

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 QUARTER ENDED MARCH 31, 2005

FORM 51-102F1

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's annual audited financial statements for the year ended March 31, 2005.

Date of Report

May 25, 2005

Overall Performance

The Company 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 acquisitions.

Oil and Gas Properties

West Kingsford, Saskatchewan – Oil

The Company owns a 20% working interest in a horizontal well, battery and disposal well that provided the majority of the net production revenue during the previous two years. During the first quarter of 2003, the Company participated in the drilling of a second horizontal well with a working interest of 26%.

Effective April 1, 2004, the Company purchased an additional 12% working interest in the second horizontal well, which increased their interest from 26% to 38%.

Effective January 28, 2005, the Company entered into an agreement with Stealth Ventures Ltd. ("Stealth") to purchase additional petroleum and natural gas rights, tangibles and interests of oil and gas rights in the West Kingsford area for \$220,000 plus GST of \$3,080 on the tangibles. The Company has acquired varying interests ranging from 10% to 22% of production held freehold gas leases. This includes two producing horizontal wells, one disposal well and two batteries. As a result, the Company has increased its existing interest in its current production base and anticipates assuming operations of at least one of the batteries. Stealth has one director in common with the Company.

Based on production reports for April, 2005, the West Kingsford property is now producing 22 barrels (3.5 cubic meters) of oil per day. Production during the quarter ended March 31, 2004 amounted to 12.2 barrels (1.95 cubic meters) per day.

In April, 2005, the Company paid \$41,040, including GST and PST to upgrade its battery equipment at West Kingsford.

Chime, Alberta – Natural Gas

On September 1, 2004 the Company sold its interests in the Chime-Kakwa area of the Alberta Deep basin to Hillcrest Investments for \$1,150,000, realizing a disposal gain of \$133,950.

Production

During the quarter ended March 31, 2005, the Company produced an average of 19.06 barrels of oil per day compared to 14 barrels of oil and Natural Gas Liquids per day during the same quarter in 2004 and Nil MCF of natural gas per day compared to 106.1 MCF per day in 2004.

The average price received for oil was \$50.34 per barrel compared to \$40.59 per barrel during the same quarter in 2004. The average price received for natural gas was \$Nil per MCF compared to \$6.23 during the same quarter in 2004.

Results of Operations

Revenues after royalty deductions for the quarter ended March 31, 2005 decreased from \$81,585 for the quarter ended March 31, 2004 to \$38,345, a decrease of \$43,240 primarily due to the August 2004 sale of the Chime-Kakwa project.

The Company reported a net loss of \$39,803 or \$0.01 per share for the quarter ended March 31, 2005 compared to \$46,876 or \$0.01 per share during the same quarter in 2004 primarily due to a decrease of \$54,158 in depletion amortization and accretion charged to of the Chime-Kakwa project, offset by an increase of \$22,632 in administration costs.

Expenses for the quarter ended March 31, 2004 decreased from \$128,461 for the quarter ended March 31, 2004 to \$78,148. The decrease was as a result of the above noted decrease in depletion, amortization and accretion from \$77,403 for the quarter ended March 31, 2004 to \$23,245, a decrease in interest expense of \$11,116 and a recovery of \$17,796 of bad debts provided at December 31, 2004, offset by an increase in administration costs.

Administrative costs increased by \$22,632 from \$19,886 for the quarter ended March 31, 2004 to \$42,518 primarily as a result of moving head office operations from Calgary to Vancouver.

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.

	Year ended		
	December 31, 2004	December 31, 2003	December 31, 2002
Total revenues	298,403	304,310	164,876
Interest income	7,686	--	--
Disposal gains	133,950	--	--
General and administration (excluding property write-offs)	560,040	294,040	135,782
Net income (loss)	(120,001)	10,270	29,094
Net income (loss) per share	(0.02)	0.00	0.01
Total assets	991,391	1,730,009	783,152
Total long-term liabilities	19,300	22,100	1,600
Cash dividends	--	--	--

Selected Quarterly Information

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

	Three months ended			
	March 31 2005	December 31 2004	Sept 30 2004	June 30 2004
Total revenues	38,345	108,588	23,452	84,778
Interest income	--	7,686	--	--
Disposal gains	--	133,950	--	--
General and administration (excluding property write-offs)	78,148	229,329	82,625	119,625
Net income (loss)	(39,803)	(188,105)	149,827	(34,847)
Net income (loss) per share	(0.01)	(0.03)	0.025	(0.01)

	Three months ended			
	March 31 2004	December 31 2003	Sept 30 2003	June 30 2003
Total revenues	81,585	71,188	66,463	65,205
General and administration (excluding property write-offs)	128,461	95,187	60,896	77,090
Net income(loss)	(46,876)	(23,999)	5,567	(11,885)
Net income(loss) per share	(0.01)	(0.01)	0.00	(0.00)

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 unlimited number of preferred shares with out nominal or par value. The outstanding share capital of the Company consists of 6,040,000 voting shares. No preferred shares have been issued.

There are 570,000 stock options exercisable at \$0.15 per share until December 15, 2006. In addition there are 700,000 share purchase warrants outstanding, exercisable at \$0.75 expiring July 9, 2005.

Liquidity

The Company's cash and working capital declined from \$544,788 and \$541,363, respectively, at December 31, 2004 to \$276,519 and \$304,805, respectively, at March 31, 2005. The January , 2005 acquisition of the additional West Kingsford interest was the major contributor to these declines.

The average cash flow from West Kingsford is approximately \$29,000 (\$17,300 net of royalties) per month and management believes the Company has sufficient financial resources to meet its present obligations as they become due.

Officers and Directors

J. Lewis Dillman - Director, President and Chief Executive Officer
Raymond Fong -Director
Ostap Haliw - Director
Steven Sobolewski - Secretary
Gerald D. Lamont - Chief Financial Officer

Forward Looking Statements

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. These risks include, 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. 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.

Contact Person

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