

**Abenteuer Resources Corp.
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Vancouver, British Columbia, Canada
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007**

FORM 51-102F1

Date of Report

April 25, 2008

Overall Performance

Abenteuer Resources Corp ("the Company" or "Abenteuer") is a Canadian junior oil and gas company incorporated under the laws of Alberta, with its offices in Vancouver and its shares listed for trading on the TSX Venture Exchange under the symbol ABU. The Company is engaged primarily in exploration for, and production of, petroleum and natural gas reserves in a single cost center, being the Western Canadian Sedimentary Basin. As of the date of this report, the Company's core area of interest is in South Eastern Saskatchewan, which is an area of primarily low risk oil development.

Management is actively looking for additional oil and gas projects in North America and elsewhere. Management has experience evaluating and financing oil and gas projects and anticipates expanding the Company's activities in the near future, particularly through additional exploration, on the parts of the properties, which it currently has under control.

The world price of oil does not translate fully down to the well head, as much of the advertised value of a barrel of oil is controlled by speculators and is caused by the declining price of the US dollar in relation to other currencies; however, there has been a reasonable increase to producers. The Company is facing declining production from its existing wells and ever increasing salt water content in the flow being pumped; but the increase paid per barrel has partially compensated for lost volume.

Critical Accounting Estimates

The Company's accounting policies are presented in note 2 of the accompanying financial statements. The preparation of financial statements in accordance with generally accepted accounting principles requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include:

- the carrying values of property and equipment;
- the valuation of stock-based compensation expense;
- the depletion and amortization of property and equipment; and
- accruals based on the terms of existing joint venture agreements

Key Accounting Policies

a) Revenue Recognition

Revenues associated with sales of petroleum and natural gas and all other items are recorded when reserves are produced and delivered to the purchaser. Oil revenues are net of royalties and Saskatchewan freehold royalty taxes.

b) Future Income Tax

Future income tax assets are not recorded for the above tax loss carry-forwards due to complete uncertainty of their recovery. The tax losses may be subject to audit and adjustment by tax authorities as well as other regulations.

c) Petroleum and Natural Gas Properties and Production Equipment

Capitalized costs

The Company follows the full-cost method of accounting for oil and gas activities whereby all costs associated with the acquisition of, the exploration for and the development of oil and gas reserves relating to the exploration for and development of oil and natural gas reserves, whether productive or unproductive, are capitalized. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling of productive and non-productive wells, production and gathering equipment and facilities, carrying costs directly related to unproved properties, corporate costs directly related to acquisition. The carrying value, based on a ceiling test calculation, is limited to a recoverable amount as determined by estimating the present value of future net revenue from proven properties based on forecast prices, costs and the value of unproven properties at the lower of cost and net realizable value.

The costs (including exploratory dry holes) related to cost centres from which there has been no commercial production are not subject to depletion until commercial production commences.

Proceeds from disposal of properties are normally applied as a reduction of the costs of the remaining assets unless the disposal would alter the rate of depletion by more than 20%, in which case a gain or loss on disposal is recorded.

Depletion and depreciation

Capitalized costs are depleted and depreciated using the unit of production method based on gross proved reserves of petroleum and natural gas as determined by independent engineers. For purposes of this calculation, oil and natural gas reserves are converted to a common unit of measurement on the basis that six thousand cubic feet of gas equates to one barrel of oil. In determining its depletion base, the Company includes estimated future costs to be incurred in developing proved reserves and excludes estimated salvage values and the cost of unproved properties. Costs of acquiring and evaluating unproved properties are excluded from the depletion base until it is determined whether proved reserves are attributable to the properties or impairment occurs. Unproved properties are assessed for impairment at least annually.

Ceiling Test

Impairment is determined when the carrying amount of property and equipment exceeds the sum of the undiscounted cash flows expected to result from the Company's proved reserves (determined pursuant to evaluation by independent engineers as dictated by National Instrument 51-101), based on future pricing. If the carrying value is impaired, the amount of impairment is measured by comparing the carrying amounts of property and equipment to an amount equal to the estimated net present value of future cash flows from proved plus probable reserves. This calculation incorporates risks and uncertainties in the expected future cash flows that are discounted using a risk-free rate. Any excess carrying value above the net present value of the future cash flows would be recorded as a permanent impairment and the cost centre is written down to its fair value. The Company applies this test at least annually or more frequently as events or circumstances dictate.

Joint Interests

Substantially all of the exploration, development and production activities of the Company are conducted jointly with others and, accordingly, the financial statements reflect only the Company's proportionate interest in such activities.

d) Asset Retirement Obligations ("ARO")

The Company recognizes the estimated liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the asset is acquired and the liability is incurred. The estimated fair value of the ARO liability is recorded as a long term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a unit-of-production method over the life of the proved reserves. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. Differences between the actual costs incurred and the fair value of the liability recorded are recognized in earnings in the period incurred.

Changes in Accounting Policies

The Company has adopted the following CICA guidelines effective January 1, 2007:

- I. Section 3855 - Financial Instruments - Recognition and Measurement. Section 3855 requires that all financial assets, except those classified as held to maturity, and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at amortised cost. Investments classified as available for sale are reported at fair market value based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss.

In accordance with this new standard, the Company has classified its cash and equivalents and short-term investments as available for sale. Amounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities. Derivatives embedded in other financial instruments must be separated and measured at fair value. The Company has not identified any embedded derivatives in any of its instruments

- II. Section 1530 - Comprehensive Income. Comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as unrealized gains or losses on available-for-sale investments.
- III. Transition adjustment to opening balance: The adoption of Sections 1530 and 3855 has not impacted the opening equity and losses of the Company.

Future accounting pronouncements

In December 2006, the CICA issued three new accounting standards: Section 1535, Capital Disclosures; Section 3862, Financial Instruments – Disclosures; and Section 3863, Financial Instruments – Presentation. These new standards will be effective for the Company for the quarter beginning January 1, 2008.

Section 1535 establishes disclosure requirements regarding an entity's capital and how it is managed. The purpose will be to enable users of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

Section 3862 and 3863 will replace Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements and carrying forward unchanged its presentation requirements. These new sections will place increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (IFRS) over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

Oil and Gas Properties

West Kingsford, Saskatchewan – Oil

During the year ended December 31, 2007, the Company continued to operate its oil and gas interests in the West Kingsford area of Saskatchewan in conjunction with its joint venture operating partners.

Production

During the year ended December 31, 2007, the Company produced 10,695 barrels (1,700 cubic meters) of oil from its West Kingsford properties. During the year ended December 31, 2006, the Company produced 13,410 barrels (2,132 cubic meters) of oil from West Kingsford. The decreased in production was a result of the Company's divestiture of a well to its joint venture partner the previous year.

The average price, net of royalties, received for oil was \$51.84 per barrel (\$326.13 per cubic meter) during 2007 and \$46.41 per barrel (\$291.92 per cubic meter) during 2006.

Results of Operations

Oil revenues, net of royalties and taxes, for the year ended December 31, 2007 decreased from \$622,354 during the year ended December 31, 2006 to \$548,469 during the year ended December 31, 2007 due to an decrease in sales volume. The decreased sales volume was a result of the Company's divestiture of a well to its joint venture partner the previous year. The Company's interest income decreased from \$7,424 during the year ended December 31, 2006 to \$5,945 for the year ended December 31, 2007 as a result of lower average cash balances.

Expenses for the year ended December 31, 2007 decreased to \$594,185 from \$655,126 during the year ended December 31, 2006. The decrease can be attributed mainly to lower production volumes that resulted in a decrease in operating expenses, as well as lower general and administrative expenses.

A significant part of the Operating Expenses is comprised of: royalties and haulage, which is heavily impacted by the constant increases in fuel.

Administrative expenses are in large measure made up of management fees, professional fees and office rent.

Selected Annual Information

The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles, is derived from the Company's audited financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

	Year ended		
	December 31, 2007	December 31, 2006	December 31, 2005
Petroleum and natural gas sales, net	\$ 548,469	\$ 622,354	\$ 351,087
Interest income	5,945	7,424	1,803
Disposal gains	--	--	--
Expenses, excluding property write-offs	(594,185)	(655,126)	(586,939)
Future income tax recovery	182,600	--	--
Net profit (loss)	142,829	(25,348)	(235,666)
Disposal losses	--	--	(1,617)
Net earnings (loss) per share (basic & diluted)	0.01	(0.00)	(0.04)
Total assets	2,076,309	2,037,764	1,302,093
Total long-term liabilities	75,043	71,469	76,440
Cash dividends	--	--	--

Selected Quarterly Information

The following table summarized the results of operations for the eight most recent quarters.

	Three months ended			
	December 31 2007	September 30 2007	June 30 2007	March 31 2007 (restated)
Petroleum and natural gas sales, net	\$ 151,509	\$ 128,234	\$ 139,085	\$ 129,641
Interest income	1,257	854	885	2,949
Expenses, excluding property write-offs	(272,996)	(109,558)	(119,208)	(92,423)
Future income tax recovery	--	--	--	182,600
Net income (loss)	(120,230)	19,530	20,762	222,767
Net income (loss) per share and diluted gain (loss) per share	(0.01)	0.02	(0.02)	0.02

	Three months ended			
	December 31 2006	September 30 2006	June 30 2006	March 31 2006
Petroleum and natural gas sales, net	\$ 199,807	\$ 170,585	\$ 173,407	\$ 78,555
Interest income	1,482	3,501	2,272	169
Expenses, excluding property write-offs	120,870	(244,701)	(330,716)	(200,579)
Net income (loss)	322,159	(70,616)	(155,037)	(121,855)
Net income(loss) per share and diluted Gain (loss) per share	0.03	(0.01)	(0.01)	(0.01)

Expenses include operating, general and administrative, depletion, accretion and amortization, and stock based compensation. Revenue increased in the fourth quarter due to the increased price of oil.

The recovery of expenses in the fourth quarter of 2006 related to over charges for depletion, amortization and accretion during the first three quarters of the year.

The results for the first quarter of 2007 have been restated to reflect the future income tax recovery generated by the renunciation of the tax benefits of flow-through share expenditures to the shareholders and the ability of the Company to utilize its tax pools, which had been subject to full valuation allowance, to offset the future tax liability.

Expenses for the fourth quarter of 2007 were higher than the prior quarters due to \$76,832 of stock-based compensation during the quarter and accrual of the annual audit.

Share Capital, Stock Options and Share Purchase Warrants

The authorized share capital of the Company consists of an unlimited number of voting shares with out nominal or par value and an unlimited number of preferred shares with out nominal or par value. As of December 31, 2007, outstanding share capital of the Company consisted of 10,733,266 voting shares with a book value, net of share issue costs, of \$1,829,228.

No preferred shares have been issued.

On March 9, 2007 1,317,333 ordinary and 105,387 broker share purchase warrants, which were fair valued at \$79,012 and exercisable at \$0.40 per share, expired.

On November 21, 2007, 100,000 Director options that were exercisable at \$0.30 until August 1st, 2008 were canceled.

On November 21, 2007, 1,100,000 Director options that are exercisable at \$0.20 until November 21st, 2010 were issued.

Liquidity

The Company's cash and cash equivalents decreased by \$237,282, mainly due to the investment of \$450,000 into a one-year government guaranteed investment certificate. Working capital improved from \$475,763 at December 31, 2006 to \$664,559 at December 31, 2007.

The significant improvement in the Company's working capital position can be attributed to three factors: a) the price of oil has increased significantly during 2007, b) the Company has not entered into any agreements during 2007 to drill new wells and c) cost reductions.

The liquidity of the Company could be reduced should it be obliged to retire any assets and the amount set aside for asset retirement obligations proves to be insufficient.

Management believes the Company has sufficient financial resources to meet its present obligations as they become due, as well as, to participate in future drilling opportunities.

Outstanding Share Data

Abentuer's authorized capital is unlimited common shares without par value. As at April 23, 2008, there were no changes to the Company's outstanding common shares, options and share purchase warrants as compared to the financial statements at December 31, 2007.

Transaction with Related Parties

During the year the Company paid \$30,000 to J Lewis Dillman, a director and officer of the Company as remuneration for management and administrative services. This was a decrease of \$17,500 from the previous year and resulted from a new contract.

In addition, the Company paid \$14,614 to Steven Sobolewski, who is an officer and director of the Company for legal services. This was a decrease of \$36,609 from the previous year as no public financing occurred.

In addition, the Company paid \$16,174 to Jamie Lewin, who is also an officer and director of the Company for accounting services. This was an increase of \$9,506 over the previous year as the services were rendered over 12 months rather than over 6 months.

In addition, the Company paid \$6,000 to Raymond Fong, who is a director of the Company for management consulting services. This is \$6,000 more than the previous year and results from a management consulting contract signed with Mr. Fong.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Fourth Quarter

Total revenue net of royalties and mineral tax was \$151,509. Interest income was \$1,257. Expenses totaled \$272,996 and resulted in a net income for the fourth quarter of \$67,097, which can be attributed to the accrual of the annual audit, the issue of option based compensation and the change in the discount rate on reserves from 5% to 10% which caused a decrease in the depletion expense for the year. Because of the number of shares outstanding at December 31 2007, net income per share was \$nil for the fourth quarter.

Compliance

The Company has complied with the requirements of NI 51 – 101, in so far as they pertain to a junior venture oil Company involved in joint venture projects and especially where they pertain to an Expert Reserves Evaluator.

Forward Looking Statements

Forward looking statements are statements that are not historical facts and are generally , but not always identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or that events or conditions “will”, “may”, “could” or “should” occur. , The information contained herein may contain forward looking statements including expectations of future production, cash flows or earnings. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. Factors that could cause the actual results to differ materially from those in forward-looking statements, but are not limited to: the risk associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The foregoing list of assumptions is not exhaustive. Additional information on these and other factors that could affect the Company’s operations or financial results are included in the Company’s reports on file with Canadian securities regulatory authorities. Events or circumstances could cause results to differ materially.

Officers and Directors

J. Lewis Dillman - Director, President
Jamie Lewin - Director, CFO

Raymond Fong -Director
Steven Sobolewski - Secretary

Contact Person

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