Abenteuer Resources Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2010

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 Abenteuer Resources Corp. ("Abenteuer" or the "Company") for the three months ended March 31, 2010. The MD&A includes comparisons for the corresponding period ending March 31, 2009. It should be read in conjunction with the financial statements for the three months ended March 31, 2010 and the annual financial statements for the year ended December 31, 2009. The MD&A has been prepared effective May 24, 2010.

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.

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.

Abenteuer Resources Corp.

Description of Business and Review

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**. It's head office may be found at suite 900 – 555 Burrard St., Vancouver, BC V7X 1M8. 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 internationally. Management has experience evaluating and financing oil and gas projects and anticipates expanding the Company's activities through acquisitions and additional wells on its existing properties.

The price of oil has fluctuated during the period, and while it has recovered, it is still low in relation to the same period two years ago. The Company is also facing declining production from its existing wells and ever increasing salt water content in the flow being pumped. In addition, the Company was obliged to shut down one well during the month of March 2010 to perform an upgrade on a battery.

Oil and Gas Properties

West Kingsford, Saskatchewan – Oil

During the three months ended March 31, 2010, the Company continued to operate its oil 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	WI %	#	Well	WI %
1	King 141/08-13-004-07 W2M	45.09	4	King 4D8-14/2A11-13-004-07 W2	10.5
2	King 91/06 HZ 1D08-13-1D06-18-04-06 W2M	13	5	King 03-27-004-07 W2	100
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45			

Production during the three months ended March 31, 2010 and 2009.

Location	Mar. 31, 2010	Mar. 31, 2009
Well # 1	71.3	39.3
Well # 2	19.9	20.6
Well # 3	63.1	62.8
Well # 4	52.4	62.5
Well # 5	66.4[1]	116.6
Quarter Total in cubic meters	273	301.8
Quarter Total in barrels	1,717	1,898.3
Barrels per day	18.86	20.8

The average price, net of royalties, received for oil was $61.37 per barrel ($386.04 per cubic meter) during the three months ended March 31st 2010 and $51.96 per barrel ($326.95 per cubic meter) during the three months ended March 31st 2009.

[1] Well # 5 was shut down during March 2010, due to an upgrade of the battery

Results of Operations

Oil revenues, net of royalties and taxes, increased from $91,365 during the three months ended March 31st, 2009 to $126,897 during the period ended March 31st, 2010 due to a small increase in the price paid for production. The Company's interest and other income decreased from $907 during the three months ended March 31st, 2009 to $170 for the three months ended March 31st, 2010 due to steadily low interest rates being paid on funds on deposit.

Operating expenses for the three months ended March 31st, 2010 decreased to $18,661 from $65,041 during the three months ended March 31st, 2009. The decrease can be attributed to the month long shutdown of the Section 27 well, to perform a required upgrade to the battery. The shut down resulted in no payment of royalties and fees to haul water and oil.

Depletion and amortization for the period has decreased by $7,646 from the same period during 2009 as a result of the shut down of a well.

Administrative expenses are in large measure made up of management fees, professional fees, director's fees and office rent. They have increased from $45,783 in 2009 to $55,764 in 2010. The increase can be attributed to management and director travel.

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, 2009	December 31, 2008	December 31, 2007
Petroleum and natural gas sales, net	$ 415,555	$ 726,727	$ 548,469
Interest & other income	13,323	22,556	5,945
Expenses, excluding property write-offs	(683,844)	(574,272)	(594,185)
Income tax (expense) recovery	(65,526)	(62,015)	182,600
Net income (loss)	(238,846)	169,120	142,829
Disposal losses	--	--	--
Net earnings (loss) per share (basic a diluted)	(0.02)	0.02	0.01
Total assets	2,449,417	2,340,281	2,076,309
Total long-term liabilities	82,729	78,795	75,043
Cash dividends	--	----	--

Selected Quarterly Information

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

	Three months ended			
	Mar. 31 2010	Dec. 31 2009	Sept. 30 2009	June 30 2009
Petroleum and natural gas sales, net	105,389	122,062	104,411	$ 106,504
Interest income	170	---	---	12,415
Expenses, excluding property write-offs	(99,082)	(279,643)	(125,896)	(169,576)
Income tax recovery (expense)	---	65,526	---	---
Net income (loss)	6,477	(145,195)	(21,455)	(63,072)
Net earnings (loss) per share and diluted earnings (loss) per share	0.00	(0.02)	(0.01)	(0.01)

	Three months ended			
	March 31 2009	Dec. 31 2008	Sept. 30 2008	June 30 2008
Petroleum and natural gas sales, net	$82,578	$86,407	$198,597	$ 203,410
Interest income	908	673	1,391	18,552
Expenses, excluding property write-offs	(143,127)	(157,919)	(106,699)	(152,051)
Income tax recovery (expense)	--	(67,907)	--	--
Net income (loss)	(59,642)	(138,744)	93,289	69,910
Net earnings (loss) per share and diluted earnings (loss) per share	(0.01)	(0.01)	0.01	0.01

First Quarter Analysis

Total revenue net of all royalties and mineral tax was $105,389. There was a small amount of interest paid during the quarter. Expenses totaled $99,082 and resulted in net income for the quarter of 6,477. The net income for the first quarter can be attributed to average increase of $10 per barrel paid on production.

Operating expenses were down because of the closure of one well for a month. Depletion was down for the same reason. Administration expenses were up because the investigation of new opportunities..

Liquidity

The Company's cash and cash equivalents decreased by $17,120 from year end 2009. Working capital deteriorated, from $1,270,853 at December 31st, 2009 to $1,265,437 at March 31st, 2010, due mainly to the closure of one well.

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 three months ended March 31st, 2010, the Company issued 25,000 new shares, as a result of an exercise of share purchase warrants.

Capital Stock, Warrants and Options

Capital

Authorized share capital:

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

Issued share capital - common shares:

	Number of Shares	Value
Balance December 31, 2008	10,733,266	$ 1,829,228
Private Placement October 2009	3,850,000	285,000
Issuance costs	-	(8,669)
Balance at December 31, 2009	14,583,266	2,105,559
Issue of shares & exercise of warrants Feb. 2010	25,000	4,381
Balance at March 31, 2010	14,608,266	$ 2,109,940

Warrants

Balance December 31, 2008	Nil	$ Nil
Private Placement October 2009	385,000	100,000
Issuance Costs	-	(2,867)
Balance at December 31, 2009	385,000	97,133
Exercise of warrants Feb. 2010	(25,000)	(631)
Balance March 31, 2010	360,000	$ 96,502

Contributed surplus

Balance December 31, 2008	$ 217,963
Stock-based compensation (Note 9)	26,250
Balance December 31, 2009 and March 31, 2010	$ 244,213

Stock Options

(i) Expiry date

Number of Stock Options	Exercise Price	Expiry Date
700,000	$0.20	Nov. 2010
300,000	$0.10	Dec. 2011
250,000	$0.23	Oct. 2012

(ii) Option Continuity Schedule

	Options Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Grant Date Fair Value	Weighted Average Time to Expiry
Balance Dec. 31, 2007	1,000,000	$0.20	$0.08	2.90 yrs
Expired	(300,000)	$0.20	-	-
Granted	300,000	$0.10	$0.02	3.00 yrs
Balance Dec. 31, 2008	1,000,000	$0.17	$0.07	2.23 yrs
Granted	250,000	$0.23	$0.11	3.00 yrs
Balance Dec. 31, 2009	1,250,000	$0.18	$0.08	1.58 yrs
Balance Mar., 31 2009	1,250,000	$0.18	$0.08	1.50 yrs

Transaction with Related Parties

During the quarter the Company paid $7,500 (2009 - $7,500) to J Lewis Dillman, a director and officer of the Company as remuneration for management and administrative services.

The Company paid $7,060 (2009 - $6,028) to Jamie Lewin, who is a director of the Company for accounting services. The increase over the previous year can be attributed additional time requirements concerning the planned conversion to IFRS accounting standards.

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, to each of the following Directors: Joseph 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 are recorded when reserves are produced and delivered to the purchaser. Oil revenues are net of royalties and Saskatchewan freehold royalty taxes.

b) Petroleum 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 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.

Financial instruments - disclosures
During 2009, CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosures about the inputs to fair value measurement, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value hierarchy are:

Level 1 – Unadjusted quote prices in active markets for identical asset or liability,
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 – Inputs that are not based on observable market data

The Company adopted this amended standard for the year ended December 31, 2009.

Financial Instruments and Other Instruments

The Company has designated its financial instruments as follows:
• Cash is classified as held-for-trading;
• Receivables are classified as loans and receivables;
• Marketable securities are classified as available-for-sale; and
• Accounts payable and accrued liabilities as other financial liabilities.

The Company does not have any derivatives or embedded derivatives or use any hedges to manage various risks.

Financial Instruments – Presentation and Disclosures:

Fair value
Cash and marketable securities are recorded at fair value and are measured using Level 1 (in accordance with Section 3862 of the CICA Handbook). Receivables and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Liquidity risk
The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

Credit risk
The Company limits exposure to credit risk by maintaining the significant majority of its cash with a large chartered Canadian banking institution. The significant majority of receivables are from Fairborne Energy which makes payment on a regular basis. The remaining credit risk in receivables is considered low by management as they consist primarily of amounts owing from government authorities in relation to the refund of goods and services taxes in Canada applying to inputs for qualified expenditures. The Company does not have financial assets that are invested in asset backed commercial paper.

Commodity price risk
The Company monitors commodity prices to determine the appropriate course of action to be taken. However, as the Company has not developed commercial mineral interests, it is not exposed to significant commodity price risk at this time.

Interest rate risk
The Company's interest rate risk arises primarily from the interest received on its cash balances. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. The effect of a one basis point increase or decrease on cash and its impact on net loss is not considered significant. The Company's other financial assets and liabilities are not subject to interest rate risk, as they do not bear interest.

Other Risk Factors
The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, in Central and North America. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

Exploration, Development and Operating Risks
The exploration for and development of oil and gas reserves involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing wells. Major expenses may be required to locate and establish petroleum reserves, to develop processes and to construct battery facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial oil operation. Whether a oil reserve will be commercially viable depends on a number of factors, some of which are: the particular attributes of the reserve, such as quantity and quality of the minerals and proximity to infrastructure; oil prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations.

Oil and gas operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of other producing facilities, damage to life or property, environmental damage and possible legal liability.

Political Stability and Government Regulation Risks
The operations of the Company are currently conducted in North America, as such, the operations of the Company are not exposed to severe uncertainties. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements.

Insurance and Uninsured Risks
The business of the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods. Such occurrences could result in damage to oil properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, , monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers being reasonable, its insurance may not cover all the potential risks associated with the Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

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Officers and Directors

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

Contact Person

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