Abenteuer Resources Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2011

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 period ended September 30, 2011. The MD&A includes comparisons for the corresponding period ending September 30, 2010. It should be read in conjunction with the unaudited interim consolidated financial statements for the nine month period ended September 30, 2011 and the audited consolidated financial statements for the year ended December 31, 2010. The MD&A has been prepared effective November 22, 2011.

The following information has been prepared by management in accordance with International Financial Reporting Standards ("IFRS") unless otherwise indicated. All financial results are reported in Canadian dollars and production numbers are net.

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com or the Company's website at www.abuoil.com.

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved.

Forward-looking statements included or incorporated by reference in this document include statements with respect to:

- The Company's acquisition strategy and 2011 revenue expectations as defined in the Company's Business and Review section;
- The Company's expectations of long term future oil prices and its existing reserve valuation; and
- The Company's expectations regarding its ability to raise capital and meet its obligations.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Management believes the primary risk factors have been identified in the Risks and Uncertainties section of this document.
Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the timing of the receipt of required approvals for our operations;
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled labour and staff; and
- our ongoing relations with our employees and with our business/joint venture partners.

We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

DESCRIPTION OF BUSINESS AND REVIEW

Abenteuer is a Canadian junior oil and gas company incorporated under the laws of British Columbia, with its common shares listed for trading on the TSX Venture Exchange under the symbol **ABU**. Its 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. Current operations are focused on the Western Canadian Sedimentary Basin, specifically south eastern Saskatchewan, which is an area of primarily low risk oil development. However, management is actively evaluating additional resource projects in Canada and internationally. The Company expects to complete a significant acquisition in 2011 with a focus on established reserves and near term production.

The price of oil has remained at a very high level despite fluctuations in the market. Despite experiencing declining production from its existing wells and ever increasing salt water content in the flow being pumped, the Company expects oil revenues in 2011 to be consistent with recent years.

OIL AND GAS PROPERTIES

West Kingsford, Saskatchewan – Oil

During the period ended September 30, 2011, 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	45.90	4	King 4D8-14/2A11-13-004-07 W2	10.50
2	King 91/06 HZ 1D08-13-1D06-18-04-06 W2M	13.00	5	King 03-27-004-07 W2	100.00
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45.90			

The Company has initially examined its well interests, and it has determined that it has two cash generating units ("CGUs") based on a shared reservoir, operator and equipment for four of the wells. This will be further reviewed during the year and may result in a different allocation by year-end.

All disclosure of scientific or technical information on the Company's oil properties contained in this Management's Discussion and Analysis is based on information prepared by or under the supervision of the Company's Independent Qualified Reserves Evaluator, E.P. Webb of Citadel Engineering Ltd. The Company filed its most recent annual 51-101F2 Report on Reserves Data as of December 31, 2010 on SEDAR on May 2, 2011.

Production during the period:

Location	September 30, 2011	September 30, 2010
Well # 1	210.5	195.8
Well # 2	71.5	55.0
Well # 3	217.6	177.0
Well # 4	175.0	140.6
Well # 5	231.2	243.6
Period Total in cubic meters	905.8	812.0
Period Total in barrels	5,697	5,107
Barrels per day	21.1	18.9

The average price, net of royalties, received for oil was $58.56 per barrel ($368.41 per cubic meter) during the period ended September 30, 2011 and $59.52 per barrel ($374.80 per cubic meter) during the prior period ended September 30, 2010.

According to the Company's 51-101F2 Report on Reserves Data, the Net Present Value of Future Net Revenue (before Income taxes) and using a 15% discount rate is approximately $2,615,000. The valuation is determined based on estimated future oil prices as follows:

YEAR	OIL $/BBL [1][2]
2011	81.64
2012	83.68
2013	85.77
2014	87.92

(1) Price based upon future forecast product prices for Cromer Medium Crude. Prices shown have been adjusted for API quality.
(2) Prices were escalated at a rate of 1.5% per annum thereafter.

Operating profit for the nine month period ended September 30, 2011:

	Well #1 $	Well #2 $	Well #3 $	Well #4 $	Well #5 $	Total $
Sales	112,958	38,560	117,580	64,187	114,304	447,589
Royalties and tax	16,848	931	17,886	41,485	36,489	113,639
Gross margin	96,110	37,629	99,694	22,702	77,815	333,950
Operating expenses	14,945	6,423	13,044	15,351	66,598	116,361
Operating profit	81,165	31,206	86,650	7,351	11,217	217,589

RESULTS OF OPERATIONS

Current Quarter

Oil revenues, net of royalties and taxes, for the quarter ended September 30, 2011 increased from $108,211 during the prior year period to $130,594. The difference of $22,383 (21%) can be attributed to increased production while oil prices remained steady. The Company's interest and other income decreased from $3,449 during the prior period to $2,098 for the current quarter. The difference of $1,351 is attributable to a smaller short-term investment balance for the Company's excess cash.

Operating expenses for the quarter ended September 30, 2011 increased to $52,983 from $27,876 during the prior period. The $25,107 (90%) increase is a result of increased production and inflation in the current period.

Depletion, accretion and amortization for the period have increased by $2,987 (11%) from $28,290 in 2010 to $31,277 in 2011. This change is attributable to increased production.

General and administrative expenses are in large measure made up of management fees, professional fees, director's fees and office rent. They have increased by $49,013 (124%) from $39,586 in 2010 to $88,599 in 2011. The difference is attributed to additional professional fees associated with corporate and statutory compliance.

There were no costs allocated to property investigation in the current quarter. However, the Company continues to review and evaluate new opportunities in the oil and gas sector.

YTD

Oil revenues, net of royalties and taxes, for the period ended September 30, 2011 increased to $447,589 versus $365,123 in the prior year period. The difference of $82,466 (23%) can be attributed to an increase in the sale price of oil, but this was tempered by a decrease in production caused by the number 5 well having been shut-in during the second quarter. The Company's interest income increased to $9,752 from $3,618 in the prior period. The difference of $6,134 is the result of accrued interest on the Company's large short-term investment with the Bank of Montreal.

Operating expenses for the period ended September 30, 2011 increased to $116,362 from $91,352 in the prior period due to increased production and inflation in the current period.

Property investigation expenses amounted to $15,078 during the current period compared to $34,465 in 2010. The current period figure is reduced due to certain regulatory costs being refunded in the period when the SMW transaction was terminated.

Depletion, accretion and amortization for the period have increased by $9,467 (12%) from $78,554 in 2010 to $8,021 in 2011. This is the result of lower production in 2010 versus 2011.

General and administrative expenses are in large measure made up of management fees, professional fees, director's fees and office rent. They have increased by $93,520 (62%) from $150,210 in 2010 to $243,730 in 2011. The difference is attributed to additional professional fees associated with corporate and statutory compliance.

SELECTED ANNUAL INFORMATION

The Company made the transition to IFRS effective January 1, 2011, but has not yet had its restated annual information audited under IFRS. Consequently all three years of data are presented using Canadian GAAP.

		Year ended	
	December 31, 2010	December 31, 2009	December 31, 2008
Petroleum and natural gas sales, net	$ 431,500	$ 415,555	$ 726,727
Interest & other income	3,618	13,323	22,557
Expenses, excluding other items	(532,642)	(683,844)	(512,257)
Income tax recovery (expense)	29,986	65,526	(67,907)
Net income (loss)	(637,491)	(238,846)	169,120
Net loss per share basic and diluted	(0.06)	(0.02)	0.02
Total assets	2,551,592	2,449,417	2,340,282
Total long-term liabilities	86,663	112,716	144,307
Future income tax liability	-	29,987	65,512
Cash dividends	-	-	-

Abenteuer Resources Corp.

SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the eight most recent quarters. The Company made the transition to IFRS effective January 1, 2011, and as a result, certain quarters have financial information calculated under IFRS and others are presented using Canadian GAAP.

	Three months ended			
	Sep 30 2011	Jun 30 2011	Mar 31 2011	Dec 30 2010
	IFRS	IFRS	IFRS	CGAAP
Petroleum and natural gas sales, net	179,064	87,656	115,700	127,533
Interest income	2,098	7,614	40	-
Expenses, excluding other items	(172,859)	(151,056)	(124,198)	(213,414)
Income tax recovery (expense)	-	-	-	17,986
Net income (loss)	(40,167)	12,299	(91,621)	(605,156)
Net earnings (loss) per share and diluted earnings (loss) per share	(0.00)	0.00	(0.01)	(0.04)

	Three months ended			
	Sep 30 2010	Jun 30 2010	Mar 31 2010	Dec 31 2009
	CGAAP	IFRS	IFRS	CGAAP
Petroleum and natural gas sales, net	108,211	90,367	105,389	122,062
Interest income	3,449	-	170	-
Expenses, excluding other items	(94,865)	(126,170)	(99,969)	(245,245)
Income tax recovery (expense)	(1,500)	13,500	-	55,526
Net income (loss)	3,974	(43,674)	5,590	(84,607)
Net earnings (loss) per share and diluted earnings (loss) per share	(0.00)	(0.00)	0.00	(0.01)

Note: The quarter ended December 31, 2010 showed a material variation as it was during this period that the Company incurred the majority of the due diligence costs associated with the proposed acquisition of SMW Gold Ltd.

COMMITMENTS

The Company has no commitments outside of its Saskatchewan reclamation responsibilities as at the date of this management discussion.

PROPOSED TRANSACTION WITH SMW GOLD LTD.

On September 22, 2010 the Company signed a letter of intent (“LOI”) with SMW Gold Ltd. (“SMW”), a private company incorporated in Cyprus that controlled two gold licenses in Egypt, wherein the Company could acquire all of the issued and outstanding shares of SMW in exchange for 25,000,000 units of the Company. The transaction would have constituted a reverse takeover.

In conjunction with this transaction, the Company had raised in escrow $12,000,000 through the issuance of 15,000,000 subscription receipts on both a brokered and non-brokered basis. The terms of the subscription receipts provided that if the transaction was not completed by February 28, 2011, the proceeds of the financing would be returned to the subscribers and the subscriptions would be cancelled.

Due to the political instability in Egypt and the uncertainty regarding the status of the concession agreements over the gold licenses, the transaction was not completed and the LOI was terminated. In accordance with the terms of the subscription receipts, the proceeds of the financing were fully returned to the subscribers from escrow on March 3, 2011.

LIQUIDITY

The Company’s cash position decreased by $347,330 (70%) from $495,569 on December 31, 2010 to $148,239 on September 30, 2011. However, working capital increased by $119,282 (11%) from $1,064,176 to $1,183,458 during the period.

While the Company does currently have an interest in 5 producing oil wells and does derive significant revenues from operations, the Company’s activities have also been funded through equity placements. However, if such funds are not available in the future or other sources of finance cannot be obtained, then the Company may be forced to curtail its activities to a level for which funding is available and can be obtained.

Management does believe the Company has sufficient internally generated financial resources to meet its present obligations as they become due, and to participate in future drilling opportunities.

The Company experienced a cash outflow from operations of $348,080 and raised $150,750 from the issuance of common shares though warrant and option exercises. As at September 30, 2011, the Company had total assets of $2,248,291 and the principal non-cash assets of the Company were its oil properties in Saskatchewan with a carrying value of $972,568 representing 43% of its total assets.

At September 30, 2011, the Company had long term debt consisting of a restoration provision on its Saskatchewan oil properties, estimated to have a present value of $110,646. To offset this provision, the Company has a reclamation bond in place with the Saskatchewan Industry and Resources for $32,506.

CAPITAL RESOURCES

During the year ended December 31, 2010, the Company raised a total $279,000 from the exercise of share purchase warrants at $0.15 per share and a total of $134,500 from the exercise of stock options at prices between $0.10 and $0.20 per share.

During the nine month period ended September 30, 2011, the Company raised a total $117,750 from the exercise of share purchase warrants at $0.15 per share and a total of $33,000 from the exercise of stock options at prices between $0.10 and $0.23 per share.

OUTSTANDING SHARE DATA

As at September 30, 2011, the Company had the following share structure:

	Amount
Common shares	18,178,266
Warrants	1,205,000
Options	-
Fully diluted	19,383,266

OUTLOOK

Oil prices have improved significantly in the two years. While there has been wide fluctuation, the price is still far surpassing historical returns. The Company sees this trend continuing into the future and will continue to evaluate other petroleum based opportunities.

Commodity prices such gold, silver and other precious metals have risen in tandem with oil. As a result, the Company has been evaluating opportunities outside the petroleum sector. The proposed transaction with SMW Gold Ltd. was one example of this, and the Company intends to continue investigating other opportunities to acquire development stage resource projects which might improve the Company’s ability to access capital and ultimately increase shareholder value.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the period.

SUBSEQUENT EVENTS

Subsequent to the end of the period, the Company

a) issued a total of 100,000 common shares from the exercise of share purchase warrants at a price of $0.15 per share. The remaining 1,105,000 share purchase warrants expired without being exercised.

b) executed a farm-in agreement with Admiralty Oils Ltd., a private Saskatchewan oil company, to drill at least one test well on its properties in Section 27 of the West Kingsford pool in southeastern Saskatchewan. The Company currently operates a producing 100-per-cent-owned horizontal well on this property that was initially drilled in 2003.

   Under the terms of the agreement, Admiralty will earn a 70-per-cent working interest in the well and farm-in lands by incurring 100 per cent of the drilling and well-completion costs, up to equipping and tie-in. The company can elect to convert its 30-per-cent working interest into a 10-per-cent gross overriding royalty. Admiralty, as operator, must spud the first well prior to Oct. 20, 2012; however, it is anticipated that drilling will begin in the first quarter of 2012. Any subsequent wells will be drilled jointly according to the parties' working interest.

RISKS AND UNCERTAINTIES

The Company is in the oil and gas exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Exploration for and development of oil and gas properties involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company attempts to mitigate its exploration risk through joint ventures with other companies.

Beyond exploration risk, management is faced with other possible risks which include the following:

<u>Oil Price Risk</u>

The price of oil greatly affects the value of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

<u>Financial Market Risk</u>

The Company is dependent on the equity markets as its primary source of operating working capital and the Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

<u>Title Risk</u>

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge. However, the results of the Company's investigations should not be construed as a guarantee of title.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Value Risk

There is no certainty that the carrying value of oil properties which the Company has recorded as assets on its consolidated balance sheet will be realized at the amounts recorded.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

TRANSACTION WITH RELATED PARTIES

The related party balances and transactions are as follows:

a) During the period, the Company paid $22,500 (2010 - $22,500) to a corporation controlled by a director and officer of the Company as remuneration for management fees.

b) During the period, the Company paid $18,027 (2010 - $16,489) to Jamie Lewin, a former director of the Company, for accounting services.

c) During the period, the Company paid $24,500 (2010 - $nil) to a corporation controlled by a director and officer of the Company for accounting services

d) During the period the Company also paid a total of $21,000 (2010 - $45,000) in directors' fees.

These transactions were incurred 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.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are presented in note 3 of the accompanying interim consolidated financial statements. The preparation of financial statements in accordance with International Financial Reporting Standards 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, accretion and amortization of property and equipment; and
- accruals based on the terms of existing joint venture agreements

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 and IFRS 1. Subject to certain transition elections disclosed below, the Company has consistently applied the same accounting policies in its opening IFRS balance sheet at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 15 of the interim consolidated financial statements discloses the impact of the transition to IFRS on the Company's reported balance sheet, statements of income (loss) and comprehensive income (loss) and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010. Comparative figures for 2010 in these financial statements have been restated to give effect to these changes.

In prior years, the Company prepared its consolidated interim financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as of November 5, 2011. Any subsequent changes to IFRS, that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening balance sheet on the transition date of January 1, 2010, and allows certain exemptions on the transition of the transition to IFRS. The elections the Company has chosen to apply and that are considered significant to the Company include:

Exemptions applied

The Company has applied the following optional transition exemptions to full retrospective application of IFRS:

- IFRS 2 “Share-based Payment” The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which had been accounted for in accordance with Canadian GAAP.
- IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” has been applied prospectively to all provisions for restoration and environmental obligations that are within the scope of International Financial Reporting Interpretations Committee (“IFRIC”) “Changes in Existing Decommissioning, Restoration and Similar Liabilities”. The Company has:
    - re-measured the liabilities as at January 1, 2010 in accordance with IAS 37;
    - estimated the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rates that would have applied for that liability over the intervening period; and
    - calculated the accumulated depreciation on that amount, as at January 1, 2010, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

CORPORATE INFORMATION

Directors:	J. Lewis Dillman Sean McGrath David Parry Stephen Polakoff
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