MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THREE MONTHS ENDED

MARCH 31, 2013

This management's discussion and analysis ("MD&A") of Traverse Energy Ltd. ("Traverse" or "the Company") dated May 16, 2013 should be read in conjunction with the Company's unaudited interim financial statements as at and for the three months ended March 31, 2013 and the audited financial statements as at and for the year ended December 31, 2012. This MD&A should also be read in conjunction with the Company's MD&A for the year ended December 31, 2012, as disclosure which is unchanged from December 31, 2012 may not be duplicated herein. Additional information relating to the Company, including Traverse's Annual Information Form, is available on SEDAR at www.sedar.com.

Description of the Company

Traverse Energy Ltd. is an oil and gas exploration, development and production company based in Calgary, Alberta, Canada. Traverse conducts its operations in the province of Alberta. The common shares of Traverse trade on the TSX Venture Exchange under the symbol “TVL”.

Non-IFRS measures

Funds from operations

Funds from operations is a measure not defined in IFRS that is commonly used in the oil and gas industry. Funds from operations is calculated as cash provided by operating activities before non-cash working capital as detailed under the heading "Cash and funds from operations and net income (loss)". The Company believes that in addition to net income (loss), funds from operations is a useful supplemental measure as it provides an indication of Traverse’s operating performance. Funds from operations should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with IFRS. Traverse's determination of funds from operations may not be comparable to that reported by other companies. Traverse also presents funds from operations per share whereby share amounts are calculated using weighted average shares outstanding consistent with the calculation of income per share.

Operating netback

Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. This benchmark as presented does not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. Operating netback reflects petroleum and natural gas revenue and royalty income, less royalties, operating and transportation costs and is calculated on a per unit basis. Working interest netback is calculated as petroleum and natural gas revenue, less royalties, operating and transportation costs and is calculated on a per unit basis. Royalty netback is royalty income and is calculated on a per unit basis. The calculation of Traverse's netbacks is detailed under the heading "Operating netback".

BOE presentation

Where amounts are expressed on a barrel of oil equivalent basis (BOE), natural gas volumes have been converted to BOE using a ratio of 6,000 cubic feet of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. BOE figures may be misleading, particularly if used in isolation.

Forward-looking information

This MD&A contains forward-looking information. Forward-looking information is based upon the opinions, expectations and estimates of management as at the date the information is provided and, in some cases, information received from or disseminated by third parties. In particular, the Company’s statements with respect to the number of wells to be drilled in 2013; volatility in commodity markets impacting realized prices in 2013 and intentions for funding capital expenditures during 2013 are forward-looking information. This forward-looking information is subject to a variety of substantial known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking information. The Company’s Annual Information Form filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describes the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

The forward-looking information contained in this MD&A is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

	Three months ended		
HIGHLIGHTS *(Unaudited)*	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Financial *($ thousands, except per share amounts)*			
Petroleum and natural gas revenue	**1,464**	1,588	979
Royalty income	**1,297**	964	849
Cash provided by operations	**2,160**	1,815	1,054
Funds from operations [1]	**2,037**	1,779	1,217
Per share - basic and diluted	**0.04**	0.04	0.03
Net income (loss)	**521**	(3,255)	357
Per share - basic and diluted	**0.01**	(0.07)	0.01
Capital expenditures, net of dispositions	**2,761**	2,158	2,483
Total assets	**21,543**	19,450	18,820
Working capital	**2,359**	3,083	1,266
Common shares			
Outstanding *(millions)*	**47.1**	47.1	42.2
Weighted average *(millions)*	**47.1**	44.9	42.2
Operations *(units as noted)*			
Average production			
Natural gas *(mcf/day)*	**1,409**	1,362	697
Oil and NGL *(bbls/day)*	**331**	318	213
Total (BOE/day)	**566**	545	329
Average sales price			
Natural gas *($/mcf)*	**3.48**	2.91	2.33
Oil and NGL *($/bbl)*	**77.72**	72.90	86.88
Operating netback *($/BOE)* [2]			
Petroleum and natural gas revenue	**44.99**	45.95	52.10
Royalties	**3.48**	2.95	3.72
Operating costs	**9.64**	12.40	13.77
Transportation costs	**1.71**	1.40	1.26
Working interest netback	**30.16**	29.20	33.35
Royalty netback	**70.29**	61.94	76.33
Operating netback	**44.69**	39.36	49.34

(1) Funds from operations is calculated as cash provided by operating activities before changes in non-cash working capital. Funds from operations does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other companies.

(2) Operating netback equals petroleum and natural gas revenue and royalty income, less royalties, operating and transportation costs and is calculated on a per unit basis. Working interest netback is calculated as petroleum and natural gas revenue, less royalties, operating and transportation costs and is calculated on a per unit basis. Royalty netback is royalty income and is calculated on a per unit basis. Operating netback, working interest netback and royalty netback do not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other companies.

Operations review

In the first quarter of 2013 Traverse drilled 3 exploratory wells (100% working interest). Two wells drilled in the Turin area resulted in 1 cased well awaiting completion and 1 dry hole. One well drilled in the Coyote area resulted in a potential oil well. Additional first quarter activities included a 2D seismic survey in the Coyote area and workovers of existing wells in both the Turin and Carbon areas.

In the Brazeau area of West Central Alberta, Traverse has a gross overriding royalty interest in 10 sections of land (6,400 acres). In the first quarter of 2013 a total of 17 horizontal Cardium wells were on production. Net production to the Company for the first quarter of 2013 averaged 184 BOE per day with an oil and NGL component of 88%. An additional 4 wells were drilled by the industry partner in the first quarter of 2013.

At March 31, 2013 undeveloped land holdings totalled 138,800 gross (135,800 net) acres. The Company plans an active drilling program for 2013 with a total of 10 wells planned on existing properties. The Board of Directors has approved a total exploration and development program of $12.6 million for 2013.

	Three months ended		
Production	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Average working interest production			
Natural gas *(mcf/day)*	**1,182**	1,108	586
Crude oil *(bbls/day)*	**164**	191	109
Total *(BOE/day)*	**361**	376	207
Average royalty production			
Natural gas *(mcf/day)*	**227**	254	111
Crude oil *(bbls/day)*	**167**	127	104
Total *(BOE/day)*	**205**	169	122
Total production			
Natural gas *(mcf/day)*	**1,409**	1,362	697
Crude oil *(bbls/day)*	**331**	318	213
Total *(BOE/day)*	**566**	545	329

Production increased 72% to 566 BOE per day in the first quarter of 2013 as compared to 329 BOE per day in the 2012 period. Working interest production increased as a result of drilling in 2012 at Turin, partially offset by declines in production at Alliance, Carbon and Long Coulee. Industry drilling on the Company's royalty lands at Brazeau resulted in new royalty volumes during the second half of 2012. Total Company production increased 4% compared to the final quarter of 2012 due to additional royalty production at Brazeau.

	Three months ended		
Production by area (BOE/day)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Alliance	**18**	22	29
Brazeau	**184**	148	104
Carbon	**19**	17	53
Long Coulee	**4**	9	29
Turin	**319**	327	83
Minor	**22**	22	31
Total BOE per day	**566**	545	329
% of BOE/day			
Royalty	**36%**	31%	37%
Working interest	**64%**	69%	63%

The Company's working interest production at Turin increased 284% to 319 BOE per day in the first quarter of 2013 compared to 83 BOE per day in the 2012 period. Drilling during 2012 at Turin resulted in new production from 3 gross (2.75 net) oil wells during the second half of the year. Working interest production in the first quarter of 2013 declined slightly from the final quarter of 2012 as no new production was added.

The royalty proportion of the total Company production is virtually unchanged in the first quarter of 2013 compared to the first quarter of 2012. Industry drilling on the Company's lands at Brazeau in 2012 resulted in additional royalty volumes in the first quarter of 2013 compared to the final quarter of 2012. Brazeau royalty volumes increased to 184 BOE per day in the 2013 period compared to 104 BOE per day in the first quarter of 2012 due to the additional drilling.

	Three months ended		
Pricing	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Average sales price			
Natural gas *($/mcf)*	**3.48**	2.91	2.33
Crude oil *($/bbl)*	**77.72**	72.90	86.88
Total *($/BOE)*	**54.15**	50.91	61.11

The average BOE sales price received during the first three months of 2013 decreased 11% from the first quarter of 2012 but increased 6% from the last quarter of 2012. Crude oil prices have increased 7% compared to the last quarter of 2012 and natural gas prices have increased 20% over the same period. The Company's production mix in the first quarter of 2013 was approximately 58% oil, unchanged from the final quarter of 2012. The production mix in the 2012 first quarter was approximately 65% crude oil and has declined due to the higher volumes of natural gas associated with the 2012 production additions at Turin.

Volatility in the commodity markets will continue to impact realized prices in 2013. At March 31, 2013 Traverse had two natural gas physical delivery contracts outstanding for 2013 averaging 800 GJ per day at $3.11 per GJ. In addition, the Company had the following derivative commodity contracts outstanding at March 31, 2013:

Type	Period	Volume	Price
Crude oil call option	Feb. 1, 2013 to Dec. 31, 2013	100 bbl/d	$100.00 Cdn.
Natural gas fixed	April 1, 2013 to Oct. 31, 2013	600 GJ/d	$3.50 Cdn.

At March 31, 2013 the fair value of the derivative commodity contracts approximated nil. Subsequent to March 31, 2013 the crude oil call option for the period July 1, 2013 to September 30, 2013 was settled for approximately $15,000.

	Three months ended		
Petroleum and natural gas revenue ($)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Revenue by source			
Working interest production	**1,463,732**	1,588,357	978,757
Royalty interest production	**1,297,365**	963,376	849,101
Total	**2,761,097**	2,551,733	1,827,858
Revenue by commodity			
Oil	**2,319,861**	2,131,809	1,680,040
Natural gas	**441,236**	419,924	147,818
Total	**2,761,097**	2,551,733	1,827,858

Revenue in the first quarter of 2013 increased 51% compared to the first quarter of 2012 due to increased production volumes, offset by declining oil prices. Revenue in the first quarter of 2013 increased 8% from the final quarter of 2012 due to increasing production and commodity prices.

Operating netbacks

The Company's operating netback is presented in two components - the working interest netback and the royalty netback due to the differences in the type of production and the related costs.

	Three months ended		
Operating netback ($/BOE)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Petroleum and natural gas revenue	**44.99**	45.95	52.10
Royalties	**3.48**	2.95	3.72
Operating	**9.64**	12.40	13.77
Transportation	**1.71**	1.40	1.26
Working interest netback	**30.16**	29.20	33.35
Royalty netback	**70.29**	61.94	76.33
Operating netback	**44.69**	39.36	49.34

The working interest netback has declined from $33.35 per BOE in the first quarter of 2012 to $30.16 per BOE in the 2013 period due to a combination of declining oil prices and an increase in the proportion of natural gas production volumes. Working interest natural gas production increased from 47% of production in the first quarter of 2012 to 55% in 2013. The increase in gas production and decrease in oil prices resulted in a decrease of 14% in the combined price per BOE to $44.99 in the first quarter of 2013. The combined price per BOE declined slightly from the final quarter of 2012 as a result of increased natural gas production at Turin.

Royalties per BOE have declined in the first quarter of 2013 compared to the first quarter of 2012 due mainly to the impact of the natural gas production. Increased natural gas production in the first quarter of 2013 also contributed to decreased operating costs per BOE. Operating costs per BOE have declined 30% since the first quarter of 2012 due in part to the increased natural gas production and also to the first quarter 2012 expansion of the Turin facility to support water injection.

The royalty income netback has decreased from $76.33 per BOE in the first quarter of 2012 to $70.29 per BOE in the 2013 period as a result of an decreasing oil prices and an increase in the gas royalty production from the Brazeau area. In the first quarter of 2012, royalty production was 122 BOE per day, consisting of 85% oil. In the first quarter of 2013 royalty production increased to 205 BOE per day (81% oil).

	Three months ended		
Operating netback ($)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Petroleum and natural gas revenue	**1,463,732**	1,588,357	978,757
Royalties	**113,097**	101,858	69,903
Operating	**313,533**	428,632	258,678
Transportation	**55,540**	48,338	23,614
Working interest netback	**981,562**	1,009,529	626,562
Royalty netback	**1,297,365**	963,376	849,101
Operating netback	**2,278,927**	1,972,905	1,475,663

The operating netback in the first quarter of 2013 increased 54% to $2.3 million compared to $1.5 million in the 2012 first quarter due mainly to increased oil production. On a per unit basis, the operating netback decreased 9% to $44.69 per BOE in the 2013 first quarter compared to $49.34 per BOE in the first quarter of 2012 due to a decline in the average oil price received and an increasing proportion of natural gas inthe production mix. The operating netback per BOE increased 14% from the final quarter of 2012 due to increasing commodity prices and decreasing operating costs.

	Three months ended		
General and administrative ($)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
General and administrative costs - gross	**305,400**	265,667	310,960
Operator recoveries	**58,678**	68,748	47,880
General and administrative costs - net	**246,722**	196,919	263,080
Per BOE	**4.84**	3.93	8.80

Net general and administrative costs decreased slightly in the first quarter of 2013 compared to the first quarter of 2012 but have declined on a BOE basis due to increasing production. Net general and administrative costs on a BOE basis have increased in the first quarter of 2013 compared to the final quarter of 2012. Gross general and administrative expenses are higher in the first quarter due to the cost of the annual financial statement audit and the external engineering report prepared for the year end.

Share based compensation

Share based compensation expense of $19,323 (2012 - $28,597) relates to the vesting of options granted late in 2012. No stock options have been granted or exercised during the first quarter of 2013.

Exploration and evaluation expense

Exploration and evaluation ("E&E") expenses result from impairment of E&E assets, unsuccessful E&E costs and the expiry of undeveloped lands. In the first quarter of 2013, E&E expenses of $463,514 were recorded related to the drilling of 1 unsuccessful well at Turin.

Depletion and depreciation

Traverse depletes its developed oil and natural gas properties based on proved and probable reserves. The calculation of depletion expense includes future development costs related to these reserves of $481,000 at March 31, 2013 (2012 - $317,000) and excluded $419,000 (2012 - $347,000) for estimated salvage values. The majority of future development costs at March 31, 2013 relate to the tie-in of suspended natural gas wells at Turin.

Depletion and depreciation expense was $9.85 per BOE in the first quarter of 2012 compared to $20.13 per BOE in the first quarter of 2012 and $14.00 per BOE in the final quarter of 2012. Depletion has decreased on a BOE basis as a result of lower cost reserves additions at Turin in 2012 and the 2012 year end impairment charge related to the Alliance, Carbon and Long Coulee areas. No reserve additions have been recorded in the first quarter of 2013 as first quarter drilling results are still being evaluated.

Finance income and costs

Finance income consists of interest earned on cash balances during the year. Finance income increased in 2013 from the first quarter of 2012 due to an increase in the average daily cash balance. Finance expense is composed of the accretion of decommissioning liabilities.

Income taxes

A deferred income tax expense of $525,520 has been recorded in the first quarter of 2013 (2012 - $224,565) composed of deferred income tax on income of $266,520 (2012 - $152,690) and deferred income tax relating to flow-through expenditures of $259,000 (2012 - $71,875). A premium is recognized on the issue of flow-through shares representing the difference in price over a common share with no tax attributes. This premium is set up as a liability on the statement of financial position and is reclassified to deferred income tax liability as the expenditures are incurred. To the extent that the Company's effective tax rate on the incurred expenditures exceeds this premium, a deferred income tax expense is recognized. During the first quarter of 2013 the Company incurred approximately $1,820,000 of qualifying expenditures related to the flow-through issue completed in December 2012. The Company's expected tax rate on these expenditures is 25%. The difference of approximately 14% between the Company's expected tax rate and the premium realized on the flow-through share issue results in additional deferred income tax expense of $259,000.

At March 31, 2013 the Company's tax pools available for deduction against future taxable income are estimated at $9.1 million. The Company was not taxable on a current basis in 2012. The Company may be taxable on a current basis in 2013 depending on the level and type of capital expenditures as well as the results of such expenditures.

Cash and funds from operations and net income (loss)

	Three months ended		
($)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Cash provided by operating activities	**2,159,652**	1,814,986	1,053,701
Change in non-cash working capital	**(122,797)**	(36,072)	162,889
Funds from operations	**2,036,855**	1,778,914	1,216,590
Per share basic and diluted	**0.04**	0.04	0.03
Net income (loss)	**521,208**	(3,255,323)	356,640
Per share basic and diluted	**0.01**	(0.07)	0.01

Funds from operations increased 67% to approximately $2.0 million in the first quarter of 2013 compared to $1.2 million in the first quarter of 2012 due to increased production at Turin and Brazeau. Funds from operations increased 14% from the fourth quarter of 2012 mainly as a result of increased royalty volumes.

Increased funds from operations translated into increased net income for the first quarter of 2013 as compared to the 2012 first quarter. A net loss was recognized in the final quarter of 2012 due to the impairment charges recognized at Alliance, Carbon and Long Coulee.

Capital expenditures

The Company incurred $2.8 million in expenditures in the first quarter of 2013 mainly related to the drilling of 3 exploratory wells (100% working interest). Two wells drilled in the Turin area resulted in 1 cased well awaiting completion and one dry hole. One well drilled in the Coyote area resulted in a potential oil well.

	Three months ended		
($)	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Land acquisition and rentals	**70,468**	212,148	201,170
Geological and geophysical	**264,097**	429,689	624,579
Drilling and completions	**2,174,716**	1,083,144	94,919
Equipping and facilities	**249,869**	432,704	1,638,197
Exploration and development capital	**2,759,150**	2,157,685	2,558,865
Corporate assets	**1,739**	-	4,220
Net property dispositions	**-**	-	80,000
Net capital expenditures	**2,760,889**	2,157,685	2,483,085

Liquidity and capital resources

At March 31, 2013 Traverse had working capital of approximately $2.4 million and no debt outstanding. The Company's Board of Directors has approved a $12.6 million exploration and development program for 2013. The Company intends to fund capital expenditures and commitments during 2013 with a combination of cash flow and working capital. New equity issues and debt may be used to expand future capital expenditures where appropriate.

As at May 16, 2013 total common shares outstanding are 47,087,911 and total common share options outstanding are 4,430,000. During 2012 the Company completed two private placements for a total of 4,878,000 flow-though common shares for gross proceeds of approximately $3.2 million as detailed in the notes to the audited financial statements. The weighted average number of shares outstanding during 2013 increased 12% to 47,087,911 from 42,209,911 in the 2012 period due to theses private placements.

Related party transactions

Certain directors of Traverse are also the directors or management of other entities that participate in joint operations with the Company. All transactions were completed on an arm's length basis consistent with normal industry terms. During the three months ended March 31, 2013, the aggregate value of transactions entered into between Traverse and these entities was approximately $79,700 (2012 - $178,400). Traverse had outstanding payables to the related parties of $144,350 (2012 - $45,010) and accounts receivable due to Traverse of $172,050 at March 31, 2013 (2012 - $129,472).

Commitment

The Company has entered into a lease commitment for office space. The term of the lease is 10 years commencing November 1, 2011. The annual payments under this commitment are as disclosed in the notes to the audited financial statements.

Summary of quarterly results

($ thousands, except per share amounts)
(Unaudited)

Quarter ended	March 31 2013	December 31 2012	September 30 2012	June 30 2012
Petroleum and natural gas revenue	1,464	1,588	1,294	739
Royalty income	1,297	964	818	691
Cash provided by operating activities	2,160	1,815	1,132	1,209
Funds from operations	2,037	1,779	1,602	990
Per share - basic and diluted	0.04	0.04	0.04	0.02
Net income (loss)	521	(3,255)	32	39
Per share - basic and diluted	0.01	(0.07)	0.00	0.00
Working capital	2,359	3,083	1,727	1,826
Shareholders' equity	16,133	15,593	17,136	15,848
Production *(BOE/day)*	566	545	444	301
Capital expenditures, net of dispositions	2,761	2,158	3,041	430

Quarter ended	March 31 2012	December 31 2011	September 30 2011	June 30 2011
Petroleum and natural gas revenue	979	1,035	945	846
Royalty income	849	534	160	57
Cash provided by operating activities	1,054	814	599	176
Funds from operations	1,217	936	600	458
Per share - basic and diluted	0.03	0.02	0.02	0.01
Net loss	357	(584)	(1,079)	(152)
Per share - basic and diluted	0.01	(0.01)	(0.04)	0.00
Working capital	1,266	2,532	2,078	4,314
Shareholders' equity	15,761	15,375	13,411	14,179
Production *(BOE/day)*	329	243	202	155
Capital expenditures, net of dispositions	2,483	3,279	2,836	3,415

In 2011 production volumes and revenue initially declined as no new production was added. In the third quarter of 2011 new production commenced from 2011 drilling activities as well as new oil royalty production and revenue began increasing. The net loss increased in the third and fourth quarter of 2011 due to impairments recognized on exploration and evaluation assets relating to pending land expiries, limitations on recoverable amounts and an unsuccessful re-entry well.

In the first quarter of 2012 production increased as a result of the tie in of a well at Carbon and additional royalty volumes. Production gains resulted in increased revenue although the average BOE sales prices declined due to decreases in both crude oil and natural gas prices from the last quarter of 2011. During the first quarter of 2012 the Company shot 2D and 3D seismic surveys at Turin, expanded the fluid and water handling facilities at Turin and tied in and equipped one well at Carbon.

In the second quarter of 2012 no new production was added and commodity prices continued to decline resulting in a decrease of revenue compared to the first quarter. Capital expenditures during the second quarter consisted of seismic processing and pre drill expenditures incurred for the third quarter drilling program.

In the third quarter of 2012 the Company drilled 5 gross (4.5 net) wells at Turin resulting in new production from 2 gross (1.75 net) oil wells and additional production commenced at the Brazeau royalty property. Revenue increased as a result of increased production. Average sales prices received during the third quarter were similar to the second quarter although the average BOE sales prices declined slightly due to an increase in the proportion of gas production. Net income was reduced in the third quarter by exploration and evaluation expense related to a dry hole in the Turin area.

In the fourth quarter of 2012 production volumes increased as a result of a new oil well at Turin and the commencement of production from an additional 5 royalty wells in December. Gas prices improved in the fourth quarter but crude oil prices declined resulting in a small decrease in the average BOE sales price. A net loss was realized in the fourth quarter due to exploration and evaluation expense related to a dry hole at Turin, limitations on recoverable amounts for the two natural gas wells drilled at Turin, pending land expiries and an impairment of the recoverable amounts for the wells at Alliance, Carbon and Long Coulee due to reserve revisions.

In the first quarter of 2013 production volumes increased as a result of the additional royalty production added in December. No new working interest production was added. Commodity prices improved and operating costs declined resulting in an increase in funds from operations. Three wells were drilled in the first quarter of 2013 resulting in two potential wells and one dry hole which was expensed during the quarter.

Business environment and risk

The business risks the Company is exposed to are those inherent in the oil and gas industry as well as those governed by the individual nature of Traverse's operations. Geological and engineering risks, the uncertainty of discovering commercial quantities of new reserves, commodity prices, interest rate and foreign exchange risks, competition and government regulations – all of these govern the business and influence the controls and management at the Company.

Traverse manages these risks by attracting and retaining a team of highly qualified and motivated professionals who have a vested interest in the success of the Company, operating properties in order to maximize opportunities, maintaining a strong financial position and maintaining strict environmental, safety and health practices.