MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") for EastSiberian Plc, formerly PetroKamchatka Plc, ("EastSiberian", the "Corporation", "us" or "we"), prepared as at April 17, 2014, provides a review of the Corporation's unaudited financial results for the nine months ended February 28, 2014 (the "Reporting Date"). The MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes of the Corporation for the nine months ended February 28, 2014 and the audited consolidated financial statements and accompanying notes of the Corporation for the year ended May 31, 2013. The condensed interim consolidated financial statements and all figures in this MD&A are presented in United States dollars, unless otherwise indicated.

The financial statements referred to above and other information with respect to the Corporation is available on EastSiberian's website (www.EastSiberian.com) and in public filings available on SEDAR (www.sedar.com).

CORPORATE OVERVIEW

EastSiberian Plc was incorporated on December 23, 2008 under the Companies (Jersey) Law 1991. The head office of the Corporation is located at 9 Esplanade, St. Helier, Jersey, JE23QA. The Corporation has principally been engaged in exploration for oil and natural gas in eastern Russia which activity is conducted pursuant to exploration licenses granted to Russian subsidiaries and affiliates of its wholly-owned Cyprus subsidiary, PetroKamchatka Resources Ltd. ("PKR"). On August 22, 2012, the shareholders of the Corporation approved a name change from PetroKamchatka Plc to EastSiberian Plc. In addition, the shareholders approved a consolidation of the Corporation's common shares of 100 to 1. The number of shares issued and outstanding, number of warrants and stock options presented in the consolidated financial statements and this MD&A represent post consolidation quantities. The common shares of the Corporation are listed for trading on the TSX NEX (trading symbol: "ESB.H").

The Corporation has the following subsidiaries and affiliates:

		Percentage of Ownership	
Name of Subsidiary or Affiliate	Country of Incorporation	February 28, 2014	May 31, 2013
PetroKamchatka Resources Ltd.	Cyprus	100%	100%
OJSC LukinCholot	Russia	90%	90%
CJSC Palana-Exploration	Russia	*Wound up*	100%
CJSC Tigil Exploration	Russia	50%	50%
CJSC Icha Exploration	Russia	50%	50%
PetroKamchatka Services Inc.	Canada	100%	100%
Nabesche River Exploration Ltd.	Canada	*Wound up*	100%

PKR owns 90% of OJSC LukinCholot ("LukinCholot") which in turn owned owns 50% of the operations of CJSC Tigil Exploration and CJSC Icha Exploration. PKR is the direct owner of the other subsidiaries. KNOC Kamchatka Petroleum Limited ("KKPL"), a company owned 55% by Korea National Oil Corporation ("KNOC"), owns the remaining interest in the operations.

Due to the lack of funding progress to date and the Corporation's liquidity position, the board of directors may liquidate the Corporation in foreseeable future. As a result, the liquidation basis of accounting was adopted effective November 30, 2013. Liquidation procedures continue for the Russian companies and the Cyprus company with closure for the Russian companies scheduled for the second quarter 2014. Alternative opportunities continue to be explored for the shell company.

THIRD QUARTER 2014 UPDATE

At February 28, 2014, the Corporation had negative working capital of $981,268 (May 31, 2013 – $926,042). The components of working capital at February 28, 2014 included cash of $111,614, accounts receivable of $33,470 and prepaid expense of $12,077 less accounts payable and accrued liabilities of $1,138,429. Accounts payable at February 28, 2014, included $1,133,835 owing to directors and officers of the Corporation. The accounts payable to directors and management are anticipated to be paid by way of a share issuance with other minor liabilities paid in cash thereby clearing up all liabilities of the Corporation.

The Corporation did not incur any capital expenditures on property and equipment in the nine months ended February 28, 2014 and 2013.

SELECTED FINANCIAL INFORMATION

The consolidated financial information for EastSiberian includes the Corporation and its subsidiaries as well as its proportionate share of the accounts of its joint operations.

	The nine months ended February 28,	
Financial Results	**2014**	**2013**
Equipment operating gain and other	$ -	$ (238,296)
General and administration	$ 500,140	$ 1,436,937
Other income	$ (26,340)	$ -
Gain from accounts payable write-off	$ (321,797)	$ -
Foreign exchange loss (gain)	$ 6,539	$ (113,663)
Income tax expense	$ -	$ 80,080
Net loss and comprehensive loss for the period	**$ 158,542**	**$ 1,165,058**
Net loss per share – basic and diluted	$ 0.03	$ 0.24
Weighted average number of common shares outstanding – basic and diluted	4,911,405	4,903,998
Cash flow provided from (used in) operating activities	$ (312,754)	$ (2,449,642)
Cash flow from (used in) investing activities	$ -	$ 2,492,045
Cash flow from (used in) financing	$ -	$ 100,000
Foreign exchange gain (loss) on cash held in foreign currencies	$ -	$ 9,579
Increase (decrease) in cash and cash equivalents	$ (312,754)	$ 151,982

	As at, February 28, 2014		As at, February 28, 2013	
Cash and cash equivalents	$	111,614	$	381,442
Working capital	$	(984,584)	$	(473,540)
Total assets	$	179,885	$	700,200
Total liabilities	$	1,164,469	$	1,173,740
Shareholders' equity	$	(984,584)	$	(473,540)

	The three months ended February 28,			
Financial Results		**2014**		**2013**
Equipment operating gain and other	$	-	$	(238,296)
General and administration	$	121,290	$	452,834
Other income	$	(26,340)	$	-
Gain from accounts payable write-off	$	-	$	–
Foreign exchange loss (gain)	$	4,309	$	2,152
Current income taxes	$	-	$	(9,387)
Net loss (gain) and comprehensive loss for the period	$	**99,259**	**$**	**207,303**
Net loss per share – basic and diluted	$	0.02	$	0.04
Weighted average number of common shares outstanding – basic and diluted		4,926,220		4,903,998
Cash flow provided from (used in) operations	$	(102,390)	$	(577,365)
Increase (decrease) in cash and cash equivalents	$	(102,390)	$	(571,091)

RESULTS OF OPERATIONS

General and Administrative Expenses

General and administrative expenses for the three months ended February 28, 2014 and 2013 were $99,259 and $452,834 respectively. The period-over-period decrease is a result of the Corporation's ongoing efforts to monitor and reduce costs in order to preserve capital.

Other income

During the three month ended February 28, 2014 the Corporation sold fully amortized office furniture and equipment for $26,340.

Gain from accounts payable write-off

During the nine month ended February 28, 2014 the Corporation wrote-off accrued liabilities of $321,797. These liabilities relate to specific accruals that in management's opinion are remote and no longer represent viable claims against the Corporation.

Foreign exchange loss (gain)

In the three month periods ended February 28, 2014 and 2013 the Corporation recorded net foreign exchange loss of $4,309 and $2,152 respectively. EastSiberian is exposed to foreign currency fluctuations as it has current assets and liabilities and incurs expenses in Russian roubles, Euros, Pounds Sterling and Canadian dollars and is exposed to fluctuations in exchange rates of these currencies relative to the US dollar. Translation of the operating results and the financial statements of these jurisdictions give rise to foreign exchange gains and losses. There were no forward foreign exchange rate contracts in place as at February 28, 2014 or at any time during the reporting periods ended February 28, 2014 or 2013 or thereafter. The Corporation has determined that the functional currencies for each legal entity in the following countries were as follows: Jersey – USD; Cyprus – USD; Russia – RUR; and Canada – CAD.

Net Loss (Gain) and Cash Used in Operations

The net loss for the three months ended February 28, 2014 and 2013 were $99,259 and $207,303 respectively.

Cash flow used in operations in the three months ended February 28, 2014 and 2013 were $102,390 and $577,365 respectively.

SUMMARY OF QUARTERLY RESULTS
(unaudited)

	For the three month periods ended			
	May 31, 2012	**August 31, 2012**	**November 30, 2012**	**February 28, 2013**
Expenses				
Operating expenses	$ 248,890	$ –	$ –	$ –
General and administration	$ 743,791	$ 535,713	$ 448,390	$ 452,834
Share-based compensation	$ 466	$ –	$ –	$ –
Depreciation	$ 1,889	$ –	$ –	$ –
Impairments	$ 297,411	$ –	$ –	$ –
Total expenses	$ 1,292,447	$ 535,713	$ 448,390	$ 452,834
Net financing (income) expense	$ 44,256	$ (105,332)	$ (10,483)	$ 2,152
Deferred income tax	$ -	$ 86,867	$ 2.600	$ (9,387)
Net loss for the period	$ 1,336,703	$ 517,248	$ 440,507	$ 217,303
Other comprehensive (income) loss				
Foreign exchange differences on translation of foreign operations	$ (205,477)	$ –	$ –	$ –
Revaluation of property and equipment	$ 1,559,919	$ –	$ –	$ –
Net comprehensive (income) loss for the period	$ 1,354,442	$ –	$ –	$ –
Total comprehensive loss for the period	$ 2,691,145	$ 517,248	$ 440,507	$ 217,303
Weighted average number of common shares outstanding – basic and diluted	4,903,998	4,903,998	4,903,998	4,903,998
Net loss per share – basic and diluted	$ (0.27)	$ (0.11)	$ (0.09)	$ (0.04)
Cash flow provided by (used in) operations	$ (495,353)	$ (1,280,940)	$ (591,337)	$ (577,365)
Cash flow provided by (used in) investing	$ -	$ 2,492,045	$ –	$ –
Cash flow provided by (used in) financing	$ -	$ 100,000	$ –	$ –
Foreign exchange gain (loss) on cash held in foreign currencies	$ (9,262)	$ 3,305	$ –	$ 6,274
Increase (decrease) in cash and cash equivalents in the fiscal period ended	$ (504,615)	$ 1,314,410	$ (591,337)	$ (571,091)

	For the three month periods ended			
	May 31, 2013	August 31, 2013	November 30, 2013	February 28, 2014
General and administration	$ 208,865	$ 191,522	$ 187,328	$ 91,542
Other income	$ –	$ –	$ –	$ (26,340)
Gain from accounts payable write-off	$ –	$ –	$ (321,797)	$ –
Net financing (income) expense	$ 3,660	$ (411)	$ 2,641	$ 4,309
Deferred income tax	$ –	$ –	$ -	$ -
Net loss for the period	$ 212,525	$ 191,111	$ (131,828)	$ 99,259
Other comprehensive (income) loss				
Foreign exchange differences on translation of foreign operations	$ 1,681	$ –	$ –	$ –
Net comprehensive (income) loss for the period	$ 1,681	$ –	$ –	$ –
Total comprehensive loss for the period	$ 214,206	$ 191,111	$ (131,828)	$ 99,259
Weighted average number of common shares outstanding – basic and diluted	4,903,998	4,903,998	4,903,998	4,926,220
Net loss per share – basic and diluted	$ (0.04)	$ (0.04)	$ (0.03)	$ (0.02)
Cash flow provided by (used in) operations	$ 50,746	$ (146,349)	$ (64,015)	$ (102,390)
Foreign exchange gain (loss) on cash held in foreign currencies	$ (9,579)	$ –	$ –	$ –
Increase (decrease) in cash and cash equivalents in the fiscal period ended	$ 41,167	$ (146,349)	$ (64,015)	$ (102,390)

SUMMARY OF GENERAL AND ADMINISTRATIVE EXPENSES BY QUARTER

	For the three month periods ended			
	May 31, 2012	August 31, 2012	November 30, 2012	February 28, 2013
Employee salaries and benefits	$ 175,333	$ 86,721	$ 114,290	$ 202,787
Professional fees and consultants	$ 431,198	$ 183,843	$ 263,141	$ 104,887
Directors fees and expenses	$ 71,119	$ 60,000	$ 18,750	$ 52,500
Office administration and other	$ 66,141	$ 205,149	$ 52,209	$ 92,660
Total	**$ 743,791**	**$ 535,713**	**$ 448,390**	**$ 452,834**

	For the three month periods ended			
	May 31, 2013	August 31, 2013	November 30, 2013	February 28, 2014
Employee salaries and benefits	$ 112,500	$ 112,500	$ 112,500	$ 20,000
Professional fees and consultants	$ 32,000	$ 13,600	$ 25,000	$ 48,000
Directors fees and expenses	$ 15,000	$ 12,500	$ 15,000	$ 15,000
Office administration and other	$ 49,365	$ 52,922	$ 34,828	$ 38,290
Total	**$ 208,865**	**$ 191,522**	**$ 187,328**	**$ 121,290**

LIQUIDITY AND CAPITAL RESOURCES

Overview

EastSiberian has been engaged in the exploration for petroleum and natural gas in Kamchatka, Russia and was unsuccessful in making a commercial hydrocarbon discovery. Due to the lack of funding progress to date and the Corporation's liquidity position, board of directors are considering liquidating the Corporation in foreseeable future. As a result, the liquidation basis of accounting was adopted effective November 30, 2013. Under this basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts. Would liquidation basis be applied at May 31, 2013, no significant changes to be required at this date.

Capital expenditures

The Corporation did not incur any capital expenditures on property and equipment in the three months ended February 28, 2014.

Equity

As at May 31, 2013, EastSiberian had 4,903,998 common shares outstanding. Effective August 31, 2012, all stock option holders agreed to forfeit their options and the options were subsequently cancelled.

On August 26, 2012, the Corporation signed a one year non-interest bearing convertible note in the amount $100,000 with N&M Capital Limited, a corporation controlled by an officer and director of the Corporation. The holder and the Corporation could convert all or any portion of the note into post-consolidation common shares at a price of $0.50 per post-consolidation common share. During the three month ended February 28, 2014 Corporation converted the note into 200,000 Corporation's common shares. As at February 28, 2014 EastSiberian had 5,103,998 common shares outstanding.

RELATED PARTY TRANSACTIONS

The Corporation considers its directors and executives to be key management personnel. Compensation attributed to key management personnel comprising salaries and directors fees the period ended February 28, 2014 was $261,479 (February 28, 2013 - $520,000). At February 28, 2014, there was $1,133,835 (May 31, 2013 - $799,651) owing to directors and officers for services performed in the normal course of operations. The Corporation intends to issue shares to pay off these amounts owed.

OFF-BALANCE SHEET ARRANGEMENTS

As at February 28, 2014 and May 31, 2013, the Corporation did not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair value of the Corporation's financial instruments, including cash and cash equivalents, accounts receivable, approximated their carrying values as at February 28, 2014 and May 31, 2013. The fair value of accounts payable and note payable may be higher than their carrying values as at February 28, 2014. Corporation intends to pay off the accounts payable within cash available and convert remaining balance into Corporation's common shares.

RECENT CHANGES IN ACCOUNTING POLICIES

The Corporation prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on IFRS in effect as at February 28, 2014.

The following new standards have been applied by the Corporation beginning June 1, 2013:

- IFRS 10 – *Consolidated Financial Statements* - builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.
- IFRS 11 – *Joint Arrangements* – establishes the principles for financial reporting by entities when they have an interest in arrangements that are jointly controlled.
- IFRS 12 – *Disclosure of Interest in Other Entities* – provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and off balance sheet entities.
- IAS 28 – *Investments in associate and Joint Ventures* – revised the existing standard and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

- Under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), venture issuers can file a Venture Issuer Basic Certificate (the "Basic Certificate") as defined by NI 52-109. The Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109.

EastSiberian is currently listed on the TSXV, and the Corporation's CEO and President file the Basic Certificate. They do not make any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Investors should be aware that, due to the limited resources and 'few' number of staff of the Corporation, and the fact that the Corporation's activities are carried out in Jersey, Cyprus, Russia and Canada, inherent limitations exist relative to the Corporation's ability to design and implement, on a cost effective basis, DC&P and ICFR as defined in NI 52-109. Also, the Corporation does not have in-house expertise sufficient to deal with all of the complex and diverse taxation, legal and regulatory matters in all of these jurisdictions, without the assistance of external firms and consultants to assist and to advise on the reporting implications related to such matters. These circumstances may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation and could represent significant or material weakness in internal controls.

The CEO and President are however responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the Basic Certificate. They employ advisors and consultants and review financial materials and processes to mitigate the risk of material misstatements in financial reporting.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as “forward-looking statements”). In particular, this MD&A contains forward-looking statements pertaining to the following:

- Business strategies;
- Drilling plans, including the timing of drilling additional wells in Russia;
- Exploration and development plans;
- Ability to secure adequate financing;
- Use of proceeds from financings; and
- Other expectations, beliefs, plans, goals, objectives, assumptions or statements about future events or performance.

The preparation of financial statements requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These judgments and estimates may change, having either a negative or positive effect as further information becomes available, and as the economic environment changes.

Forward-looking statements are based on EastSiberian's current beliefs as well as assumptions made by EastSiberian based upon information currently available concerning business prospects, strategies, regulatory developments, the ability to obtain equipment in a timely manner to carry out exploration and development activities, and the ability to obtain financing on acceptable terms. Although management considers these assumptions to be reasonable based on information currently available, such assumptions and the information may prove to be incorrect.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results may differ, and the difference may be material and adverse to EastSiberian and its shareholders. These factors include, but are not limited to, risks associated with petroleum and natural gas exploration, financial risks, political and government risks, government regulation, limitations on foreign investments in Russia, environmental risks, prices, dependence on key personnel, availability of drilling equipment and physical access to Kamchatka, risks that may not be insurable, licenses, resource estimates, and variations in exchange rates. In addition, there is a risk that the specific need for substantial amounts of capital that may be required will not be raised. Readers are cautioned that the foregoing list of factors which may affect future results is not exhaustive.

The fiscal year for the Corporation is the 12-month period ended May 31. The terms “fiscal 2014”, “current year”, “the year” are used throughout the MD&A and in all cases refer to the period from June 1, 2013 to May 31, 2014.