OCEANIC WIND ENERGY INC.

(A Development Stage Company)

Management's Discussion & Analysis
For the quarter ended December 31, 2023

Containing information up to and including February 16, 2024

This Management's Discussion and Analysis ("MD&A") reviews the activities of Oceanic Wind Energy Inc., (the "Company" or "Oceanic") and its material subsidiaries; the wholly owned NaiKun Wind Development Inc. ("Devco"), NP B.C. Offshore Wind GP Inc ("GP"), and NP B.C. Offshore Wind Limited Partnership ("LP"). For a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read together with the Company's condensed interim financial statements for the three months ended December 31, 2023 and 2022 and the accompanying notes, and the MD&A for the year ended September 30, 2023. The above-mentioned documents along with additional information and disclosure relating to the Company can be found on SEDAR at www.sedarplus.ca or on the Company's website, www.oceanicwind.ca.

Forward-Looking Information and Report Date

This MD&A contains certain forward-looking information. Investors are cautioned that all information, other than historical facts included herein, including without limitation, data regarding future plans and objectives of the Company, is forward-looking information based on management's expectations, assumptions and estimates. Although the Company believes these underlying estimates and assumptions to be reasonable, they are difficult to predict, and actual results may differ materially from those in the forward-looking statements.

Forward-looking information can be subject to significant risks, uncertainties, estimates and assumptions can prove to be inaccurate. There are many factors that could result in materially different outcomes than the forward-looking information contained herein including, but not limited to, the state of capital and financial markets, the general economy, the political climate, the commodity markets, foreign exchange fluctuations, the energy sector, electricity demand, technology, environmental factors, community relations and First Nations. Investors should be aware that there can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

The information herein is only provided as of the date of this MD&A, February 16, 2024 (the "Report Date").

Description and Overview of Business

Oceanic Wind Energy Inc. is a British Columbia ("BC") based renewable energy company with a current focus on an offshore wind energy project. Headquartered in Vancouver, the Company trades on the TSX Venture Exchange-NEX (TSXV-NEX: NKW.H). On March 27, 2020, the Company signed definitive agreements (the "Agreements") to sell its development rights in its offshore wind project to Northland Power Inc. ("Northland). Upon closing, which took place on September 1, 2020, Northland had the right to develop the offshore wind project located in Hecate Strait off the north coast of British Columbia.

Subsequent to September 30, 2023, under terms in the original agreement with Northland, the control and ownership of the Hecate Strait project have now been returned to Oceanic. The agreements for this return, between Oceanic and two of Northland's wholly owned subsidiaries, closed on November 13, 2023. Northland was not able to dedicate sufficient human and financial resources to give priority to the Hecate Strait project at this time and the two parties felt it was in the best interest of the project to put Oceanic back in control of the project. Oceanic is currently in discussions with a large international company who is renowned for its development, construction, and operation of large offshore wind projects around the world. The goal is to partner with a significant company who can quickly engage in continuing the development of the project, build a strong partnership with the First Nations, and ultimately be a successful part of the spring 2024 proposed BC Hydro power call and future calls as they are announced.

Wind Energy Project in Hecate Strait

The area's wind resource is recognized as one of the best in the world. This is due to the strong, consistent, and high wind speeds, with mean annual wind speeds exceeding 10.0 meters/second (rated as a Class 7 resource). The wind is the strongest and most consistent in the fall and winter when electricity demand in BC is the highest. Other characteristics that make Hecate Strait an ideal location for offshore wind projects include its flat sedimentary seabed, relatively shallow waters, access to BC Hydro's power grid, and its proximity to the increasing electricity demand in British Columbia.

Outlook

BC Hydro and the Province have announced the first of many Power Calls in 2024. Updated modeling released in B.C.'s 2021 Climate Change Accountability Report highlights a much larger and growing policy gap in meeting its 2030 GHG emissions reduction targets than previously thought. Actions outlined in the CleanBC climate plan of 2018 originally projected to achieve 75 per cent of the 2030 target are now estimated to achieve just 32 to 48 per cent. This widening gap is mainly attributed to more realistic modeling of government's industrial and transportation electrification policy agenda. In response, the province's Roadmap to 2030 significantly increases electrification policy ambition. As a recent KPMG report demonstrates, the electricity deficit is large and growing. KPMG projects the deficit to be between 4,386 MW and 5,869 MW by 2030.

As outlined above, the Government of B.C. is facing increasing pressure related to its 2030 climate targets and the lagging pace of electrification. This has resulted in the government directing BC Hydro to engage existing and emerging industrial customers to discuss the development of additional generation assets to meet the growing gap between supply and demand which is forecast toward 2030 and beyond. This and the growing supply deficit resulted in the province announcing the first of many Clean Power calls in 2024. BC Hydro has further stated they require utility scale projects that have peak generation in the winter, when the electricity demand is the greatest. The Project in Hecate Strait will be well positioned due to its scale and proximity to the emerging large scale industrial demand on the North Coast. To this end the provincial government can assist in facilitating the strong First Nations partnerships required for this project. The province has tools that a private developer does not, and this avenue should be pursued concurrently alongside Indigenous partnerships.

Both the provincial and the federal governments have established numerous programs that will substantially assist in reducing the levelized cost of the energy produced, predicted to be a reduction of 25% to 45%.

BC Government Climate Action Plans and Renewable Energy "Road Map"

The wind resource in Hecate Strait is a remarkable utility scale world-class wind resource that can be developed in a relatively brief time frame to meet the power needs in BC.

The BC Government policy announcements (CleanBC and Climate Change Policies) make it clear that to achieve the Paris Accord Climate Action objectives and the province's GHG targets, BC must electrify most energy consuming uses and must convert most carbon-based fuel industries to electricity.

Premier Ebby was quoted in his June 15, 2023 press release announcing the 2024 Clean Power Call: "The need for clean energy, including wind and solar power…We need to act now to meet this growing demand and to ensure we stay on track with our climate goals. Couple these aggressive policy commitments with the likelihood that British Columbia will not build another new Hydro Dam or a large gas generation facility, it is clear that future energy supply must come from utility scale renewable resources like the Hecate Strait offshore wind project.

Northwest BC is a Unique Region supplied by a single HVAC Transmission Line

With the growing demand for abundant and affordable electrical energy, there are compelling reasons for this project to proceed to the development stage. The wind resource in Hecate Strait is located in the northwest region of BC, a unique part of the province serviced by one 600km long HVAC transmission line with a finite capacity. Additional electrical power for this part of the province must be provided locally or via a new multi-billion-dollar transmission line that would take up to a decade to approve and complete. Providing electrical power locally is by far the most practical and cost-effective alternative for the fast growing commercial and industrial demand in the region. The Hecate Strait wind project is the only large-scale project in the region that can meet the demand for power. It is highly likely all future developments in the northwest region of BC, which require power, will depend extensively on renewable power sources in the region. Additionally, this powerline has surplus capacity for energy flowing east to Prince George and the rest of the province. Renewable energy from the NW can also provide the needed electricity to reduce the provinces dependency on fossil fuels.

Green Hydrogen becoming a clean fuel of the future and the Port of Prince Rupert is building an Export Facility

Hydrogen production, shipping and use, for purposes such as electricity generation and fueling transportation is increasingly seen as a crucial element of decarbonization strategies. Trigon BC, a company in partnership with local First Nations, is developing a second terminal on Ridley Island to ship green fuels, hydrogen, ammonia and other renewable biofuels (https://www.trigonbc.com/trigon-terminals-set-to-nearly-double-shiploading/)

The Vopak Terminal on Ridley Island has their Federal Environmental assessment for the $1b fuel export facility (https://vopakpacificcanada.com/project-updates/f/federal-determinations-received). These facilities will require the production of green hydrogen/ammonia from local renewable energy projects. This market will rapidly grow in size as the critical demand for green fuels expands worldwide.

Green Hydrogen can be generated using local renewable energy and BC Hydro's clean hydro facilities. The important positives of this process is it can be used when the wind energy or Hydro energy is surplus to demand or when the spot market is very low, making green hydrogen less costly. As the carbon tax on hydrocarbons increase to reduce the GHG emissions, Green Hydrogen will become more and more valuable. The Hecate Strait wind resource is an excellent source of local renewable power for Green Hydrogen production.

Risks and Uncertainties

The Company's future and growth is dependent on a number of risk factors common to other companies in the renewable energy sector and, wind energy companies. Some factors that may have a material impact on the Company's future include, but are not limited to:

Electricity Purchase Agreement ("EPA")

A significant milestone and risk factor for the Company would be an award of an EPA for the Hecate Strait project from BC Hydro, a large industrial user of electricity, or a large corporate purchaser of renewable energy. On June 15, 2023 BC Hydro announced the first of many power calls to meet the growing electricity deficit in the province of 3000GWh per year. Of note other reports indicate the demand is substantially greater than 3000 GWh/year.

Chris O'Riley, CEO BC Hydro was quoted in the June 15, 2023 power call announcement: "As many of you know, we are in the midst of a once-in-a-100-year energy transition … Here in BC, we continue to see growing interest … in making the switch from fossil fuels to using clean electricity and in fact that interest is accelerating.

The Hecate Strait wind resource is well suited to meet the growing need for electricity in BC. The spring 2024 power call is the first of many calls to meet this fast-growing switch from Fossil fuels to electricity.

However, Oceanic cannot predict if an EPA will be awarded to the project or we will reach a financial close and successfully develop the wind project.

Major Partner

It is critical for the Company to bring on a major partner with the desire and capacity to further the development of the project and participate in the upcoming BC Hydro call for power that has been scheduled for Spring 2024. The Company is currently in discussions with such a company and is optimistic that with the increasing demand for electricity in BC, and the upcoming BC Hydro power call, that a partnership can be put in place.

However, Oceanic cannot predict if such a partnership can be concluded on acceptable terms.

Capital Resources

Since the sale to Northland, the Company has substantially reduced its activity level and cash expenditures. During the year ended September 30, 2023, the Company completed a private placement issuing 5,000,840 units at $0.05 per unit, raising $238,811, net of $11,231 in stock issuance costs. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant was exercisable at an exercise price of $0.07 for a period of one year from the date of issuance. The private placement closed November 25, 2022.

On November 24, 2023, the company received proceeds from the exercise of 3,300,000 warrants @ $0.07 raising $231,000. The balance of the 1,700,840 outstanding warrants expired on November 25, 2023 unexercised.

To complete its planned business objectives and cover ongoing operational costs, the Company intends to raise additional capital, when necessary, by issuing additional equity and/or borrowing funds.

Wind Resource and Weather

Long-term historical wind data, obtained from Environment Canada at or around the site for the project, along with data received from the Met Mast, indicate this is a world-class, affordable wind resource. However, wind speeds may vary over time and may or may not continue at the historical trend due to changes in weather patterns. The 20 plus years of correlated data indicate the resource may be growing stronger over time, however, this is not assured. During construction, the weather and marine environment at the project site can cause scheduling delays resulting in cost overruns or a delay in the operation start date.

Financial Summary

The following summarizes selected financial information for the three months ended December 31, 2023, 2022 and 2021.

	2023	2022	2021
Loss and comprehensive loss	$86,609	$98,281	$83,272
Loss per common share	$0.00	$0.00	$0.00

The following summarizes the total assets and total liabilities as at December 31, 2023 and September 30, 2023, and 2022.

	December 31, 2023	September 30, 2023	September 30, 2022
Total Assets	$577,002	$36,568	$67,521
Total Liabilities	$1,529,585	$1,133,542	$1,135,378

The loss during the three months ended December 31, 2023 is primarily due to the Company's expenditures on the project and administration, which were expensed in the period incurred. The increase in total assets and total liabilities are related to the $360,000 deposit with National Resources Canada and the related asset retirement obligation which were part of the return of the project ownership and control to Oceanic. Total assets also increased as a result of the $231,000 proceeds from the November 2023 exercise of warrants.

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters. For more detailed information, refer to the financial statements for the applicable periods.

Quarter ended	Revenues - $	Project, general and administrative expenses - $	Net loss (income) - $	Basic and diluted loss (income) per share - $
31-Dec-23	Nil	86,995	86,609	(0.00)
30-Sep-23	Nil	69,605	69,314	(0.00)
30-Jun-23	Nil	83,290	82,741	(0.00)
31-Mar-23	Nil	88,797	87,592	(0.00)
31-Dec-22	Nil	98,281	98,281	(0.00)
30-Sep-22	Nil	111,577	111,577	(0.00)
30-Jun-22	Nil	100,217	100,217	(0.00)
31-Mar-22	Nil	106,836	106,836	(0.00)

The level of expenditures and loss varies from period to period depending on the level of Company activity.

Results of Operations

The Company reported a loss of $86,609 for the three months ended December 31, 2023 compared with a loss of $98,281 for the same period last year. Cash used in operations for the three months ended December 31, 2023 was $63,897 compared to $86,828 for the same period last year.

Project, general and administrative expenses ("PG&A") for the three months ended December 31, 2023 totaled $86,995 (2022 - $98,281) of which $5,681 (2022 – $437) related to public and community relations, $33,831 (2022 - $17,550) related to professional fees, $11,601 (2022 - $25,296) for office and administrative expenses and $414 (2022 - $1,658) related to travel. Compensation expense for the three months ended December 31, 2023, which is also included in PG&A, amounted to $35,238 (2022 - $53,340). Compensation costs were lower due to the difference in the cost of options issued; for the three months ended December 31, 2023 the expense was nil (2022 - $17,500). Office and administration costs were lower due to the fees and costs related to holding an AGM in the first quarter of fiscal 2023. Professional fees were higher due to legal fees related to the return of the project from Northland to Oceanic. Public and community relations are higher due to the engagement of consultants following the return of the project to Oceanic.

Liquidity

As at December 31, 2023, the Company had $208,483 in cash and cash equivalents compared to $35,111 as at September 30, 2023. Working capital, being current assets less current liabilities, as at December 31, 2023 was a deficit of $952,583 as compared to a deficit of $1,096,974 as at September 30, 2023. The increase in cash and the decrease in working capital deficit during the three months ended December 31, 2023 is the result of funds raised from the exercise of warrants net of expenditures related to the ongoing overhead and administration to maintain the Company.

During the three months ended December 31, 2022, the Company completed a private placement issuing 5,000,840 units at $0.05 per unit, raising $238,811, net of $11,231 in stock issuance fees. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant is exercisable at an exercise price of $0.07 for a period of one year from the date of issuance. The private placement closed November 25, 2022. On November 24, 2023, a total of $231,000 was raised from the exercise of 3,300,000 warrants. The remaining 1,700,840 warrants expired on November 25, 2023 unexercised.

To provide near term funding, the Company borrowed $40,000 in April 2020 and $20,000 in December 2020 under the federal government Covid-19 relief program Canadian Emergency Business Assistance ("CEBA"). Subsequent to December 31, 2023, $40,000 was repaid on the loan and $20,000 was forgiven.

As evidenced by the announcement by the Province of BC and BC Hydro, related to a spring 2024 proposed call for power, there is a growing demand for electricity and a growing support for renewable energy. Oceanic is confident that the project in Hecate Strait can play a role in meeting that demand.

The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing. The Company will need to raise funds through grants, strategic collaborations, public or private equity, debt financing, or other funding sources. The funding may not be available on acceptable terms, or at all, and may be dilutive to shareholder interests. If the Company is unable to generate positive cash flows or obtain adequate financing, the Company would need to curtail operations.

Capital Resources

During the year ended September 30, 2023, the Company completed a private placement issuing 5,000,840 units at $0.05 per unit, raising $238,811, net of 11,231 in stock issuance costs. Each unit consisted of one common share in the capital of the Company and one warrant. Each warrant was exercisable at an exercise price of $0.07 for a period of one year from the date of issuance. The private placement closed November 25, 2022. On November 24, 2023, a total of $231,000 was raised from the exercise of 3,300,000 warrants. The remaining 1,700,840 warrants expired unexercised on November 25, 2023. As of the Report Date, the Company had 87,327,896 common shares issued and outstanding.

On October 27, 2022, 1,750,000 stock options were issued to officers and directors at an exercise price of $0.05 and an expiration date of October 26, 2032.

As of the Report Date, the Company had 5,739,474 stock options and nil warrants outstanding.

Description	Exercise Price	Expiry Date	Number Outstanding
Stock Options	$0.095	November 1, 2027	689,474
Stock Options	$0.10	January 24, 2029	400,000
Stock Options	$0.145	September 30, 2030	1,400,000
Stock Options	$0.14	October 24, 2031	1,500,000
Stock Options	$0.05	October 26, 2032	1,750,000

Contingent Liabilities

To preserve cash, the Company entered into agreements with several consultants and the CEO to defer all or a portion of their retainer, fees, or compensation; the payment of which is triggered by a future Success Event. "Success Event" is defined as the point in time at which an agreement has been announced to undertake the first phase of the project, to develop the project(s) on some deferred timeframe or to sell all or part of the Company assets. The agreement to proceed, to develop, or to sell assets may be undertaken by an arms-length third party acceptable to the Board of Oceanic that may or may not be partially owned by Oceanic. In order for the deferred retainers and fees to become payable, the Success Event must provide Oceanic shareholders with a significant increase in share value and further, this event must provide Oceanic with sufficient liquidity to pay the outstanding amounts due. The accumulated amounts have not been accrued due to the uncertainty of the occurrence of a future Success Event. As at December 31, 2023, the remaining unpaid, unaccrued balance of these deferred retainer and fee amounts for consultants is $672,375 (2022 – $672,375).

Related Party Transactions

Key management compensation to the Chief Executive Officer ("CEO"), Chief Financial Officer, and the Board of Directors for the three months ended December 31, 2023 are as follows:

	2023	2022
Wages and benefits	$35,238	$35,840
Share-based	0	17,500
	$35,238	$53,340

On October 27, 2022, 1,750,000 stock options, with a fair value of $70,000, were issued to officers and directors and $17,500 was recorded in compensation expense for the three months ended December 31, 2022 (2023 - $nil).

As at December 31, 2022 the accrued salary payable amount was $40,000 (2022 – $40,000) and accounts payable to related parties was $2,197 (2022 – nil). Subsequent to December 31, 2023, these amounts were paid in full.

Pursuant to a management agreement dated June 15, 2010, as amended January 1, 2016 and September 1, 2020 (the "Management Agreement"), the Company agreed to pay Mr. Michael O'Connor a fee of $8,000 per month, such amount being based on working 800 hours per annum. The agreement provides that Mr. O'Connor shall receive a "Success Bonus" (as defined below) of either (a) $2,000,000 in the event a success event occurs and the sale or disposition of all or substantially all of the assets exceed $30,000,000; or (b) $1,000,000 in the event a success event occurs and the sale or disposition of all or substantially all of the assets are less than $30,000,000. At the election of Mr. O'Connor, the Success Bonus may be paid either in cash or common shares of the Company, provided that, if the Company has insufficient available cash resources to pay in cash, the Success Bonus will be paid in shares. The Company will obtain regulatory approval to the issuance of any common shares in lieu of cash.

The agreement also provides that if the Company is voluntarily, involuntarily wound-up or dissolved prior to the occurrence of a success event, then the Company will, to the extent it has the cash resources following payments to secured creditors (if any) pay Mr. O'Connor $1,000,000 prior to payment of any other unsecured creditors and prior to any distribution of the assets of the Company to its shareholders, provided that Mr. O'Connor acknowledges and agrees that under no circumstances will any shareholder, director or officer of the Company, or any other person, have any obligation to make any investment in or contribution to the Company to fund any payment to Mr. O'Connor. The agreement also provides that the Company may terminate the contract (i) at any time for cause, without notice or pay in lieu of notice and (ii) on 3 months written notice. Mr. O'Connor can terminate the contact: (i) at any time for good reason; or (ii) on 3 months written notice to the Company without good reason; or (iii) at any time within 6 months of a Change of Control.

Upon termination, Mr. O'Connor shall be paid his accrued and unpaid salary up to the date of termination and accrued and unused vacation time as of such termination. Given these provisions in the agreement, the Company has accrued $1,000,000 (2022 - $1,000,000).

Internal Controls and Procedures over Financial Reporting

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the certifying officers (the Chief Executive Officer and Chief Financial Officer) do not make any representations relating to the establishment and maintenance of (a) 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 (b) 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. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Approval

The board of directors of the Company has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com under Oceanic Wind Energy Inc. or at www.oceanicwind.ca.

Dated February 16, 2024 `