking of one well.

Nova Scotia

During the year, the Company's permit on the Lake Ainslie Block property expired. Accordingly, the Company wrote off the exploration assets associated with the permit area during the year.

Quebec

Acquired 100% owned properties in the Abitibi Greenstone Belt in Quebec, Canada, known as La Pause, Perdrix and Octave (695 mineral claims. The Abitibi sub-province is the largest, one of the most studied, and among the richest Archean greenstone belts in the world. The region is renowned for the great number of high grade precious metal (Au-Ag) and polymetallic (Au-Ag-Cu-Zn and Au-Cu) deposits. The Company is evaluating these assets at present.

Morocco

First Sahara is actively pursuing oil and gas opportunities in the Kingdom of Morocco. To this end, and subsequent to the end of the quarter, the Company's management team went to Rabat, the capital of Morocco to meet with senior officials in the government's oil and gas Ministry. As a follow-up to that meeting, the Company's consulting geologist visited Rabat for extensive meetings with the Ministry's oil and gas technical team. The Company hopes to conclude negotiations to achieve an interest in a block in Morocco during the year.

Selected Annual Information

	Year Ended December 31, 2013 (Audited) $ IFRS	Year Ended December 31, 2012 (Audited) $ IFRS	Year Ended December 31, 2011 (Audited) $ IFRS
Net Income (loss) before taxes	(10,661,587)	(812,071)	(9,862,804)
Net income (loss) after taxes	(10,661,587)	(812,071)	(9,527,510)
Basic and diluted income (loss) Per share	(0.89)	(0.01)	(0.15)
Total assets	6,195,161	15,662,140	16,705,930
Other liabilities	Nil	Nil	Nil
Total long-term liabilities	275,335	Nil	Nil
Dividends declared per share	Nil	Nil	Nil

Net Revenue and Net Income (Loss) for the last eight (8) quarters

	2013 Dec. 31	2013 Sep. 30	2013 Jun. 30	2013 Mar. 31	2012 Dec. 31	2012 Sep. 30	2012 Jun. 30	2012 Mar. 31
Revenue (net of royalties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Income/(Loss)	(252,826)	(229,989)	189,537	(81,562)	(299,149)	(159,453)	(181,433)	(172,036)
Basic/Diluted Income/(Loss) Per Share	(0.01)	(0.01)	0.01	0.00	0.00	0.00	0.00	0.00
Number of shares Outstanding	22,616,789	21,724,789	10,724,789	6,472,190	6,472,190	6,472,190	6,472,190	6,472,190

This financial data has been prepared in accordance with International Financial Reporting Standards as issued by the IASB accounting and all figures are stated in Canadian dollars.

General & Administrative and Operating Expenses

General & Administrative expenses for the year ended December 31, 2013 were $ 94,940 (versus $304,717 during the year ended December 31, 2012). Total expenses excluding non-cash charges for the year ended December 31, 2013 amounted to $374,840 (versus $860,651 for the year ended December 31, 2012).

G&A and Operating Expense	Year Ended 12/31/13	Year Ended 12/31/12	Change
			1
Professional fees	423,625	42,698	892.14%
General and administrative	94,940	304,717	(68.31)%
Travel and promotions	85,335	36,638	132.91%
Consulting fees	180,321	55,025	227.71%
Salary and management fees	61,111	359,077	(82.98)%
Interest Expenses	27,397	62,496	(56.16)%
	872,728	860,651	1.4%

Liquidity and Capital Resources

At December 31, 2013 the Company has a cash position of $49,959 (2012 -$43,364). The Company had a net working capital deficiency of $572,267 (2012 - $329,641). The Company's other significant tangible assets are its Canada oil and gas and mineral properties which have a net book value of $6,063,913.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements.

Transactions with Related Parties

The following is a summary of the Company's related party transactions during the year ended December 31, 2013:

Key Management Compensation consists of:

David Lane, President –Mr. Lane has over 20 years experience in management of public and private companies.

Tatiana Kovaleva, CFO - Ms. Kovaleva has over 10 years' experience in both public and private company audit and over 20 years' experience in general accounting experience. Ms. Kovaleva holds a Masters Degree in Economics.

Salaries

During the year ended December 31, 2013, salaries of $61,111 (2012 - $133,000) were paid to a director and officer of the Company.

Management fees

During the year ended December 31, 2013, management fees of $NIL (2012 - $71,424) were incurred ($NIL was accrued) to a director and officer of the Company.

Consulting fees

During the year ended December 31, 2013, the Company accrued total consulting fee to the directors and to the director's companies for $152,880 (2012 - $Nil) of which $89,580 were paid.

Share-based payments

During the year ended December 31, 2013, the company issued to directors and managers of the Company share-based payments of $152,475 (2012 - $42,308).

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing ongoing services to the Company. The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed 10% percent of the total number of common shares outstanding immediately prior to such an issuance. Under the plan, the Board of Directors has the choice of either vesting or allowing options issued to be exercisable upon issuance. Options are normally issued for a five-year term. During the year ended December 31, 2013, no stock options were granted.

A summary of the share option transactions for the year ended December 31, 2013 are summarized as follows:

	Number of Options*	Weighted Average Exercise Price
Balance, December 31, 2010	**548,830**	**$ 2.90**
Granted	27,500	$ 0.50
Balance, December 31, 2011 and 2012	**576,330**	**$ 2.76**
Expired	(35,500)	$ 15.50
Balance, December 31, 2013	**540,830**	**$ 1.92**

*Post-consolidated 1:10

The following table summarizes stock options outstanding and exercisable under the Company's stock option plan as at December 31, 2013:

Expiry date	Options Exercisable & Outstanding*	Exercise Price per share ($)	Grant date Fair Value of Options ($)
Apr 25, 2015	263,330	2.00	394,995
Oct 12, 2015	250,000	2.00	475,000
Nov 18, 2016	27,500	0.50	13,750
	540,830		883,745

*Post-consolidated 1:10

PROMISSORY NOTES PAYABLE

On March 8, 2012, the Company reached a settlement with two flow-through shareholders for cash of $250,000 together with a promissory note and 6,000,000 warrants (Note 7(d)). The promissory note has a face value of $300,000 and bears annual interest of 10% payable in common shares subject to stock exchange approval. All outstanding amounts relating to this promissory note are repayable upon the earliest of the Company completing a financing of non-flow-through shares of at least $1,000,000 and March 8, 2014. The discount on the promissory note is being accreted over the term of the note utilizing the effective interest rate method at a 46.8% discount rate.

On April 14, 2013, the company issued the promissory note $40,000 which was paid in full on August 22, 2013.

	December 31, 2013	December 31, 2012
Promissory notes due to	$ 200,000	200,000
Accrued interest	25,335	917
	$ 225,335	$ 200,917

Share Capital

Common Shares Outstanding

As of the date of this MD&A, the Company has 25,916,789 Common Shares outstanding and 41,397,619 Common Shares on a fully diluted basis.

On December 14, 2011, the Company completed a non-brokered private placement and raised gross proceeds of $100,000 by issuing 200,000 (2,000,000 pre-consolidated) common share units consisting of one common share and one half common share purchase warrant at $0.50 ($0.05 pre-consolidated) per unit. Each whole common share warrant entitled the holder to purchase a common share at $1.00 ($0.10 pre-consolidated) until May 14, 2013. Each whole common share purchase warrant was valued at $0.30 ($0.03 pre-consolidated).

On July 19, 2010, the Company completed the second tranche of a non-brokered flow-through financing to raise gross proceeds of $2,352,943 by issuing 1,176,471 (11,764,714 pre-consolidated) flow-through share units consisting of one flow-through shares and one common share purchase warrant at $2.00 ($0.20 pre-consolidated) per unit. Each common share warrant entitled the holder to purchase a common share at $3.00 ($0.30 pre-consolidated) until June 30, 2012. Each common share purchase warrant was valued at $0.74 ($0.074 pre-consolidated).

On July 19, 2010, the Company completed the second tranche of a non-brokered private placement and raised gross proceeds of $215,100 by issuing 119,500 (1,195,000 pre-consolidated) common share units consisting of one common share and one common share purchase warrant at $1.80 ($0.18 pre-consolidated) per unit. Each common share warrant entitled the holder to purchase a common share at $3.00 ($0.30 pre-consolidated) until June 30, 2012. Each common share purchase warrant was valued at $0.74 ($0.074 pre-consolidated).

On June 30, 2010, the Company completed a first tranche non-brokered private placement and raised gross proceeds of $212,400 by issuing 118,000 (1,180,000 pre-consolidated) common share units consisting of one common share and one common share purchase warrant at $1.80 ($0.18 pre-consolidated) per unit. Each common share warrant entitled the holder to purchase a common share at $3.00 ($0.30 pre-consolidated) until June 30, 2012. Each common share purchase warrant was valued at $0.71 ($0.071 pre-consolidated).

On June 30, 2010, the Company completed a first tranche of a non-brokered flow-through financing to raise gross proceeds of $1,000,000 by issuing 500,000 (5,000,000 pre-consolidated) flow-through share units consisting of one flow-through shares and one common share purchase warrant at $2.00 ($0.20 pre-consolidated) per unit. Each common share warrant entitled the holder to purchase a common share at $3.00 ($0.30 pre-consolidated) until June 30, 2012. Each common share purchase warrant was valued at $0.71 ($0.071 pre-consolidated).

On June 25, 2013, the Company's shares were consolidated on the basis of one new share for ten existing shares.

On June 28, 2013, the Company issued 1,016,500 common shares at $0.15 for total amount 152,475 as compensation for services rendered by officers, directors, employees and consultants.

On June 28, 2013, the Company issued 3,236,095 common shares at $0.10 for total amount 323,609.50 for Giant Exploration Inc. shareholders.

On September 13, 2013 the Company completed a non-brokered placement and raised gross proceeds $550,000 by issuing 11,000,000 units ("Units") at $0.05 each. Each Unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for 2 years from closing at an exercise price of $0.05 per common share. The Corporation plans to use the proceeds from this financing for general working capital. First Sahara paid $2,000 finder's fees to those assisting it in completing this financing in the amount of 8% cash and 8% finder's warrants, each such finder's warrant entitling the holder to subscribe for one share for $0.10 for a period of 24 months.

On December 31, 2013, the Company issued 892,000 common shares on a "flow-through" basis at a price of $0.07 per flow-through Share, for aggregate gross proceeds of $62,440.

On February 26, 2014, the Company issued 3,300,000 common shares at a price of $0.05 per common share for gross proceeds of $165,000. The common shares have a hold period expiring June 27, 2014.

Warrants

A summary of the changes in the Company's share purchase warrants during the years ended December 31, 2013 are as follows:

	Number of Warrants*	Weighted Average Exercise Price
Balance, December 31, 2012	**712,000**	**$ 0.58**
Expired	(112,000)	$ 1.00
Issued	11,000,000	$ 0.05
Expired	40,000	$ 1.00
Balance, December 30, 2013	**11,640,000**	**$ 0.07**

*Post-consolidated 1:10

As at December 31, 2013, the following common share purchase warrants were outstanding:

Expiry date	Exercise Price	Warrants
March 8, 2014	0.50	600,000
September 13, 2015	0.05	11,000,000
September 13, 2015	0.10	40,000
		11,640,000

Flow-through shares

On June 30 and July 19, 2010, the Company closed private placements of 500,000 (5,000,000 pre-consolidated) and 1,176,471 (11,764,714 pre-consolidated) flow-through shares, respectively, at $2.00 ($0.20 pre-consolidated) per share for gross proceeds of $3,352,943 (Notes 9b (ii) and (v)). The Company recognized a flow-through share premium of $335,294 in the statement of comprehensive loss and a corresponding liability. During the year ended December 31, 2011, the Company renounced the flow-through proceeds of $2,462,043 and reversed the liability to recognize a deferred tax recovery of $263,294. The remaining $890,900 was not spent by the required date of December 31, 2011 and consequently the renunciation for the unspent amount was reversed. As a result of this reversal and the indemnification described in Note 16, the Company is required to pay $550,000 to certain investors.

Contributed surplus

The contributed surplus reserve is used to recognize the fair value of share options granted to employees, including key management personnel, as part of their remuneration. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital. Refer to Note 10 for further details of these plans.

Balance, December 31, 2010	$ 8,085,780
Estimated fair value of share based payments – options to employees	$ 13,750

Estimated fair value of common share purchase warrants	$ 30,000
Estimated fair value of finder's warrants	$ 2,400
Balance, December 31, 2011	$ 8,131,930
Estimated fair value of warrants issued for debt	$ 60,000
Balance, December 31, 2012 and December 31, 2013	$ 8,191,930

Share based payments

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing ongoing services to the Company. The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed 10% percent of the total number of common shares outstanding immediately prior to such an issuance. Under the plan, the Board of Directors has the choice of either vesting or allowing options issued to be exercisable upon issuance. Options are normally issued for a five-year term. During the year ended December 31, 2013, no stock options were granted.

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Recent accounting pronouncements

IFRS 10, 11, 12 and 13 were all issued in May 2010 and are effective for annual periods beginning on January 1, 2013. IFRS 10 *Consolidated Financial Statements* replaces the consolidation guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation — Special Purpose Entities* by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee. IFRS 11 *Joint Arrangements* introduces new accounting requirements for joint arrangements, replacing IAS 31 *Interests in Joint Ventures*. It eliminates the option of accounting for jointly controlled entities by proportionate consolidation. IFRS 12 *Disclosure of Interests in Other Entities* requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement.

IFRS 13 *Fair Value Measurement* replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. It defines and provides guidance on determining fair value and requires disclosures about fair value measurements, but does not change the requirements regarding which items are measured or disclosed at fair value.

In addition, there have been amendments to existing standards, including IAS 27 *Separate Financial Statements*, and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

The IASB has also issued IFRS 9 *Financial Instruments*, which is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted. IFRS 9 is the first step to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

The Company has not yet determined the impact of these recent pronouncements.

Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that is can continue to pursue the evaluation of its exploration properties. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include the components of shareholders' equity. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Financial instruments and risk management

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities. The Company has no level 1 financial instruments.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). Cash equivalents are classified as level 2 financial instruments; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company has no level 3 financial instruments.

The carrying value of cash equivalents and accounts payable and accrued liabilities reflected in the statements of financial position approximate fair value because of the limited term of these instruments.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are composed of financial instruments issued by large Canadian financial institutions with high investment grade ratings and are closely monitored by management. Management believes credit risk with respect to cash is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company prepares periodic capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures. At December 31, 2013, the Company had a cash balance of $49,959 (December 31, 2012 - $43,364) to settle current liabilities of $643,515 (December 31, 2012 - $646,049) to fund general working capital.

Market risk

Market risk is the risk that changes in foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign exchange risk
The Company does not hold significant balances in foreign currencies to give rise to foreign exchange risk.

Commodity price risk
The Company is exposed to fluctuations in commodity prices for petroleum and natural gas. Commodity prices are affected by many factors including supply and demand. Although the Company has no production, commodity price risk can affect the Company's ability to raise equity financing.

Interest rate risk
The Company is not exposed to interest rate risk as it has no loan facilities.