

**Abenteuer Resources Corp.
900 – 555 Burrard Street
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, 2006**

FORM 51-102F1

Date of Report

May 29, 2006

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.

This Management and Discussion Analysis should be read in connection with those that accompanied the Company's Annual General Report for December 31, 2005.

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

During the quarter ended March 31, 2006, the Company participated in the drilling of a horizontal well. The Company's share of the cost to drill and complete the well amounted to \$450,000. The cost to equip the well, which is in production, amounted to \$88,000.

In addition, the Company is participating in the drilling of a lease-line horizontal well at a cost of \$73,500. Drilling is expected to commence before June 30, 2006. The Company has also engaged in major upgrades to tank battery facilities and pipe line development for a total estimated cost of \$342,600. The upgrades consist of installing a test separator, two additional oil tanks, an additional water tank, venting current tanks to flame sour tank vapors and installing an injection pump to expand water disposal capacity.

Producton

During the quarter ended March 31, 2006, the Company produced 3,037 barrels (546.5 cubic meters) of oil from its West Kingsford properties. During the quarter ended March 31, 2005, the Company produced 907 barrels (171.4 cubic meters) of oil from West Kingsford.

Results of Operations

Oil revenues, net of royalties and taxes, for the quarter March 31, 2006 increased to \$78,524 for the quarter ended March 31, 2006. from \$38,345 during the quarter ended March 31, 2005, primarily as a result of additional production from new drilling activity and increased oil prices.

Expenses for the quarter ended March 31, 2006 increased to \$200,579 from \$78,148 during the quarter ended March 31, 2005. Expenses include general and administrative, operating and depletion, accretion and amortization.

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, 2005	December 31, 2004	December 31, 2003
Total revenues – <i>net</i>	351,087	298,403	304,310
Interest income	1,803	7,686	--
Disposal gains	--	133,950	--
Expenses (excluding property write-offs)	586,939	560,040	294,040
Net income (loss)	(235,666)	(120,001)	10,270
Disposal losses	1,617	--	--
Net income (loss) per share	(0.04)	(0.02)	--
Total assets	1,302,093	991,391	1,730,009
Total long-term liabilities	76,440	19,300	22,100
Cash dividends	--	--	--

Selected Quarterly Information

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

	Three months ended			
	March 31 2006	December 31 2005	September 30 2005	June 30 2005
Total revenues – <i>net</i>	78,524	113,848	81,426	38,345
Interest income	--	1,803	--	--
Disposal gains	--	--	--	--
Expenses (excluding property write-offs)	200,579	97,947	265,941	78,148
Disposal losses	-	1,617	--	--
Net income (loss)	(121,855)	(27,434)	(184,515)	(39,803)
Net income (loss) per share	--	(--)	(--)	(--)

	Three months ended			
	March 31 2005	December 31 2004	September 30 2004	June 30 2004
Total revenues - <i>net</i>	38,345	108,588	23,452	84,778
Interest income	--	7,686	--	--
Disposal gains	--	133,950	--	--
Expenses (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	(0.010)	(0.030)	0.025	(0.01)

Expenses include general and administrative, operating and depletion, accretion and amortization.

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 March 31, 2006, outstanding share capital of the Company consisted of 10,612,266 voting shares with a book value, net of share issue costs, of \$2,022,068. No shares have been issued since the quarter ending other than the exercise of 20,000 warrants for total proceeds of \$8,000.

No preferred shares have been issued.

There are 570,000 stock options exercisable at \$0.15 per share until December 15, 2006. In addition, as of December 31, 2005, there were 970,000 share purchase warrants exercisable at \$0.40 per share until August 23, 2006 and 220,000 share purchase warrants exercisable at \$0.40 per share until September 12, 2006.

As of the date of this report, there are an additional 1,317,333 share purchase warrants exercisable at \$0.40 per share until March 9, 2007. Accordingly, as of the date of this report, there are a total of 2,507,333 share purchase warrants exercisable at \$0.40 per share on various dates between August 23, 2006 and March 9, 2007.

During the year ended December 31, 2005, the Company entered into a brokered private placement of 1,190,000 units at \$0.25 per unit. Each unit consisted of one common share at \$0.25 per share and one warrant exercisable at \$0.40 per share for a period of one year.

Subsequent to the year end, the Company entered into a brokered private placement consisting of 1,317,333 units at \$0.30 per unit and 1,988,333 flow-through shares at \$0.30 per share. Each unit consists of one common share and one share purchase warrant exercisable at \$0.40 per share for a period of one year. There are no warrants attached to the flow-through shares.

Liquidity

The Company's cash position increased from \$18,526 at December 31, 2005 to \$436,409 as at March 31, 2006 as a result of a financing.

The Company's working capital position decreased from \$137,836 at December 31, 2005 to \$218,271 as at March 31, 2006 as a result of an expansion of capital expenditures. Due to the rapid development of oil field operations in West Kingsford including processing facility upgrades the Company will pursue future financing opportunities in order to improve its working capital position.

Transaction with Related Parties

During the quarter the Company paid \$15,000 to J Lewis Dillman, a director and officer of the company as remuneration for management and administrative services.

In addition, the Company paid \$31,000 to Steven Sobolewski, who is an officer and director of the Company for legal services.

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.

Officers and Directors

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

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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