NEXERA ENERGY INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion and Analysis (MD&A) should be read in conjunction with Nexera Energy Inc. (the "Company") audited annual Consolidated Financial Statements for the year ended December 31, 2020. Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

Additional information relating to the Company is available on SEDAR at www.sedar.com. The Company is listed on the TSX Venture Exchange under the symbol "NGY". The MD&A is dated May 4, 2021

BASIS OF PRESENTATION

The financial data presented below has been prepared in accordance with International Financial Reporting Standards. All amounts are reported in Canadian dollars unless otherwise indicated.

Basis of consolidation

The consolidated financial statements referenced in this MD&A include the accounts of the Company and its United States Branch, as well as Production Resources, Inc. (PRI) where the Company owns 75% of the outstanding shares. Control exists when the Company has the power over the investee, exposure or rights to variable returns from its involvement and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances have been eliminated.

Application of Accounting Estimates

The significant accounting policies used by the Company are disclosed in Note 3 to the annual Consolidated Financial Statements for the year ended December 31, 2020. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a periodic basis. The emergence of new information and changed circumstance may result in actual results or changes to estimates that differ materially from current estimated amounts.

Non-IFRS and Non-GAAP Measures

This MD&A includes the following measures that are from time to time used by the Company, but do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies:

a) "Funds from operations" - should not be considered an alternative to, or more meaningful than "cash flow from operating activities" as determined in accordance with IFRS as an indicator of the Company's financial performance. Funds from operations is determined by adding non-cash expenses to the net income or loss for the period, deducting decommissioning liability expenditures and does not include the change in working capital applicable to operating activities. Management believes that in addition to cash flow from operating activities, funds from operations is a useful supplemental measure as it provides an indication of the results generated by the Company's principal business activities before the consideration of how such activities are financed.

b) "Operating netback" - Operating netbacks are calculated by deducting royalties and operating costs, including transportation costs, from revenues.

c) “Working capital” – working capital includes total current assets and total current liabilities. The working capital ratio is calculated by deducting total current liabilities.

Going Concern

At December 31, 2020, the Company had not yet achieved profitable operations, had an accumulated deficiency of $35,484,976 since its inception and had a working capital deficiency of $17,844,317 (defined as current assets less current liabilities), and expects to incur further losses in the development of its business. The ability to continue as a going concern is dependent on obtaining continued financial support, completing public equity financing or generating profitable operations in the future. Management is committed to raising additional capital to meet its exploration and operating obligation, however, additional equity financing is subject to the global financial markets and economic conditions, which have recently been disrupted and are volatile, and the debt and equity markets, which are distressed, particularly for junior petroleum and natural gas companies. All of these factors, together with weak natural gas prices and the current unstable economic conditions, indicate the existence of material uncertainties related to events or conditions that may cast significant doubt as to whether the Company can continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. Any adjustments necessary to the consolidated financial statements if the Company ceases to be a going concern could be material.

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Measures enacted to prevent the spread of the virus have resulted in global business disruption with significant economic repercussions. The current economic climate has caused uncertainty and extraordinary volatility in the oil and gas industry, particularly in the Western Canadian Sedimentary Basin.

These events have negatively impacted, and are expected to continue to negatively impact, the Company’s business. The significant volatility in price for crude oil resulted in negative impacts to the Company’s results. The uncertainty of the coronavirus pandemic continues to impact the energy industry.

BOE Presentation

The term “barrels of oil equivalent” (BOE) may be misleading, particularly if used in isolation. A BOE conversion of six thousand cubic feet of natural gas to one barrel of oil (6:1) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers should be aware that historical results are not necessarily indicative of future performance.

FORWARD-LOOKING STATEMENTS

Certain statements contained within the Management’s Discussion and Analysis, and in certain documents incorporated by reference into this document, constitute forward looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this MD&A may contain the following forward looking statements pertaining to, without limitation, the following:

The Company's future production volumes and the timing of when additional production volumes will come on stream; the Company's realized price of commodities in relation to reference prices; the Company's future commodity mix; future commodity prices; the Company's expectations regarding future royalty rates and the realization of royalty incentives; the Company's expectation of future operating costs on a per unit basis; future general and administrative expenses; future development and exploration activities and the timing thereof; the future tax liability of the Company; the expected rate of depletion, depreciation and accretion; the estimated future contractual obligations of the Company; the future liquidity and financial capacity of the Company; and, the Company's ability to fund its working capital and forecasted capital expenditures. In addition, statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future.

With respect to the forward looking statements contained in the MD&A, the Company has made assumptions regarding: future commodity prices; the impact of royalty regimes and certain royalty incentives; the timing and the amount of capital expenditures; production of new and existing wells and the timing of new wells coming on-stream; future proved finding and development costs; future operating expenses including processing and gathering fees; the performance characteristics of oil and natural gas properties; the size of oil and natural gas reserves; the ability to raise capital and to continually add to reserves through exploration and development; the continued availability of capital, undeveloped land and skilled personnel; the ability to obtain equipment in a timely manner to carry out exploration and development activities; the ability to obtain financing on acceptable terms; the ability to add production and reserves through exploration and development activities; and, the continuation of the current tax and regulation.

We believe the expectations reflected in forward looking statements contained herein are reasonable but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this Management's Discussion and Analysis, as the case may be. The actual results could differ materially from those anticipated in these forward looking statements as a result of the risk factors set forth below and elsewhere in this MD&A, which include volatility in market prices for oil and natural gas; counterparty credit risk; access to capital; changes or fluctuations in production levels; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; stock market volatility and market valuation of the Company's stock; geological, technical, drilling and processing problems; limitations on insurance; changes in environmental or legislation applicable to our operations, and our ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry, changes in the regulatory regimes under which the Company operates, changes in the political and social environment that may impact the Company and the other factors discussed under "Risk Factors" in the following annual MD&A. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward looking statements contained in this document speak only as of the date of this document and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

OVERALL PERFORMANCE AND OUTLOOK

The Company's focus remains its oil based exploration program in South Texas.

HIGHLIGHTS OF THE FOURTH QUARTER OF 2020 & EVENTS SUBSEQUENT TO THE YEAR END:

On March 11, 2021 the Company announced the acquisition of the remaining 25% stake in Production Resources Inc.

- Nexera Energy Inc. reported that the Corporation entered into an agreement (dated March 10, 2021) with Hillcrest Investments Ltd. ("**Hillcrest**") to acquire a 25% interest in Production Resources Inc. ("**PRI**"), a private south Texas company that Nexera currently owns a 75% interest in. Nexera is the current operator of PRI and its assets. After closing this transaction, Nexera will own 100% of PRI.

- Pursuant to the transaction, Nexera will buy Hillcrest's 25% interest in PRI for USD$400,000, in accordance with the following: (i) USD$100,000 paid in 24 equal installments (monthly); plus (ii) the remaining USD$300,000 (being CDN$378,930) to be settled by way of the issuance of 3,789,300 Nexera common shares ("**Common Shares**") at $0.10/Common Share. In addition, PRI's debt amounts owing to Hillcrest (totaling USD$400,000) are cancelled/terminated as part of this transaction.

- Hillcrest currently owns 1,500,000 Common Shares (2.6% of Nexera). After closing this transaction, Hillcrest will own 5,325,300 Common Shares (9.08% of Nexera). Hillcrest is controlled by Clarence Wagenaar who owns or controls an additional 2,500,000 Common Shares. Mr. Wagenaar, as a result of controlling an aggregate 7,825,300 Common Shares, will become an insider of Nexera (controlling approximately 13.3% of Nexera).

- All of the Common Shares issued pursuant to the transaction are subject to a 4-month hold period. Completion of the transaction is subject to the final approval of the TSX Venture Exchange.

On March 1, 2021 the Company announced the closing of a Private Placement

- Nexera Energy Inc. reported that the Corporation has closed its previously announced private placement. Pursuant to this closing, an aggregate 13,333,330 units ("**Units**") were issued at a price of $0.06 per Unit, for aggregate consideration of $800,000. Each Unit consisted of one (1) Common Share of the Corporation and one (1) share purchase warrant (the "**Warrant**") (each full Warrant shall entitle the holder thereof to purchase one (1) additional Common Share of the Corporation for a period of 12 months from the issuance of the Units at a price of $0.10) (the "**Offering**").

- The Warrants are subject to an acceleration clause whereby if after four months and one day following the date the Warrants are issued, the closing price of the Common Shares of the Corporation on the principal market on which such shares trade is equal to or exceeds $0.15 for 30 consecutive trading days (with the 30th such trading date hereafter referred to as the "**Eligible Acceleration Date**"), the Warrant expiry date shall accelerate to the date which is 30 calendar days following the date a press release is issued by the Corporation announcing the reduced warrant term, provided, no more than five business days following the Eligible Acceleration Date: (i) the press release is issued; and (ii) notices are sent to all warrant holders.

- The net proceeds from this offering will be used as follows, in accordance with day-to-day operations: (i) Stockdale Horizon prospect mineral lease acquisitions; (ii) Wooden Horse project mineral lease acquisitions, renewals and drilling of the Patriot well(s); (iii) service equipment purchase(s); and (iv) working capital purposes.

- All of the Common Shares and Warrants issued pursuant to the private placement are subject to a 4-month hold period. Completion of the private placement is subject to the final approval of the TSX Venture Exchange.

On February 18, 2021 the Company announced plans to form well plugging subsidiary

- Nexera Energy Inc. announced plans to form a new wholly owned subsidiary, Nexera Energy Services, Inc., to engage in plugging inactive oil wells. The Company has secured and owns all the required equipment, and has the expertise, including qualified employees, to engage in the plugging of inactive and orphaned wells throughout the State of Texas.
- Nexera Energy Services will work with local landowners, government and regulatory agencies, and academic institutions and experts, to remediate the abandoned and orphaned well issue, one well at a time, starting with plugging three inactive wells on its own leases.
- Oil well plugging throughout Texas costs between $8,000 - $140,000 per well, and Nexera believes there is significant margin to cover costs and profit from this new business unit. Nexera operates with a deep understanding of the geology of South Texas, and has existing employees and subcontractors active in the area, making this new business a natural fit.

On January 22, 2021 the Company announced plans to drill second well on Huebinger lease

- Nexera Energy Inc. announced that the Company completed drilling the Huebinger E1 well at the Company's Wooden Horse project in South Texas. The well has been cased and is being equipped to begin production testing. Huebinger E1 was drilled in partnership with Alliance Petroleum Interests ("Alliance"), of Dallas, Texas whereby Alliance pays 100% of the costs to drill and complete the well and Nexera retains 25% of its interest at no cost to the Company. Nexera and Alliance are now moving forward with drilling a second well at Wooden Horse.
- Additionally, the Company reported that testing operations continue to progress at the recently drilled Stockdale Horizon 1H well. Currently, the Company is limited to daylight hours testing. During the testing intervals to date the well has consistently flowed back load/kill fluids, oil, and gas at rates in excess of 1 million cubic feet per day at approximately 1,500 psi. Further information will be provided as it becomes available

On January 18, 2021 the Company drilling had commenced at Huebinger E1

- Nexera Energy Inc. announced that the Company spudded the first well on the Huebinger lease at the Company's Wooden Horse project in South Texas. To minimize the potential of water inflow, Huebinger E1 will be the first well drilled at Wooden Horse using the Company's new drilling methodology to target the productive Austin Chalk formation and not drill into the Edwards formation. The Huebinger E1 location and potential second location were chosen as they are on trend and structurally up-dip from the Company's producing Kuhn wells. Huebinger E1 is being drilled in partnership with Alliance Petroleum Interests ("Alliance"), of Dallas, Texas whereby Alliance will pay 100% of the costs to drill and complete the well and Nexera will retain 25% of its interest at no cost to the Company. Partnerships for additional wells on the Huebinger lease are in discussions and the Company's percentage interest in future wells may vary.

On December 22, 2020 the Company announced plans to test the newly drilled Stockdale Horizon 1H well

- Nexera Energy Inc. announced that the Company successfully drilled the first horizontal well at the Stockdale Horizon prospect in South Texas. A 1,600 foot horizontal leg was drilled through the Austin Chalk formation at approximately 5,000 feet deep for total measured depth of 6,742 feet. Hydrocarbons were observed in the targeted Austin Chalk formation, and the Company will now move forward with completion operations to test and produce the well. Additionally, hydrocarbons were also observed in the Poth formation at approximately 2,800' feet deep. The well was drilled in partnership with API Horizon Joint Venture ("Horizon JV") of Dallas, Texas, as previously announced.

On December 16, 2020 the Company announced closing of Private Placement

- Nexera Energy Inc. reported that the Corporation has closed its previously announced private placement. Pursuant to this closing, an aggregate 21,704,600 units ("**Units**") were issued (of which 7,804,600 Units were acquired by directors and officers of the Corporation) at a price of $0.05 per Unit, for aggregate consideration of $1,085,230. Each Unit consisted of one (1) Common Share of the Corporation and one (1) share purchase warrant (the "**Warrant**") (each full Warrant shall entitle the holder thereof to purchase one (1) additional Common Share of the Corporation for a period of 12 months from the issuance of the Units at a price of $0.10) (the "**Offering**").

On December 8, 2020 the Company entered joint venture to drill Huebinger E1 well

- Nexera Energy entered into a joint venture with Alliance Petroleum Interests ("Alliance") of Dallas, Texas to drill an Austin Chalk well on the Company's Huebinger lease in South Texas. As previously announced on June 22, 2020, the Huebinger E1 well will be the Company's first well drilled on the Huebinger lease.

On October 20 2020 the Company announced increases in ownership at Huebinger and Kuhn leases

- Nexera Energy Inc. has increased its ownership in the Huebinger and Kuhn leases from 50 per cent to 72.23 per cent at the company's Wooden Horse project in south Texas. The Wooden Horse project consists of the company's producing Kuhn wells and new drilling locations on the offsetting 200-acre Huebinger lease.

HIGHLIGHTS OF THE THIRD QUARTER OF 2020:

On July 17, 2020 the Company reported on a land acquisition at the Stockdale Prospect

- Nexera Energy Inc., in partnership with API Horizon Joint Venture of Dallas, Tex., has leased the mineral rights to two tracts of land in Wilson county, Texas. The new lease adds approximately 100 acres to the company's Stockdale Horizon prospect and secures the necessary acreage for the partnership to move forward with plans to drill a 5,000-feet-deep horizontal test well in the Austin Chalk formation.
- Horizon JV will pay 100 per cent of the land acquisition, drilling and completion costs to earn a 75-per-cent working interest in the well. Nexera will retain a 25-per-cent working interest in the well at no cost to the Company.

On July 17, 2020 the Company announced the lease extension at Huebinger

- Nexera Energy Inc. has acquired an extension for the Huebinger lease at the company's Wooden Horse project. The Wooden Horse properties primarily consist of the company's producing Kuhn wells, along with the 200 acres acquired in the Huebinger lease, which was set to expire Aug. 1.
- The company acquired the extension as it is currently in negotiations to increase its working interest in the Wooden Horse project to 72.22 per cent from its current 50-per-cent interest.

On July 13, 2020 the Company announced the partnership with API Horizon Joint Venture at the Stockdale Prospect

- Nexera Energy Inc. has agreed to terms with API Horizon Joint Venture of Dallas, Tex., to drill a new 5,000-foot, short-radius horizontal well on the company's Stockdale Horizon prospect. Horizon JV will pay 100 per cent of the drilling and completion costs to earn a 75-per-cent working interest in the well. Nexera will retain a 25-per-cent working interest in the well at no cost to the company.
- The Stockdale Horizon prospect has been developed to target potential high-impact directional and horizontal wells in the Austin Chalk formation at approximately 5,000 feet deep.

HIGHLIGHTS OF THE SECOND QUARTER OF 2020:

On June 22, 2020 the Company announced that operations had begun on the Huebinger E1 well:

- Nexera Energy Inc. commenced operations to survey and permit a new well drilling location on the Huebinger lease at the company's Wooden Horse project in southern Texas.
- The proposed Huebinger E1 well represents the next phase of drilling at Wooden Horse. Using seismic interpretation and well control, the company will drill the Huebinger well structurally up-dip from the producing Kuhn 3 and Kuhn A5 wells. The Huebinger well will be drilled to the top of the Austin Chalk formation where oil production is coming from a water drive system with low decline rates. The company is currently producing approximately 25 barrels of oil per day (bopd) from this formation in the Kuhn wells and the company anticipates significantly better results from the up-dip location chosen for the Huebinger well

On On May 19, 2020 the Company announced that it had negotiated new leases in La Vernia, Texas:

- At LaVernia, the company completed negotiations to re-lease the Schertz and Schertz Sanchez leases at a new royalty structure that is significantly more attractive to the company in the current pricing environment. The two leases comprise 26 wells on approximately 200 acres and operations have began to bring the wells on line.
- Additionally, the company was been informed by its oil gatherer that sales will be able to resume in the month of June at the company's contracted premium rates of West Texas Intermediate plus $2.25 to $6 per barrel.

On April 30, 2020 the Company provided the following update on oil production storage plans during Covid-19 Pandemic:

- In response to the low commodity prices brought about by the Covid-19 pandemic, the Company added additional storage tanks on certain leases and, on most leases, the Company has the ability to continue to produce and store oil for up to six months without having to shut wells in. Additionally, the Company has the resources in place to efficiently maintain operations, even in the unlikely scenario that the Company does not sell any oil in a given month.

April 16, 2020 Hugo A. Gutierrez acquired 50% of Nexera's La Vernia assets.

- Hugo A. Gutierrez acquired a 50% interest in the La Vernia properties for USD $186,000. The La Vernia assets had been acquired from Advantagewon Oil Corp. on February 3, 2020.

HIGHLIGHTS OF THE FIRST QUARTER OF 2020:

On March 2, 2020 the Company announced the results of the Special Meeting of Shareholders.

- At the special meeting of the Company's shareholders held on February 28, 2020 the shareholders approved the following:
  - The consolidation of the issued and outstanding Common Shares of the Corporation on a "1 new for 15 old" basis.
  - Changing the Corporation's name from Emerald Bay Energy Inc to Nexera Energy Inc.
- The name change and consolidation took effect on March 13, 2020.
  - There were 354,103,367 Common Shares issued and outstanding pre-consolidation.
  - Post-consolidation there are 23,606,891 Common Shares issued and outstanding.

On February 3, 2020 the Company announced that it had acquired the La Vernia assets from Advantagewon Oil Corp.

- Comprising 30 oil and gas leases on approximately 3,550 acres, the Advantagewon Oil Corp. (AOC) assets are located in the LaVernia Field of Wilson and Guadalupe Counties, Texas.

- The purchase price paid to AOC for the assets is USD$350,000 paid via: (i) a cash payment of USD$50,000; and (ii) the issuance of 2,601,800 common shares (the "NGY Shares") of NGY (USD$300,000 USD being CDN$390,270 at $0.15/share), subject to final approval from the TSX Venture Exchange.

- The NGY Shares issued to AOC are held in escrow by Nexera until December 31, 2020. On or before December 31, 2020, Nexera (or its designee) may acquire the NGY Shares for an aggregate USD$300,000. Should NGY elect not to acquire the NGY Shares, the NGY Shares will be returned to NGY's treasury and the balance of the purchase price for the assets will be paid via an overriding royalty interest on the Acquired Leases being granted to AOC as follows: (i) a 5% overriding royalty interest on all the Acquired Leases with a net revenue interest of 75.0% or greater; (ii) a 2% overriding royalty interest on all the Acquired Leases with a net revenue interest of 72.0% up to, but not including, the Acquired Leases with a net revenue interest of 75.0% (note: no overriding royalty interest shall be assigned to AOC on all the Acquired Leases with a net revenue interest less than 72.0%). The overriding royalty interest shall be in place until such time as AOC has received an aggregate USD$400,000.00 at which point the royalty interest shall be terminated.

- It is noted, at the time of this writing, the Company chose not to acquire the shares in favor of the royalty structure.

The Company will continue to pursue a carefully designed capital expenditure program at the Company's Stockdale Prospect, La Vernia assets, and Wooden Horse Kuhn Wells, as well as opportunities similar to the API Horizon JV, HugoCellR, and MarPat partnerships.

Additionally, the Company will pursue acquisitions and dispositions which would allow us to add production, reserves, and cash flow in a cost effective manner while maintaining a level of flexibility in our balance sheet. Our proven management and dedicated team of professionals are engaged and committed to developing our high-quality asset base.

SELECTED ANNUAL INFORMATION

	2020	2019	2018
Revenue	**943,557**	1,096,356	1,154,491
Net loss	**5,093,134**	(5,767,913)	(3,088,885)
Per common share - basic	**(0.21)**	(0.29)	(0.01)
Per common share – diluted	**(0.21)**	(0.29))	(0.01)
Total assets	**3,691,216**	5,860,273	10,343,711
Total non-current financial liabilities	**1,764,457**	1,247,866	1,063,942
Cash dividends or distributions declared per common share	-	-	-

Year ended December 31, 2020

The net loss for the year ended December 31, 2020 was $5,093,134 or $0.11 per share compared to $5,767,913 or $0.02 per share in the previous year. The Company completed a 1:15 share consolidation in 2020.

Revenue from the sale of petroleum and natural gas is recorded on a gross basis when title passes to an external party and is recognized based on volumes delivered to customers at contractual delivery points and rates. The costs associated with the delivery, including production, transportation and production-based royalty expenses are recognized in the same period in which the related revenue is earned and recorded.

Revenue decreased to $943,557 for the year ended December 31, 2020 from revenue of $1,096,356 during the year ended December 31, 2019. Year over year, the Company's revenue has decreased 14%. With the onset, and continued uncertainty of the Covid-19 pandemic, commodity prices fluctuated significantly in 2020 with a range of $15.49 to $75.41 per barrel. There continues to be minimal production from the Canadian oil and gas assets as the majority of these assets were disposed prior to 2016. The Company will continue to focus on its exploration program in Texas.

Production expenses for the year ended December 31, 2020 decreased slightly to $642,933 from $684,554 for the year ended December 31, 2019 on a 14% decrease in revenues.

General and administrative expenses ("G&A") increased to $1,155,286 during the year ended December 31, 2020 from $941,290 for the same period during 2019. The increase in the Company's G&A is consistent of the Company's efforts to grow the South Texas asset base including the La Vernia acquisition in Q1, 2020.

	General & Administrative Expenses	
	December 31, 2020 ($)	December 31, 2019 ($)
Net G&A expense	1,155,286	941,290

Fourth Quarter Fiscal 2020

The net loss for the quarter ended December 31, 2020 was $3.450 million or $0.07 per share compared to $3.856 million or $0.02 per share in the previous year as the Company completed a 1:15 share consolidation in 2020.

Revenue decreased to $214,889 for the quarter ended December 31, 2020 from revenue of $366,326 during the quarter ended December 31, 2019.

QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected quarterly information that has been derived from the Consolidated Financial Statements of the Company. This summary should be read in conjunction with the Consolidated Financial Statements of the Company as contained in the public record.

Quarterly Financial Information	**Dec 31**	**Sept 30**	**June 30**	**Mar 31**	**Dec 31**	**Sept 30**	**June 30**	**Mar 31**
($000 except per share and unit values)	**2020**	**2020**	**2020**	**2020**	**2019**	**2019**	**2019**	**2019**
Petroleum and natural gas sales	215	239	182	308	366	200	302	230
Net loss	(3,315)	(572)	(333)	(738)	(3,856)	(491)	(607)	(900)
Net loss per share								
Basic and diluted	(0.07)	(0.02)	(0.01)	(0.03)	(0.02)	(0.00)	(0.00)	(0.00)
Average daily sales								
Natural gas (MCF/d)	45	20	-	20	17	65	54	32
Oil/NGL (BBLs/d)	51	47	52	47	40	32	42	39
Barrels of oil equivalent (BOE/d)	59	50	52	50	43	43	51	46
Average sales prices								
Natural Gas ($/MCF)	3.55	1.95	-	4.58	5.80	.36	1.67	2.09
Oil/NGL ($/BBL)	44.79	53.35	39.87	69.19	73.26	75.24	77.55	66.45
Sales price of oil equivalent ($/BOE)	44.13	48.46	39.87	66.42	75.80	58.79	63.65	63.35
Operating costs ($/BOE)	9.93	20.22	39.06	46.71	25.13	32.11	40.92	32.74
Royalty Expense ($/BOE)	9.86	20.30	10.54	17.15	3.41	2.67	1.98	2.25
Operating netback ($/BOE)	24.35	7.94	(9.72)	2.56	47.26	24.01	20.75	28.36

Explanation of Quarterly Variances

On a quarter by quarter basis, production volumes, and accordingly petroleum and natural gas sales, have remained minimal in Canada, with little fluctuation. The Company's growth has been primarily reflected in the acquisition of the La Vernia asset in South Texas in early 2020, and the recent production optimization in the Wooden Horse Kuhn wells.

LIQUIDITY & CAPITAL RESOURCES

In order to resolve its working capital deficiency of $17,844,317, and to access additional share equity, Nexera will continue to emphasize its exploration program in Texas. The Company's Texas prospects should produce better returns due to higher oil prices compared with natural gas, as well as greater drilling potential and more drilling locations.

Given the Company's recurring operating losses it is critical that the Company focus on areas with the potential for growth, positive cash flow and income, which are considered to exist in the Texas.

Also, to resolve its working capital deficiency, the Company continues to work with its lenders and trade partners to mitigate ongoing costs and to continue as a going concern.

During the first quarter of 2019, the Company arranged to settle $924,659 of debt to a lender of the Company through the issuance of shares at $0.05/share. Total shares issued were 18,493,178.

In 2017, the Company closed a loan agreement (the "Loan Agreement") with a private company (the "Lender"), whereby the Lender issued to the Company a credit facility with the ability to borrow up to $6,225,000 (the "Credit Facility"). The Credit Facility had an interest free period until October 1, 2017, at which point the Credit Facility now bears interest at a rate equal to Prime Rate plus 1.5% per annum. The Credit Facility is payable upon demand by the Lender, and is secured over all of the assets of the Company. The Credit Facility was used to repay the Loan, and a portion of the Short-term debt, with the balance being used for acquisitions of oil and gas interests in South Texas and Alberta.

Additionally, although the Company was under a cease trade order for almost a year, the Company has moved forward and the cease trade order was revoked on April 20, 2017. Shares of the Company resumed trading on the TSX-Venture Exchange and the Company resumed the process of pursuing private placement participants to help resolve the working capital deficiency and continue development of the Company's assets.

The Company has a long history of successful private placements and anticipates that it will be able to complete private placements in the future. The Company completed the following Private Placements in 2020 and Q1 2021.

On January 23, 2019, the Company was able to close the following private placement for proceeds of $1,085,230:

Number of units: 21,704,600 common share units (Each unit consists of one common share and one common share purchase warrant, exercisable for 12 months at a price of five cents.)

Purchase price: $0.05 per unit

On August 15, 2019, the Company was able to close the following private placement for proceeds of $800,000:

Number of units: 13,333,330 common share units (Each unit consists of one common share and one common share purchase warrant, exercisable for 12 months at a price of ten cents.)

Purchase price: $0.06 per unit

All of the Common Shares and Warrants issued pursuant to the private placements were/are subject to a 4-month hold period.

LOANS AND CREDIT FACILITIES

- **Convertible debt**

On January 1, 2012, the Company entered into a loan agreement (the "Loan Agreement") with a corporation owned and controlled by a party who is also a significant shareholder of the Company (the "Lender") whereby the Company received a $150,000 USD ($204,750 CAD) loan with a maturity date of one year (the "Original Loan"). Pursuant to the Loan Agreement, if it is mutually agreed upon by both parties, the maturity date can be extended by an additional year. During the years ended December 31, 2015 and 2014, the Lender advanced an additional loan amount of $75,000 and $100,000 (the "Advances"), respectively, to the Company under the same terms as the Original Loan. At each maturity date, the Company and the Lender mutually agreed to extend the Original Loan and the Loan advances by an additional year. Interest on the Loan is 12% per annum, payable monthly, on the outstanding

principal amount. Security for the loan consists of a $150,000 promissory note issued to the Lender and monthly production from certain Texas assets equivalent to the principal portion of the loan and any unpaid interest.

On May 31, 2018, the Company entered into an agreement to settle the convertible debt and short-term loan (Note 10(a)). The convertible debt and the short-term loan had aggregate accrued interest of $301,686 recorded in accounts payables and accrued liabilities. On February 4, 2019, the Company received regulatory approval and settled all amounts owing via the issuance of 1,032,879 common shares of the Company at a price of $0.05 per share for a total of $924,659 (Note 12(a)). The Company's share price was trading at $0.02 per common share on this date and $554,795 was recorded to contributed surplus to record the difference in share price at the date of settlement as it was determined that the shareholder creditor was acting in its capacity as a shareholder. The related party controlled directly and indirectly 2,102,467 common shares of the Company on February 10, 2019, the date the shares were issued. The shareholder creditor waived all additional interest from May 31, 2018, the date of the settlement agreement.

- **Demand loan**

On May 12, 2015, the Company entered into a loan agreement (the "Demand Loan") with a corporation owned and controlled by a party who is also a significant shareholder of the Company (the "Lender") for up to an amount of $150,000. This balance was paid down to $75,000 in 2019. The Demand Loan is due on the demand of the Lender and bears interest of 8.00% per annum, compounded monthly. The balance outstanding at December 31, 2020 is $75,000 (December 31, 2019 - $75,000) and has accrued interest of $3,178 (December 31, 2019 - $3,178) included in accounts payable and accrued liabilities. The Company may repay the Demand Loan in full at any time prior to demand without notice or penalty.

- **Short-term loan**

a) During the year ended December 31, 2016, the Company received a short-term loan (the "Short-term Loan") from the Lenders associated with the Convertible debt (note 8), collectively, the Lenders (the "Lenders") in the maximum available amount of $350,000. A set-up fee of $6,000 was charged by the Lenders, and was included in general and administrative expenses. Interest on the Short-term Loan is 10% per annum, compounded monthly. The Short-term Loan matured December 1, 2016. The Company may re-pay some or all of the outstanding balance of the Short-term Loan without notice or penalty.

As security for the total Short-term Loan, if the Short-term Loan is not repaid by the maturity date (December 1, 2016), at the option of the Lenders (the "Option"), the Lenders may acquire a 10% equity investment in PRI for an amount equal to the amounts owing by the Company to the Lenders at that time. If the Option is exercised by the Lenders, the Lenders have granted the Company the ability to re-acquire the 10% equity investment in PRI for a period of 9 months from Option exercise date insofar as the Short-term Loan is fully repaid.

The Short-term loan and accrued interest was settled for common shares on February 4, 2019 (Note 8).

The following table summarizes the accounting of the Loan:

	$
Balance, December 31, 2018	**200,000**
Settled through issuance of common shares	(200,000)
Balance, December 31, 2019 and 2020	**-**

b) The loans are due to a significant shareholder in the Company. Under the terms of a loan agreement the maturity date was September 15, 2015 and it is now due on demand. These loans are unsecured and non-interest bearing. At December 31, 2020 $509,280 (December 31, 2019 - $519,520) was outstanding.

- **Note Payable and Credit facility**

a) The Company closed a loan agreement (the "Loan Agreement") with a private company (the "Lender"), whereby the Lender issued to the Company a note payable with the ability to borrow up to $6,250,000 (the "Note payable"). The Lender is a significant shareholder of the Company. The Note Payable will have an interest free period until October 1, 2017, at which point the Note payable will bear interest at a rate equal to Prime Rate plus 1.5% per annum. The Note payable is payable upon demand by the Lender, and is secured over all of the assets of the Company.

At December 31, 2020, the total amount outstanding under the Loan is $5,785,406, (December 31, 2019 - $5,785,406), and during the year ended December 31, 2020, the Company incurred interest of $287,811 (December 31, 2019 - $438,615). Total accrued interest included in accounts payable and accrued liabilities is $1,017,633 (December 31, 2019 - $729,822).

b) The credit facility is due to a significant shareholder in the Company. The Credit facility may be drawn up to $4,600,000. At December 31, 2020 the principal balance was $4,127,311 (2019 - $4,127,311) and unpaid interest included in accounts payable and accrued liabilities is $1,552,298 (December 31, 2019 - $859,001). Interest of $458,558 (December 31, 2019 - $314,636) was expensed in the statement of comprehensive loss. The Credit facility bears interest at 9% and repayment terms are at 35% of PRI gross revenues. The credit facility is secured by Deed of Trust and financing statements. At year end, the Company was not in compliance with repayment terms and as such, this credit facility has been classified as a current liability.

While the measures to address the Company's working capital deficiency outlined in the paragraphs above will help, it is noted that these measures alone will not resolve the working capital deficiency in its entirety and as such the Company will carry a working capital deficiency for the foreseeable future. As such there is the risk that the Company many not be able to meet all of its financial obligations. In the long term it will be necessary for the Company to establish sufficient cash flows from operations to completely resolve the working capital deficiency.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not party to any arrangements that would be excluded from the balance sheet.

RELATED PARTIES

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

a) The following amounts are due from related parties:

During the year ended December 31, 1999, a promissory note for $218,500 was issued by an officer of the Company to purchase shares of the Company bearing interest at 3% per annum with no fixed maturity date, unless the officer's employment is terminated or he is petitioned into bankruptcy wherein the note and accrued interest becomes immediately payable. During the year ended December 31, 2014, the Company revised the terms of the loan (the "Revised Promissory Note"), including fixed repayment terms and removing the term securing the note with 393,000 common shares of the Company. Historically the aggregate decline in the fair value of these common shares since the inception of the promissory note would offset the amount receivable (December 31, 2013 – fair value allowance $240,789). Under the Revised Promissory Note, a balance of $247,970, including the principal of $218,500 and accrued interest, is payable by the officer to the Company. The payments were to commence on December 31, 2015, and be paid annually in $50,000 tranches until December 31, 2018, with the final payment of $47,970 due on December 31, 2019. Interest is accruing at 1% per annum, and is payable annually commencing December 31, 2015, concurrently with each principal payment. The officer may repay the principal amount in whole or in part at any time. As of December 31, 2020, the officer had not yet paid the initial instalment, and the payment term has been extended to begin on December 31, 2021 with final payment due December 31, 2025. The terms of the loan agreement do not provide the Company with recourse to ensure repayment. Thus, the share purchase loan has been presented as a deduction from equity.

During the year ended December 31, 2020, an officer was advanced a total of $255,470. Funds repaid during the period amounted to $140,000. The unsecured outstanding balance of $115,471 is repayable on demand and accrues no interest

b) Additional related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

(i) Aggregate fees of $Nil (December 31, 2019 - $Nil) were charged by directors of the Company all of which was recorded in the consolidated statement of comprehensive loss.

(ii) Aggregate fees of $32,196 (December 31, 2019 - $82,500) were charged by corporations, which are owned and controlled by other equity investors in PRI, and were all recorded as general and administrative costs.

(iii) Included in accounts payable at December 31, 2020 was $516,400 owing to officers of the Company (December 31, 2019 - $536,852).

Key management compensation

During the year ended December 31, 2020, $478,324 (December 31, 2019 - $573,886) in management compensation was incurred. Of which, $478,324 was recognized to the consolidated statement of comprehensive loss (December 31, 2019 – $413,109) and $nil was capitalized to property and equipment in the consolidated statement of financial position (December 31, 2019 - $160,777).

Corporate Cease Trade Orders

Other than as set forth below, no director or proposed director of the Corporation is, or has been within the past ten years, a director or officer of any other company that, while such person was acting in that capacity:

(i) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after that individual ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days; or

(iii) within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On May 5, 2016, the Alberta Securities Commission issued a cease trade order against the Corporation as a result of the Corporation's failure to file its annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 31, 2015 (the "**2015 Unfiled Documents**"). The Corporation was also the subject of cease trade orders issued by the Ontario Securities Commission on May 10, 2016 and the British Columbia Securities Commission on May 12, 2016 for failure to file its 2015 Unfilled Documents. On May 6, 2016 the TSXV suspended trading in the Corporation's securities as a result of the cease trade order issued by the Alberta Securities Commission. The 2015 Unfiled Documents were ultimately filed on August 2, 2016. The cease trade order was revoked by the Alberta Securities Commission on April 20, 2017 (and was automatically revoked in the other jurisdictions). All of the proposed directors of the Corporation were directors at the time such cease trade orders were issued.

On May 8, 2017, the Alberta Securities Commission issued a cease trade order against the Corporation as a result of the Corporation's failure to file its annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 31, 2016 (the "**2016 Unfiled Documents**").

On May 25, 2017, further to the TSX Venture Exchange bulletin dated May 5, 2016, the cease trade orders issued by the Alberta Securities Commission dated May 5, 2016, and May 8, 2017, were revoked. At the opening, Friday, May 26, 2017, trading was reinstated in the securities of the company.

In 2010, Budget Waste Inc. filed for CCAA proceedings. Kendall Dilling was a director of Budget Waste Inc at that time. Mr. Dilling currently serves as a director of Nexera.

COMMITMENTS

a) The Company raised capital through the issuance of flow-through shares in 2009, 2010 and 2011 which provided indemnity to the subscriber for additional taxes payable if the Company was unable to, or failed to, renounce the qualifying expenditures as agreed. The Company was not able to spend $824,338 of the flow-through funds raised. The Company is exposed to costs for the indemnification of the subscribers. The Company has estimated a potential liability in the amount of $291,628 at December 31, 2020 (December 31, 2019 - $291,628). The Company has also estimated a potential liability for penalties and taxes in the amounts of $16,399, (December 31, 2019 - $16,399) that is included in accounts payable and accrued liabilities. The accrued amount is subject to measurement uncertainty due to the tax filing positions of the subscribers, their tax rates and the amount of personal taxes that may be payable and the interpretation of the indemnity agreement, which will not be known until potentially affected subscribers are reassessed for their tax positions by the Canada Revenue Agency and these amounts become known to the Company.

b) During the year ended December 31, 2015, the Company settled a contingent liability totaling $145,512 with a third party who performed oil field services for the Company. The obligation is secured by a take in kind revenue

arrangement from one of its gas wells to and in favor of the third party in case of default. The settlement was fair valued at $107,912 using Level II valuation techniques with a discount rate of 25%. The Company is required to make 35 monthly payments of $4,300 starting July 1, 2015 to May 1, 2018 and final installment of $3,800 to be paid on June 1, 2018. As of December 31, 2019 and 2020, the Company has not made payment in line with the agreed repayment schedule. Accordingly, the remaining balance of $87,315 (2019 - $87,315) is now considered as due on demand and is included in other liabilities.

c) A former supplier to the Company submitted a claim against Nexera for $78,474 USD ($98,446 CAD) of the amount the supplier is seeking for breach of a written agreement for well pumping equipment and services on a well situated in Guadalupe County, Texas in September of 2014. During 2017, the Company made a counter claim against the supplier asserting no liability based upon defective equipment having been leased by the Plaintiff. As at December 31, 2020, no provision has been recognized in accordance with IAS 37 as there is no probable outflow of resources and no reliable estimate of an obligation can be made.

FINANCIAL RISK MANAGEMENT

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

a) Fair values

The Company's financial instruments consist of cash, short-term investments, trade and other receivables, accounts payable and accrued liabilities, the shareholder indemnity, the note payable, the convertible debt, the short-term loan, credit facility, other liabilities, royalty obligation, and the demand loan.

Financial instrument	Classification	Carrying value $	Fair value $
Cash	Amortized cost	352,309	352,309
Short-term investments	Amortized cost	338,858	338,858
Trade and other receivables	Amortized cost	558,283	558,283
Officer loan receivable	Amortized cost	115,471	115,471
Accounts payable and accrued liabilities	Amortized cost	8,301,512	8,301,512
Shareholder indemnity	Amortized cost	291,628	291,628
Demand loan	Amortized cost	75,000	75,000
Short term loan	Amortized cost	509,280	509,280
Credit facility	Amortized cost	4,014,130	4,014,130
Note payable	Amortized cost	5,785,406	5,785,406
Other liabilities	Amortized cost	117,862	117,862
Lease liability	Amortized cost	65,283	65,283
Royalty obligation	Amortized cost	190,980	190,980

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level I are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level II include valuations using inputs

other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level III valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

At December 31, 2020, the current financial assets and liabilities approximate their fair value due to their current nature.

b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from joint interest partners and oil and natural gas marketers.

Virtually all of the Company's trade and other receivables are from companies in the oil and gas industry and are subject to normal industry credit risks. Credit risks arise principally from the amounts owing to the Company from oil and natural gas marketers and joint interest partners. Management does not believe that any significant concentration of trade and other receivables exists that will result in any loss to the Company based on clients' past history of default and forward looking estimates. Receivables from oil and natural gas marketers are normally collected on the 25th day of the month following production. The Company's policy to mitigate credit risk associated with these balances is to establish relationships with large marketers. However, the receivables are from participants in the petroleum and natural gas sector and collection of the outstanding balances is dependent on industry factors such as commodity price fluctuations and escalating costs. The Company does not typically obtain collateral from oil and natural gas marketers or others in the event of non-payment.

At December 31, 2020, the Company's trade and other receivables have been aged as follows:

	December 31, 2020	December 31, 2019
Days outstanding	**$**	$
0-30 days	**135,571**	134,812
31-60 days	**34,557**	71,576
61-90 days	**10,984**	119,866
Greater than 90 days	**377,171**	59,569
Total	**558,283**	385,823

Cash consists of cash bank balances held in both interest and non-interest bearing accounts. The Company manages credit exposure of cash by selecting financial institutions with high credit ratings.

Amounts outstanding for more than 90 days are considered past due. During the year ended December 31, 2020, the Company wrote off $12,989 of trade and other receivables (December 31, 2019 – nil). As at December 31, 2020, a provision for doubtful accounts of $188,310 (December 31, 2019 - $187,341) has been recorded against the greater than 90-day receivables.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At December 31, 2019, the Company's maximum exposure to liquidity risk is the total current liabilities of $19,225,931 (December 31, 2019 - $18,073,830) (Note 1).

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity through operations, debt financing, or raising equity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual 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. The Company also attempts to match its payment cycle with collection of oil and natural gas revenue.

d) Market risk

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

(i) Commodity price risk:

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar but also world economic events that dictate the levels of supply and demand. All of the Company's oil and gas production is sold at spot rates exposing the Company to the risk of price movements.

(ii) Currency risk:

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States and a portion of its expenses are incurred in United States dollars. The Company does not hedge its exposure to fluctuations in the exchange rate. Future changes in exchange rates could have a material effect on the Company's business including its intended capital plans, its financial condition and results of operations.

Certain financial instruments of the Company are exposed to fluctuations in the United States dollar, including cash, trade and other receivables and accounts payable and accrued liabilities. As at December 31, 2020, an increase or decrease of 10% to the foreign exchange rate between the United States dollar and the Canadian dollar applied to the average level of United States denominated cash would have had approximately a $32,400 (December 31, 2019 - $27,790) impact on the Company's comprehensive loss for the year.

(iii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at December 31, 2020, all of the Company's debt, including the short-term loan, the convertible debt, the demand loan, the credit facility, and the note payable, bears fixed interest rates and accordingly, is not subject to market interest rate fluctuations.

The Company has no interest rate swaps or financial contracts in place as at or during the year ended December 31, 2020 or 2019.

d) Capital management

The Company's capital consists of shareholders' deficiency, the credit facility, the note payable, the loan, the convertible debt and working capital. The Company will adjust its capital structure to manage its current and

future debt, drilling programs and potential corporate acquisitions through the issuance of shares, sourcing additional debt financing and adjustments to capital spending. The Company's objective for managing capital is to maximize long-term shareholder value by ensuring adequate capital to achieve the Company's objectives. The Company is not subject to any external capital requirements.

Management reviews its capital management approach on an ongoing basis and believes its current approach is reasonable. There has been no change in management's approach to capital management during the year.

SEGMENTED INFORMATION

The Company's primary operations are limited to a single industry being the acquisition, exploration for and development of petroleum and natural gas.

Product segmentation is as follows:

Revenue	Oil	Natural Gas	NGL's	Total
December 31, 2020 ($)	691,883	46,840	5,868	744,591
December 31, 2019 ($)	1,064,488	24,124	7,744	1,096,356

Geographical segmentation is as follows:

	December 31, 2020 ($)		
	Canada	United States	Total
Petroleum and natural gas sales	81,193	862,364	943,557
Depletion, depreciation and impairment	34,568	3,566,292	3,600,860
Net loss	(1,116,886)	(3,976,248)	5,093,134
Property and equipment	37,584	2,272,019	2,309,603
Total liabilities	10,329,958	10,660,429	20,990,387

	December 31, 2019 ($)		
	Canada	United States	Total
Petroleum and natural gas sales	55,508	1,040,848	1,096,356
Depletion, depreciation and impairment	59,504	4,253,482	4,312,986
Net loss	(1,238,404)	(4,529,422)	(5,767,826)
Property and equipment	-	5,009,276	5,009,276
Total liabilities	11,413,746	7,907,950	19,321,696

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As of the date hereof, the Company's issued share capital and the outstanding securities that are convertible into or exercisable or exchangeable for any voting or equity securities of the Company is as follows:

	May 04, 2021	December 31, 2020
Common Shares	**58,644,821**	**45,311,492**
Warrants	35,037,930	21,704,660
Stock Options	Nil	Nil

Share capital

a) Authorized

Unlimited number of common shares with voting rights
Unlimited number of preferred shares, issuable in series

The Company underwent a 15-to-1 share consolidation in 2020 that has been retrospectively applied throughout these financial statements.

Issued

	Number of Common Shares	Amount $
Balance, December 31, 2018	**18,485,124**	**13,350,142**
Private placement (i)	1,666,667	500,000
Value of warrants pursuant to private placement (i)		(389,928)
Share issue costs (i)		(15,479)
Shares for Debt (note 8 and 10(a))	1,232,879	369,864
Private placement (ii)	2,222,222	500,000
Value of warrants pursuant to private placement (ii)		(445,320)
Share issuance costs (ii)		(8,704)
Expiry of warrants		615,762
Share issuance costs for expired warrants		(8,054)
Balance, December 31, 2019	**23,606,892**	**14,469,283**
Private placement (iii)	21,704,600	1,085,230
Value of warrants pursuant to private placement (iii)		(765,898)
Share issue costs (iii)		(8,002)
Expiry of warrants (i and ii)		834,248
Balance, December 31, 2020	**45,311,492**	**15,614,861**

(i) On January 23, 2019, the Company completed a private placement (the "Private Placement"), issuing 1,666,667 units (the "Unit"). Each Unit was issued at $0.02 for total proceeds of $500,000, and consists of one common share of the Company and one share purchase warrant (the "Warrant"). Each Warrant entitled the holder to purchase one additional common share of the Company at $0.05 per share, exercisable for 1 year from the original issue date. The Company allocated $388,928 of the unit value to warrants (note 12(b)). Pursuant to the Private Placement, the Company incurred $15,479 in cash share issue costs, which was allocated to the shares. The warrants have expired in fiscal 2020. 1,433,333 units were issued to directors, officers, and existing shareholders.

(ii) On August 15, 2019, the Company completed a private placement (the "Private Placement"), issuing 2,222,222 units (the "Unit"). Each Unit was issued at $0.015 for total proceeds of $500,000, and consists of one common share of the Company and one share purchase warrant (the "Warrant"). Each Warrant entitled the holder to purchase one additional common share of the Company at $0.05 per share, exercisable for 1 year from the original issue date. The Company allocated $445,320 of the unit value to warrants (note 12(b)). Pursuant to the Private Placement, the Company incurred $8,704 in cash share issue costs, which was allocated to the shares. The warrants have expired in fiscal 2020. 2,020,511 units were issued to directors, officers, and existing shareholders.

(iii) On December 16, 2020, the Company completed a private placement (the "Private Placement"), issuing 21,704,600 units (the "Unit"). Each Unit was issued at $0.05 for total proceeds of $1,085,230 and consists of one common share of the Company and one share purchase warrant (the "Warrant"). Each Warrant entitled the holder to purchase one additional common share of the Company at $0.05 per share, exercisable for 1 year from the original issue date. The Company allocated $765,898 of the unit value to warrants (note 12(b)). Pursuant to the Private Placement, the Company incurred $8,002 in cash share issue costs, which was allocated to the shares. 21,704,600 units were issued to directors, officers, and existing shareholders. 11,759,600 units were issued to settle previous obligations and 7,195,000 units were issued to in settlement of services rendered.

b) Warrants

Warrants to acquire common shares outstanding at December 31, 2020 are as follows:

	Number of warrants issued and exercisable	Amount $	Weighted average exercise price $	Weighted average Remaining life (years)
Balance, December 31, 2018	**2,000,000**	**607,708**	**0.05**	**1.0**
Expiry of share purchase warrants	(2,000,000)	(615,762)	-	-
Share issuance costs for expired warrants	-	8,054	-	-
Share purchase warrant issued (note 12(b)(i))	1,666,667	388,928	0.05	1.0
Share purchase warrant issued (note 12(b)(ii))	2,222,222	445,320	0.05	1.0
Balance, December 31, 2019	**3,888,889**	**834,248**	**0.05**	**1.0**
Expiry of share purchase warrants	(1,666,667)	(388,928)	0.05	1.0
Expiry of share purchase warrants	(2,222,222)	(445,320)	0.05	1.0
Share purchase warrant issued (note 12(b)(iii))	21,704,600	765,898	0.05	1.0
Balance, December 31, 2020	**21,704,600**	**765,898**	**0.05**	**1.0**

The fair value of the share purchase warrants granted during the year are estimated at the grant date using the Black-Scholes option pricing model and have been credited to warrants within shareholders' deficiency. A weighted average of the assumptions used in the calculation is noted below:

	2020	2019
Risk-free rate	**0.24%**	1.58%
Expected life	**1 year**	1 year
Expected volatility	**174%**	337%
Fair value per warrant	**$0.03**	$0.014

Volatility was determined based on the Company's historical share prices.

d) Stock options

The Company established a share option plan (the "Plan") for the benefit of officers, directors, employees and consultants of the Company. Under the Plan, the number of common shares to be reserved and authorized for issuance pursuant to options granted under the Plan cannot exceed 10% of the total number of issued and outstanding shares of the Company. The term, the vesting period and the exercise price are determined at the discretion of the Board of Directors. However, the maximum option term shall not exceed five years.

The following table summarizes information about the Company's stock options outstanding at December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Stock options, beginning of year	-	-	446,667	0.05
Expired	-	-	(446,667)	-
Stock options outstanding, end of year	-	-	-	-

As at December 31, 2020, all stock options have expired.

During the year ended December 31, 2020 and 2019, the Company did not recognized any share-based payment expense.

e) Per share data

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share. Under this method, it is assumed that proceeds from the exercise of dilutive securities are used by the Company to repurchase Company shares at the average price during the year.

All warrants, finder's options and stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive due to the loss position of the Company.

SUBSEQUENT EVENTS

On January 1, 2021, the Company entered into an agreement with an arms-length party who is a family member of a director of the Company to acquire 100% of the common shares of Cotulla Vacuum Services Ltd. ("Cotulla") for cash consideration of $100. Cotulla owns equipment and machinery used in downhole abandonment activities that the Company is planning to use for its own downhole abandonment obligations. If the Company is to sell the equipment, 50% of the proceeds of the sale will be allocated to the seller.

Nexera closed a private placement for 13,333,330 shares at $0.06 per Unit, which consisted of one (1) common share and one (1) warrant. Each full warrant shall entitle the holder thereof to purchase one (1) additional common share of the Corporation for a period of 12 months from the issuance of the Units at a price of $0.10.

Nexera Energy Inc. entered into an agreement (dated March 10, 2021) with Hillcrest Investments Ltd. to acquire a 25% interest in Production Resources Inc., a private south Texas company that Nexera currently owns a 75% interest in. Nexera is the current operator of PRI and its assets. After closing this transaction, Nexera will own 100% of PRI. Pursuant to the transaction, Nexera will buy Hillcrest's 25% interest in PRI for USD$400,000, in accordance with the following: (i) USD$100,000 paid in 24 equal installments (monthly); plus (ii) the remaining USD$300,000 (being CDN$378,930) to be settled by way of the issuance of 3,789,300 Nexera common shares at $0.10 per common share. In addition, PRI's debt amounts owing to Hillcrest (totaling USD$400,000) are cancelled/terminated as part of this transaction.