MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three-month and nine-month periods ended March 31, 2015 and 2014

Prepared as at May 27, 2015

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BASIS OF PRESENTATION

Throughout this document, Gale Force Petroleum Inc. is referred to as "Gale Force Petroleum", "we" or the "Company". This management's discussion and analysis of the financial condition and results of operations ("**MD&A**") describes our business, the business environment, our vision and strategy as well as the critical accounting policies used by the Company, which should help the reader understand our financial statements, the principal factors affecting the results of operations, and the Company's liquidity and capital resources. This discussion should be read in conjunction with the Company's interim consolidated financial statements, including the notes, as at and for the periods ended March 31, 2015 and March 31, 2014.

The Company's accounting policies are in accordance with International Financial Reporting Standards ("**IFRS**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). **All dollar amounts herein are in U.S. dollars unless otherwise indicated.**

Except as otherwise specified, references herein to the period indicate the quarter ended March 31, 2015, and all comparisons are to the quarter ended March 31, 2014. References herein to the year indicate the fiscal year ended June 30, 2015, and all comparisons are to the fiscal year ended June 30, 2014.

FORWARD-LOOKING STATEMENTS

All statements in this MD&A that do not directly and exclusively relate to historical facts constitute "forward-looking statements". These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. These factors include and are not restricted to general economic and business conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve estimates, environmental risks, competition from other explorers, stock market volatility, the ability to access sufficient capital, the timing and size of new contracts, acquisitions and other corporate developments, the ability to attract and retain qualified employees, contractors, managers and members of the board, and other risks identified in the MD&A, as well as assumptions regarding the foregoing. The words "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan," and similar expressions and variations thereof, identify certain of such forward-looking statements, which speak only as of the date on which they are made. In particular, statements relating to future performance are forward-looking statements. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements. You will find more information about the risks that could cause our actual results to significantly differ from our current expectations in the Risks and Uncertainties section.

DEFINITIONS, NOTES AND OTHER CAUTIONARY STATEMENTS

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

bbl	Barrel.
Mcf	Thousand cubic feet.
MMcf	Million cubic feet.
BOEs	Barrel of Oil Equivalent. *BOEs may be misleading, particularly if used in isolation. The BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency and does not represent a value equivalency at the wellhead.*

OVERVIEW OF THE COMPANY

Gale Force Petroleum Inc. (the "**Company**") is a publicly-traded oil and gas company with interests in conventional oil and gas properties in Texas, and membership interests in an LLC that owns producing Marcellus shale gas in West Virginia. The Company has proved and probable reserves of 213,000 net bbls of oil and 268,000 net MCF of natural gas, with a net present value of these reserves being estimated at $3.3 million using a 10% discount rate and using WTI and NYMEX pricing as at December 31, 2014. Following the sale of the Texas Reef properties during the current fiscal year, overall production was reduced to 80 BOE per day at the quarter ended March 31, 2015 (to the Company's working interests before royalties).

STRATEGY, OBJECTIVES AND PLANS

The Company's business plan since May 2010 was to acquire and develop oil and gas properties in the southern U.S., initially taking advantage of the general undervaluation and underinvestment that existed in the Southern U.S. following the financial crisis and oil price collapse in 2008-2009. The funding for these acquisitions and property development projects came from a combination of equity raised through Canadian markets and low-interest U.S. bank debt.

Between May 2010 and January 2013, the Company completed ten important acquisitions, various smaller transactions and a land acquisition program, which, in the aggregate, increased the Company's reserves and grew the Company's total oil and gas production from zero to a high in 2012 of approximately 650 BOE per day (to its working interests before royalties).

The macroeconomic conditions that helped make the Company's business plan initially successful have changed. The Canadian dollar has declined by over 30% versus the US dollar, reducing the buying power of funds raised from equity in Canada. Since the fall of 2012, there has been a significant reduction in demand for the shares of micro and junior energy companies, resulting in a self-fulfilling cycle of decreasing liquidity and increasing difficulty for junior oil and gas companies to raise new equity financing at attractive valuations. At the same time, there is no longer a general undervaluation of oil and gas properties in the Southern U.S. as the effects of the 2009 U.S. financial crisis have now long since faded.

The Company therefore believes that its business plan to acquire and aggregate smaller properties in the Southern U.S. is no longer appropriate, and continuing to pursue this business plan would be unlikely to create shareholder value. As a result, the Board of Directors of the Company initiated a strategic review, and has sold several assets to pay down debts and free-up capital, while searching for a strategic option that will provide the greatest shareholder value.

Strategic Alternative Review Process

The Company has found a high level of interest in its individual properties. As a result, the Company has been selling assets to pay down debts and free-up capital, making itself more attractive for acquisition or merger to strategic counterparts averse to debt and needing cash.

The Company is actively evaluating various oil and gas companies or assets in North America, where there would be significant scalability in operations, and where the Company's combination of cash and near-cash assets would have the most impact in creating value.

RESULTS OF OPERATIONS

Comparative Financial Analysis

The following table shows selected consolidated statements of financial position information:

SELECTED INFORMATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	March 31, 2015 (unaudited)	June 30, 2014 (audited)
Total assets	**$ 5,950,455**	$ 17,548,833
Property and equipment	**3,626,090**	14,744,511
Oil and gas investments	**-**	1,303,388
Subordinate notes payable	**-**	701,255
Bank facility	**1,750,000**	4,750,000
Decommissioning liabilities	**176,027**	306,390
Shareholders' equity	**$ 3,280,948**	$ 10,101,909
Current assets	**$ 2,324,365**	$ 1,050,934
Current liabilities	**$ 2,493,481**	$ 2,298,108

During the first nine months of the fiscal year, the largest change on the statement of financial position was to property and equipment, which decreased by $11.1 million due to sales of $5.9 million for the Texas Reef property and $1.0 million for the South Texas property. Additionally, based on revised reserves estimates using lower, December 31, 2014 oil prices, the Company impaired its Texas Reef property by $1.3 million and its Wood County properties by $3.6 million. Offsetting these reductions slightly, for $200,000 the Company purchased an additional 10% interest in its Pine Mills properties in Wood County, to increase its working interest to approximately 99% in the properties. A portion of the proceeds from property sales was used to repay $3.0 million of outstanding bank debt and fully repay the $701,255 of subordinate notes.

The following table shows the Company's consolidated sales and revenues:

CONSOLIDATED REVENUES

	Quarters ended March 31			Nine months ended March 31		
	2015	2014	change	**2015**	2014	change
Sales	**$ 237,224**	$ 1,125,956	-79%	**$1,122,937**	$ 3,234,392	-65%
Severance taxes	**(10,966)**	(51,830)	-79%	**(51,701)**	(149,097)	-65%
Total revenues	**$ 226,258**	$ 1,074,126	-79%	**$1,071,236**	$ 3,085,295	-65%

For the third quarter of the fiscal year revenues decreased 79% compared to the same quarter in the prior fiscal year. The average sales price decreased $36.56 to $41.14 per BOE between the comparable periods. Production for the third quarter of the fiscal year declined 60% to 5,766 BOE compared to 14,492 BOE for the third quarter of the prior fiscal year.

For the first nine months of the fiscal year revenues decreased 65% compared to the first nine months of the prior fiscal year. The average sales price decreased $16.85 to $62.21 per BOE between the comparable periods. Production for the first nine months of the fiscal year declined 56% to 18,050 BOE compared to 40,912 BOE for the first nine months of the prior fiscal year. The production decline was due to property sales noted above.

The following table shows the "Cash-Adjusted EBITDA" of the Company, which is a measure to present earnings (loss) after all cash operating expenses, while separating out any non-cash or non-recurring expenses and the effects of capital structure or taxation. It provides better visibility of the Company's cash requirements and/or its ability to generate cash, exclusive of the costs of depreciation, financing or income taxes.

CASH-ADJUSTED EBITDA

	Quarters ended March 31			Nine months ended March 31		
	2015	2014	change	**2015**	2014	change
Revenues	**$ 226,258**	$ 1,074,126	-79%	**$1,071,236**	$3,085,295	-65%
Realized (loss) gain on swaps – payments (made) received	**127,661**	(18,483)	790%	**201,283**	(46,065)	537%
Operating expenses	**(208,305)**	(448,236)	-54%	**(861,360)**	(1,246,090)	-31%
General and administrative expenses	**(172,052)**	(295,259)	-42%	**(669,850)**	(901,613)	-26%
Cash-Adjusted EBITDA	**$ (26,438)**	$ 312,148	-108%	**$ (258,691)**	$ 891,527	-129%

Cash-adjusted EBITDA was negative $26,438 for the three-month period, indicating that the Company has reduced its cash outlays and has only a slight cash burn from operations during the quarter. For the nine month period, Cash-adjusted EBITDA decreased $1,150,218, or 129% compared to the prior year period. As noted above, revenues declined 65%, or $2,014,059 between the periods. The decline in revenues was partially offset by a realized swap gain of $201,283 for the first nine months of the fiscal year compared to a $46,065 realized swap loss in the comparable prior year period. Operating expense decreased $384,730 between comparable periods due to the sale of properties. General and administrative expenses decreased $231,763, or 26%, between comparable nine month periods primarily due to reductions in personnel, audit, accounting, and legal fees.

The following table shows the earnings (loss) before interest and taxes (EBIT), which is calculated by deducting non-cash operating expenses from **Adjusted EBITDA**, or by deducting all cash and non-cash operating expenses from revenues. We use EBIT to measure earnings (or losses) after all cash and non-cash expenses, but before taking into account the costs arising from capital structure or taxation.

EBIT / NET INCOME (LOSS)

	Quarters ended March 31			Nine months ended March 31		
	2015	2014	change	**2015**	2014	change
Cash-Adjusted EBITDA	**$ (26,438)**	$ 312,148	-108%	**$(258,691)**	$ 891,527	-129%
Depletion, depreciation and amortization	**102,708**	177,745	-42%	**468,668**	500,903	-6%
Share-based compensation	**33,095**	31,388	5%	**84,022**	99,207	-15%
Loss (gain) on sale of assets	**57,888**	(3,250)	-1881%	**96,876**	5,114	1794%
Loss on impairment of property and equipment	**270,759**	43,294	525%	**4,946,822**	145,133	3308%
Loss on change in fair value of oil and gas investments	**-**	-	-	**1,303,388**	-	-
Restructuring costs	**-**	-	-	**153,566**	-	-
Unrealized loss (gain) on hedges	**58,723**	93,109	-37%	**(629,565)**	380,283	266%
Foreign exchange (gain) loss	**76,719**	(310)	-24818%	**103,607**	(9,074)	-1242%
Adjustment of note receivable	**40,000**	-	-	**40,000**	-	-
Change in fair value of embedded derivative liabilities	**-**	(18,942)	-	**-**	(1,005,663)	-
Net income (loss) before interest and taxes (EBIT)	**$(666,330)**	$ (10,886)	6021%	**$(6,826,075)**	$ 775,624	-980%

EBIT declined 980% to a $6,826,075 loss for the first nine months of the fiscal year compared to the prior year period. The principal driver was the $4,946,822 impairment expense and the $1,303,388 loss on the fair value of the oil and gas investment as noted above. In the first nine months of the prior fiscal year the fair value of embedded derivative liabilities (broker warrants) decreased $1,005,663. All outstanding broker warrants expired unexercised in the fourth quarter of the prior fiscal year. The unrealized value of hedges (oil swaps) moved to a $629,565 gain in the first nine months of the current fiscal year compared to a $380,283 loss in the same period of the prior year. See Note 6 of the Company's March 31, 2015 interim consolidated financial statements for information concerning its outstanding oil swaps. The Company incurred $153,566 G&A expense in the first nine months of the current fiscal year due to severance obligations and related payroll taxes.

The following table shows the consolidated statements of comprehensive (loss) income of the Company:

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME

	Quarters ended March 31		Nine months ended March 31	
	2015	2014	**2015**	2014
Sales	**$ 237,224**	$ 1,125,956	**$ 1,122,937**	$ 3,234,392
Production taxes	**(10,966)**	(51,830)	**(51,701)**	(149,097)
Total revenues	**$ 226,258**	**$ 1,074,126**	**$ 1,071,236**	**$ 3,085,295**
Operating expenses	**208,305**	448,236	**861,360**	1,246,090
General and administrative expenses	**172,052**	295,259	**669,850**	901,613
Share-based compensation	**33,095**	31,388	**84,022**	99,207
Depreciation, depletion and amortization	**102,708**	177,745	**468,668**	500,903
Realized (gain) loss on hedges	**(127,661)**	18,483	**(201,283)**	46,065
Unrealized (gain) loss on hedges	**58,723**	93,109	**(629,565)**	380,283
Foreign exchange (gain) loss	**76,719**	(310)	**103,607**	(9,074)
Adjustment of note receivable	**40,000**	-	**40,000**	-
Change in fair value of embedded derivative liabilities	**-**	(18,942)	**-**	(1,005,663)
Restructuring costs	**-**	-	**153,566**	-
Loss on change in fair value of oil and gas investments	**-**	-	**1,303,388**	-
(Gain) loss on sale of assets	**57,888**	(3,250)	**96,876**	5,114
Loss on impairment of property and equipment	**270,759**	43,294	**4,946,822**	145,133
Net (loss) income before interest and taxes	**(666,330)**	**(10,886)**	**(6,826,075)**	**775,624**
Financial expenses	**21,947**	112,913	**101,543**	262,687
Net comprehensive income (loss)	**$ (688,277)**	**$ (123,799)**	**$ (6,927,618)**	**$ 512,937**

Financial expenses for the first nine months of the fiscal year declined $161,144, or 61%, compared to the first nine months of the prior fiscal year as subordinate notes were paid in full and bank debt was reduced by $3.0 million in the first nine months of the current fiscal year.

The net loss for the first nine months of the fiscal year was $6,927,618 compared to $512,937 in net income for the prior fiscal year period. Cash-Adjusted EBITDA (see above table) decreased 129%, or $1,150,218 and net non-cash expenses increased $6,451,482 from the comparable period due primarily to property and investment impairment.

OPERATIONS PERFORMANCE OVERVIEW

The following table shows production and revenue information from the Company's properties:

PRODUCTION SUMMARY

	Quarters ended March 31			Nine months ended March 31		
	2015	2014	change	**2015**	2014	change
Total gross production (BOE)	**5,766**	14,492	-60%	**18,050**	40,912	-56%
Average sale price to the Company's revenue interests ($/BOE)	**41.14**	77.70	-47%	**62.21**	79.06	-21%
Gross revenues	**$ 237,224**	$1,125,956	-79%	**$1,122,937**	$ 3,234,392	-65%
Production taxes	**(10,966)**	(51,830)	-79%	**(51,701)**	(149,097)	-65%
Total revenues	**$ 226,258**	$1,074,126	-79%	**$1,071,236**	$3,085,295	-65%

In the Company's financial statements, only revenues and production taxes to the Company's interests that it receives or pays are accounted for.

During the third quarter of the fiscal year, 99% of the Company's sales were from oil production and 1% of its sales were from natural gas production. For each barrel sold by the Company during the period, the average sales price was $43.06. For each Mcf of natural gas sold during the period the average sales price was $1.03 after gathering charges. This calculates to an average sales price per BOE of $41.07. After royalties and production taxes were paid, the Company received an average $33.17 per barrel of oil and $0.75 per Mcf of natural gas, for an average of $31.62 per BOE.

The following tables show the Company's oil and natural gas netbacks:

OIL AND NATURAL GAS NETBACK

Quarters ended March 31	**2015**	2014	change	**2015**	2014	change
	$/bbl	$/bbl		**$/Mcf**	$/Mcf	
Average sale price	**43.06**	91.52	-53%	**1.03**	4.30	-76%
Royalties and production taxes	**9.89**	22.78	-57%	**.28**	1.09	-74%
Production and operations expenses	**30.76**	29.54	4%	**.14**	.81	-83%
Netback	**2.41**	39.20	-94%	**.61**	2.40	-75%

Oil netback fell 94% in the current quarter of this fiscal year versus the comparable quarter last year due to a $48.46, or 53%, decrease in the average price of oil. Although lease operating expenses were reduced over 50% in total, the decline in production volumes caused a slight increase in production expense per BOE.

The Company's total gas sales for the current quarter were $2,000 from small overriding royalty interests and non-operating working interests. The decline in average sale price per MCF was impacted by heavy gas gathering charges by the operator. These non-operating working interests and overriding royalty interests were sold during the third quarter of the fiscal year.

QUARTERLY OPERATING INFORMATION

The following tables summarize key financial and operating information by quarter:

QUARTERLY OPERATING INFORMATION

April 1, 2014 to March 31, 2015

Quarters ended	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015
Production (BOE)[1]	12,060	6,545	5,738	5,766
Avg. price to Company's interests ($/BOE)	75.77	83.37	59.26	41.14
Oil and natural gas revenues	**$ 913,764**	**$ 545,653**	**$ 340,060**	**$ 237,224**
Production taxes	(41,466)	(25,113)	(15,622)	(10,966)
Total revenues	**872,298**	**520,540**	**324,438**	**226,258**
Realized gain (loss) on hedges	(57,291)	(20,516)	94,139	127,661
Cash operating income (expenses)	(710,738)	(597,111)	(553,743)	(380,357)
Cash-Adjusted EBITDA	**104,269**	**(97,087)**	**(135,166)**	**(26,438)**
Non-cash operating income (expenses)	(131,547)	(203,150)	(213,737)	(135,803)
Other income (expenses)	(4,706,431)	110,849	(5,621,325)	(504,089)
Earnings (loss) before interest and taxes	**(4,733,709)**	**(189,388)**	**(5,970,228)**	**(666,330)**
Financial (expenses)	(105,730)	(54,165)	(25,561)	(21,947)
Net comprehensive income (loss)	**$ (4,839,439)**	**$ (243,553)**	**$ (5,995,789)**	**$ (688,277)**

April 1, 2013 to March 31, 2014

Quarters Ended	Jun. 30, 2013	Sep. 30, 2013	Dec. 31, 2013	Mar. 31, 2014
Production (BOE) [1]	12,449	13,065	13,355	14,492
Avg. price to Company's interests ($/BOE)	80.49	83.67	76.02	77.20
Oil and natural gas revenues	**$ 1,002,057**	**$ 1,093,199**	**$ 1,015,237**	**$ 1,125,956**
Royalties and production taxes	(45,644)	(49,900)	(47,368)	(51,830)
Total revenues	**956,413**	**1,043,299**	**967,869**	**1,074,126**
Realized gain (loss) on hedges	64,019	(57,706)	30,124	(18,483)
Cash operating income (expenses)	(780,748)	(730,220)	(673,987)	(743,495)
Cash-Adjusted EBITDA	**239,684**	**255,373**	**324,006**	**312,148**
Non-cash operating income (expenses)	(290,019)	(195,817)	(195,159)	(209,133)
Other income (expenses)	(802,961)	227,937	370,171	(113,901)
Earnings (loss) before interest and taxes	**(853,296)**	**287,493**	**499,018**	**(10,886)**
Financial (expenses)	(102,134)	(75,507)	(74,267)	(112,913)
Net comprehensive income (loss)	**$ (955,430)**	**$ 211,986**	**$ 424,751**	**$ (123,799)**

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(1) Production (BOEs) are to the Company's net revenue interests.

The numbers contained in the above two tables differ slightly from those in the prior published management's discussions and analyses, as certain numbers have been reclassified into the same lines for consistency, while others were adjusted to reconcile with the consolidated annual audited financial statements under IFRS for the year ended June 30, 2014.

HEDGING

To hedge risks associated with a decline in oil prices, the Company has entered into "production swaps" and purchased "price floors", which consist of series of put options. As of the date hereof, the Company has the following hedges:

Contract Month	Production Swaps Avg. Price ($)	Production Swaps Quantity (bbls/Month)
April 2015 through December 2015	87.32	1,100

LIQUIDITY AND CAPITAL RESOURCES

Working Capital and Source of Funds

As at March 31, 2015, the current ratio of the Company was 0.93, which is the result of $2,324,365 of current assets divided by $2,493,480 of current liabilities. However, the bank loan facility, which had a balance of $1.75 million at March 31, 2015, is not included in the current ratio used by the Company's lender, Green Bank. Excluding the loan facility, the current ratio is 3.13 resulting from $2,324,365 of current assets and $743,480 of non-bank current liabilities.

As part of the Company's plan to free-up capital to make itself more attractive for merger or acquisition, it has rationalized operations and made overhead and payroll reductions, to conserve as much cash as possible. As could be seen in the above section discussing "Cash Adjusted EBITDA", the Company reduced its operational cash burn to only $21,438 for the quarter. The Company expects to continue this slight burn for the foreseeable future. Any available cash will sparingly be used by the Company to invest in crucial development projects to enhance or protect asset values.

SHARES ISSUED & OUTSTANDING, OPTIONS & WARRANTS

The following table summarizes the equity structure of the Company as of March 31, 2015 and as of the date hereof:

Security	Quantity Mar. 31, 2015	Quantity May 27, 2015	Aggregate Strike Value (CA$)
Common shares	80,120,758	80,120,758	-
Preferred shares[(1)]	9,904,749	9,904,749	-
Total direct ownership	**90,025,507**	**90,025,507**	**-**
Options at $0.06 expiring 2019[(2)]	7,300,000	7,300,000	438,000
Total fully diluted	**97,325,507**	**97,325,507**	**$ 438,000**

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(1) The preferred shares are convertible into common shares of the Company on a 1:1 basis.

(2) These options expire the later of 90 days following the termination of employment of the grantee, or 365 days following the closing of a strategic transaction.

OUTLOOK

With a view towards a strategic alternative, the Company has sold assets, reduced debt and freed up capital. The Company is seeking to conclude a strategic transaction in the near-term that will re-value the Company in the market or provide a liquidity event to shareholders at a premium to market.

As always, the Company's value is highly dependent on the strength of oil and natural prices. However, barring any significant decline in these resource prices, the Company's assets are highly-marketable in both the private and public markets. We therefore expect to garner significant interest in a strategic transaction from either prospective buyers or merger candidates, either of which should unlock significant value for shareholders.

ACCOUNTING AND DISCLOSURE/RISKS AND UNCERTAINTIES

The Company's accounting and disclosure controls and policies, as well as the significant risks and uncertainties which may have an impact on the Company's business, can be found in the Company's management discussion and analysis and consolidated annual audited financial statement as at and for the year ended June 30, 2014.

ADDITIONAL INFORMATION

The Company is an issuer in accordance with the securities legislations of all the Canadian provinces; therefore it has the obligation to deliver financial statements, proxy circulars and annual notices to the various regulating authorities. You can obtain a copy of such documents free of charge by sending your requests to the Company or by visiting www.SEDAR.com.

Michael McLellan, CFA
Chief Executive Officer

Don DeMoss, CPA
Chief Financial Officer