



**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER, 2008**

FORM 51-102F1

Date and Subject of Report

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Abentueur Resources Corp. ("Abentueur" or the "Company") for the year ended December, 2008. The MD&A includes comparisons for the corresponding twelve month periods ending December 31, 2007 and December 31, 2008. It should be read in conjunction with the audited financial statements for the year ended December 31, 2008. The MD&A has been prepared effective April 22 2008.

The following information has been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). All financial results are reported in Canadian dollars and production numbers are net. The information contained herein may contain forward looking statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward looking information. Additional information relating to the Company can be found on the SEDAR website at www.sedar.com or on the company's website at www.abuoil.com.

Description of Business and Review

Abentueur Resources Corp ("the Company" or "Abentueur") 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. Two horizontal locations are under consideration.

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.

Oil and Gas Properties

West Kingsford, Saskatchewan – Oil

During the year ended December 31, 2008, 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.



It has working interests in five wells in south east Saskatchewan. Two of these are horizontal wells (HZ).

| Well | % | Well | % |
|---|-------|-------------------------------|------|
| King 141/08-13-004-07 W2M | 45.09 | King 4D8-14/2A11-13-004-07 W2 | 10.5 |
| King 91/06 HZ 1D08-13-1D06-18-04-06 W2M | 13 | King 03-27-004-07 W2 | 100 |
| King 92/07 HZ 2C5-18-1D7-13-04-07 W2M | 45 | | |

Production During 2008

| Well | December 31, 2008 | December 31, 2007 |
|---|-------------------|-------------------|
| King 141/08-13-004-07 W2M | 181.4 | 213.67 |
| King 91/06 HZ 1D08-13-1D06-18-04-06 W2M | 109.88 | 67.13 |
| King 92/07 HZ 2C5-18-1D7-13-04-07 W2M | 372.8 | 366.1 |
| King 4D8-14/2A11-13-004-07 W2 | 288.1 | 558.4 |
| King 03-27-004-07 W2 | 431.5 | 494.7 |
| | | |
| Year Total in cubic meters | 1,384 | 1,700 |
| Year Total in barrels | 8,703 | 10,695 |
| Barrels per day | 23.8 | 29.3 |

The average price, net of royalties, received for oil was \$83.50 per barrel (\$525.09 per cubic meter) during the year ended December 31st 2008 and \$51.84 per barrel (\$326.13 per cubic meter) during the year ended December 31st 2007.

Results of Operations

Oil revenues, net of royalties and taxes, for the year ended December 31st, 2008 increased from \$548,469 during the year ended December 31st, 2007 to \$726,726 during the year ended December 31st, 2008 due to the increase in the price paid for production offsetting the decline in production. The Company's interest income increased from \$5,945 during the year ended December 31st, 2007 to \$22,556 for the year ended December 31st, 2008. Increase in revenue on investment is the result of management investing surplus cash in a bank GIC.

Expenses for the year ended December 31st, 2008 decreased to \$512,257 from \$594,185 during the year ended December 31st, 2007. The decrease can be attributed mainly to lower production volumes, which resulted in a decrease in depletion costs.

Administrative expenses are in large measure made up of management fees, professional fees and office rent. They have increased from \$174,522 in 2007 to \$215,118 in 2008. This is mainly due to: an increase in office rent, the payment of Director's fees, purchase of O&M insurance, an increase in the audit accrual and the accrual of an amount for the preparation of taxes.

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, 2008 | December 31, 2007 | December 31, 2006 |
| Petroleum and natural gas sales, net | \$ 726,727 | \$ 548,469 | \$ 622,354 |
| Interest income | 22,556 | 5,945 | 7,424 |
| Expenses, excluding property write-offs | (574,272) | (594,185) | (655,126) |
| Income tax (expense) recovery | (62,015) | 182,600 | -- |
| Net income (loss) | 175,011 | 142,829 | (25,348) |
| Disposal losses | -- | -- | -- |
| Net earnings (loss) per share (basic and diluted) | 0.02 | 0.01 | (0.00) |
| Total assets | 2,340,281 | 2,076,309 | 2,037,764 |
| Total long-term liabilities | 78,795 | 75,043 | 71,469 |
| Cash dividends | -- | -- | -- |

Selected Quarterly Information

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

| | Three months ended | | | |
|---|---------------------|----------------------|-----------------|------------------|
| | December 31 2008 | September 30 2008 | June 30 2008 | March 31 2008 |
| Petroleum and natural gas sales, net | \$86,407 | \$198,597 | \$ 203,410 | \$ 238,313 |
| Interest income | 673 | 1,391 | 18,552 | 1,940 |
| Expenses, excluding property write-offs | (157,919) | (106,699) | (152,051) | (95,588) |
| Income tax recovery (expense) | (67,907) | -- | -- | -- |
| Net income (loss) | (138,744) | 93,289 | 69,910 | 144,665 |
| Net earnings (loss) per share and diluted earnings (loss) per share | (0.01) | 0.01 | 0.01 | 0.01 |

| | Three months ended | | | |
|---|---------------------|----------------------|-----------------|--------------------------------|
| | December 31 2007 | September 30 2007 | June 30 2007 | March 31 2007 (restated) |
| Petroleum and natural gas sales, net | \$ 151,529 | \$ 128,234 | \$ 139,065 | 129,641 |
| Interest income | 1,257 | 854 | 885 | 2,949 |
| Expenses, excluding property write-offs | (191,067) | (109,558) | (119,209) | (92,423) |
| Income tax recovery (expense) | - | - | - | 182,600 |
| Net income (loss) | (120,229) | 19,530 | 20,761 | 222,767 |
| Net earnings (loss) per share and diluted earnings (loss) per share | (0.01) | 0.00 | 0.00 | 0.02 |



Fourth Quarter

Total revenue net of all royalties and mineral tax was \$86,407. Interest income was \$673. Expenses totalled \$157,919 and resulted in a net loss for the fourth quarter of (\$138,744). The loss for the quarter can be attributed to a drop in the average price of oil and a decline in production for the quarter, as well as to the accrual of the annual audit, income tax preparation, the issue of option based compensation and the purchase of O&M insurance.

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

Liquidity

The Company's cash and cash equivalents increased by \$407,108 mainly due to the increase in the price received for oil sales. This would have been higher had the increased price received for oil sales been maintained until year end. Working capital improved from \$692,235 at December 31st, 2007 to \$1,051,289 at December 31st, 2008.

The significant improvement in the Company's working capital position can be attributed to the fact that the price of oil spiked significantly during 2008.

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.

Securities Issued During the Period

During the year ended December 2008, the Company issued no additional securities

Capital Stock and Options

Authorized unlimited common shares without par value
 Issued and outstanding as at December 31st, 2008 10,733,266

Schedule of options outstanding as at December 31st, 2008:

| | Number of Shares | Exercise Price | Expiry Date |
|---------------------------|---------------------|-------------------|------------------|
| Balance December 31, 2007 | <u>1,000,000</u> | <u>\$ 0.20</u> | November 2010 |
| Options canceled | (300,000) | \$ 0.20 | November 2010 |
| Options granted | <u>300,000</u> | <u>\$ 0.10</u> | December 2011 |
| Balance December 31, 2008 | <u>1,000,000</u> | <u>\$ 0.17</u> | Weighted Average |



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 the same as the previous year.

In addition, the Company paid \$16,988 to Jamie Lewin, who is also an officer and director of the Company for accounting services.

In addition, the Company paid \$7,000 to Raymond Fong, who is a director of the Company for management consulting services.

In addition, the Company paid \$11,661 to Steven Sobolewski, who is an officer of the Company for legal fees.

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.

In addition to the normal course of operations transactions, mentioned previously, the Company also paid monthly Directors' Fees, of \$1,000 per month, commencing in December 2008 to each of the following Directors: J. Lewis Dillman, Jamie A Lewin, David Parry, Sean McGrath and Stephen Polakoff.

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) 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 unproved properties at the lower of cost and net realizable value.

The costs (including exploratory dry holes) related to cost centers 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.

Change in accounting policies

Effective January 1, 2008 the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA).

Capital disclosures

CICA Section 1535, “Capital Disclosures” establishes disclosure requirements regarding an entity’s capital and how it is managed. The purpose is to enable users of the financial statements to evaluate the entity’s objectives, policies and processes for managing capital. This new requirement is for disclosure purposes only and upon adoption did not impact the financial results of the Company.

Financial instruments – disclosure and presentation

CICA Section 3862, “Financial Instruments – Disclosure”, and 3863 “Financial Instruments – Presentation”, which superseded Handbook Section 3861, “Financial Instruments – Disclosure and Presentation”, Section 3862 requires enhanced disclosure on the nature and extent of financial instrument risks and how an entity manages those risks. Section 3863 carries forward the existing presentation requirement and provides additional guidance for the classification of financial instruments. This new requirement is for disclosure only and upon adoption did not impact the financial results of the Company



International Financial Reporting Standards (“IFRS”)

In 2008, the Canadian Accounting Standards Board announced that January 1, 2011 will be the changeover date for Canadian publically-accountable enterprises to report their financial results using IFRS.

As a result of these regulatory developments, the Company has developed an IFRS changeover plan to identify and implement the necessary changes to be able to report using the new standards. The plan includes consideration of the impacts of IFRS on the Company’s financial statements, information systems and business activities.

The Company has completed an initial high level assessment to identify the impacts of adopting IFRS. This assessment included the impacts to the Company’s financial results and position, business activities, including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls. The Company is commencing a more detailed assessment and implementing a new management reporting system, to assist in the full adoption of IFRS.

The initial high level assessment has not fully considered the question of impairment of asset carrying values, as the economic parameters at transition date needed to assess the fair value of operating and development projects are not known at the present time.

Subject to this, the Company’s initial high level assessment did not identify any material changes to financial results or financial position arising from the conversion to IFRS; however, the detailed assessment process is ongoing. There will be required changes to certain accounting policies and practices and upon further assessment these changes may result in material changes to financial results or financial position. Additionally, it is expected that the amount of required financial statement disclosure will increase.

Officers and Directors

J. Lewis Dillman - Director, President
Jamie Lewin - Director, CFO
David Parry –Director
Sean McGrath-Director
Stephen Polakoff - Director
Steven Sobolewski - Secretary

Contact Person

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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.