

Abenteuer Resources Corp.
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MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 audited financial statements for the year ended December 31, 2004.

Date of Report

November 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 originally owned 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 its 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.

Effective April 30, 2005, the Company acquired the interests of its joint partners in the first horizontal well and now holds a 100% interest.

During the three months ended September 30, 2005, the West Kingsford property produced an average of 23 barrels (3.72 cubic meters) of oil per day. Production during the nine months ended September 30, 2005 amounted to 22 barrels (3.49 cubic meters) per day.

Effective August 11, 2005, the Company entered into a participation agreement with Grand Banks Energy Corporation ("Grand Banks") with respect to the drilling of a vertical well. This well was drilled in September, 2005, and is producing approximately 20 barrels (3.20 cubic meters) of oil a day. The Company has a 45.9% net revenue (48% working) interest in this well. The Company's share of the cost to drill, complete and equip the well will be approximately \$310,000.

In November the Company is participating in the drilling of a horizontal well on adjacent lands. The Company has a 13% net revenue (20% working) interest in the well. Due to its proximity to the vertical well, production from that well has been suspended until the horizontal well is completed. The Company's share of the cost to drill this well is \$150,000. Completion and equipping costs are unknown at the present time.

As part of the participation agreement, the Company has sold 50% of its interest in the 8-14-7-W2M battery to Grand Banks for proceeds of \$21,000. The battery will be used to store production from both the vertical and horizontal wells. The Company has the opportunity to participate in the drilling of several more horizontal wells in the area.

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 three months ended September 30, 2005, the Company produced 342.2 cubic meters (2,152 barrels) from its West Kingsford properties.

During the nine months ended September 30, 2005, the Company produced 968.7 cubic meters (6,093 barrels) from its West Kingsford properties.

The average price received for oil was \$365.00 per cubic meter (\$58.03 per barrel).

Results of Operations

Revenues after royalty deductions for the three months ended September 30, 2005 increased from \$98,502 for the three months ended September 30, 2004 to \$114,468.

Revenues after royalty deductions for the nine months ended September 30, 2005 decreased from \$264,585 for the nine months ended September 30, 2004 to \$237,239, a decrease of \$27,346 primarily due to the August 2004 sale of the Chime-Kakwa project offset by higher crude oil prices.

During the three months ended September 30, 2005, the Company reported a net loss of \$27,434 or \$Nil per share compared to net income of 149,827 or \$0.03 per share during the three months ended September 30, 2004 due primarily to a gain realized from the sale of the Chime-Kakwa project during 2004.

During the nine months ended September 30, 2005, the Company reported a net loss of \$251,753 or \$0.04 per share compared to net income of \$68,104 or \$0.01 per share during the nine months ended September 30, 2004 due primarily to a gain realized from the sale of the Chime-Kakwa project during 2004.

Expenses for the three months ended September 30, 2005 were \$244,902 compared to \$86,625 during the three months ended September 30, 2004. The increase was as a result of an increase in depletion and amortization, administration expense offset by a decrease in oil and gas operating costs

Expenses for the nine months ended September 30, 2005 were \$488,992 compared to \$330,711 during the nine months ended Sept 30, 2004. The increase was as a result of an increase in depletion and amortization, administration expense offset by a decrease in oil and gas operating costs.

Depletion and amortization increased by \$22,921 from \$36,283 to \$59,204 during the three months ended September 30, 2004 and 2005, respectively, as a result of the acquisition of additional interests in the West Kingsford wells.

Depletion and amortization increased by \$14,036 from \$185,109 to \$199,145 during the nine months ended September 30, 2004 and 2005, respectively, as a result of the acquisition of additional interests in the West Kingsford wells.

Administration expenses increased by \$105,726 from \$16,641 during the three months ended September 30, 2004 to \$72,972 during the three months ended September 30, 2005. This increase was a result of several factors including moving head office operations from Calgary to Vancouver, investigating potential international opportunities and increased activities to expand the Company's resource property interests.

Administration expenses increased by \$184,689 from 57,921 during the nine months ended September 30, 2004 to \$242,610 during the nine months ended September 30, 2005. This increase was a result of several factors including moving head office operations from Calgary to Vancouver, investigating potential international opportunities and increased activities to expand the Company's resource property interests.

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			
	September 30 2005	June 30 2005	March 31 2004	December 31 2004
Total revenues	117,468	38,426	38,345	108,588
Interest income	--	--	--	7,686
Disposal gains	--	--	--	--
General and administration (excluding property write-offs)	144,902	265,941	78,148	229,329
Net income (loss)	(27,434)	(184,515)	(39,803)	(113,045)
Net income (loss) per share	(--)	(0.03)	(0.01)	(0.02)

	Three months ended			
	September 30 2004	June 30 2004	March 31 2004	December 31 2003
Total revenues	98,502	84,778	81,585	71,188
Disposal gains	133,950	--	--	--
General and administration (excluding property write-offs)	82,625	119,625	128,461	95,187
Net income(loss)	149,827	(34,847)	(46,876)	(23,999)
Net income(loss) per share	0.03	(0.01)	(0.01)	(0.01)

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 September 30, 2005, outstanding share capital of the Company consisted of 7,307,600 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, as of September 30, 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.

Liquidity

The Company's cash and working capital declined from \$544,788 and \$541,363, respectively, at December 31, 2004 to \$178,171 and \$199,246, respectively, at September 30, 2005. The Company has significantly increased its interest in the West Kingsford property and has participated in the drilling of a vertical well and a horizontal well on the property, thus accounting for this decline.

The average cash flow from West Kingsford is \$32,000 (\$26,400 net of royalties) per month. Management believes the Company has sufficient financial resources to meet its present obligations as they become due as well as participate in future drilling operations.

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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