

**Abenteuer Resources Corp.
3270 450 1st ST. SW
Calgary, Alberta, Canada
T2P 5H1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2004**

Date and Subject of this Report

This Report, made as of May 31, 2004, is integral to and should be read in conjunction with the Company's unaudited financial statements for the three month period ended March 31, 2004 and the Company's audited financial statements for the year ended December 31, 2003. The foregoing documents and additional information relating to the Company are available for viewing at www.sedar.com.

Description of Business

Abenteuer Resources Corp. (The Company, Abeteuer) is a Canadian junior oil and gas company with its offices in Calgary and shares listed for trading on the TSX Venture exchange under the symbol ABU. Abenteuer 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. The following is a brief description of the Company's properties.

Chime, Alberta - Natural Gas

During 2003 Abenteuer Resources Corp. participated in drilling and completing three wells in Kakwa area, Alberta Deep Basin. Two wells, operated by Cinch Energy Corp., were tied- in and put on production in second half of December. Abenteuer has working interest of 6.15% in one well and 4.09% in the other.

The Infiniti operated Chime 7-31 well, in which Abenteuer has a working interest of 4%, was returned to production on December 24, 2003, after being taken off line at the beginning of December to complete an uphole gas zone. Additional production will be commingled with production from the deeper Falher zone, which has already produced 700 MMSCF (raw) of gas since it was placed on production in December 2002. As part of this completion operation a liner was run over corroded vintage uphole casing, providing improved integrity for long term production. Abenteuer has working interests up to 8% in 63 contiguous sections of natural gas prospective lands in the Chime/Kakwa Deep Basin Area of Alberta.

During the quarter ended March 31, 2004, the Company farmed out its interest in a well at Chime and will receive an override on production which is currently being tested.

West Kingsford, Saskatchewan - Oil

The Company owns a 20% working interest in a horizontal well, battery and disposal well. During the first quarter of 2003, the Company participated in the drilling of a second horizontal well with a working interest of 26%. The well is producing approx 15 barrels of oil per day and is unlikely to reach payout.

Production

During the quarter ended March 31, 2004, the Company produced an average of 14 barrels of oil and Natural Gas Liquids per day compared to 17 barrels of oil and NGL's per day during the same quarter in 2003 and 127 MCF of gas per day compared to 106.1 MCF of gas per day during the same quarter in 2003.

The average price received for the oil was \$40.59 per barrel during the first quarter of 2004 compared to \$45.85 per barrel per barrel during the same quarter in 2003.

The average price received for natural gas was \$6.23 per MCF during the first quarter of 2004 compared to \$7.62 per MCF during the same quarter in 2003.

Operating Results

Revenue

Revenue after royalty deductions \$81,585, for the quarter ended March 31, 2004 was lower than \$101,454 in the same quarter in 2003 due primarily to lower prices and oil volumes partially offset by higher gas volumes.

Operating Expense

Operating expenses increased to \$20,056 for the quarter ended March 31, 2004 from \$16,841 in the same quarter in 2003 as a result of more wells on production in Saskatchewan and Alberta.

Corporate Administration and Interest Expense

General Administrative and Interest Expenses increased to \$31,002 for the quarter ended March 31, 2004 from \$23,674 in the same quarter in 2003 primarily as a result of interest paid on a bank loan.

ABENTEUER RESOURCES CORP. SUMMARY OF QUARTERLY RESULTS

	<u>30-Jun-02</u>	<u>30-Sep-02</u>	<u>31-Dec-02</u>	<u>31-Mar-03</u>
Net Income (Loss)	13,786	12,913	6,253	40,587
Basic Earning (Loss) per common share	0.00	0.00	0.01	0.01
	<u>30-Jun-03</u>	<u>30-Sep-03</u>	<u>31-Dec-03</u>	<u>31-Mar-04</u>
Net Income (Loss)	-11,885	5,567	-24,974	-46,876
Basic Earning (Loss) per common share	0.00	0.00	-0.01	-0.01

Financial Condition, Liquidity and Capital Resources

The Company had cash on hand of \$6,296 and a working capital deficiency of \$583,286 at March 31, 2004. The Company may require additional capital to meet all of its current and expected future obligations. As a consequence, the Company may sell assets or issue securities, including equity securities, at some time in the future. There is no assurance that the Company will successfully secure the required capital by such means or through operations.

Capital, Stock, Stock Options And Warrants

Authorized:

Unlimited number of voting common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

Issued and outstanding as at March 31, 2004:

6,040,000 common shares

Options Outstanding as at March 31, 2004:

490,000	\$0.25	Expiry 2006
40,000	\$0.40	Expiry 2008

FORWARD LOOKING STATEMENTS

The information herein may contain forward-looking statements including expectations of future production, cash flow 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. These risks include, but are not limited to: the risks 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 reserve 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. Additional information on these and other factors that could affect the Corporation's operations or financial results are included in the Corporation's reports on file with Canadian securities regulatory authorities

Directors and Officers

Raymond Fong President, Director
Ostap Haliw Director
W. Robert Bell Secretary, Director

Contact Person

Ramond Fong, President
3270, 450 – 1st Street SW
Calgary, AB T2P 5H1
Tel: 403-514-9998
Fax: 403-514-9995

