MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 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 year ended December 31, 2010. The MD&A includes comparisons for the corresponding period ending December 31, 2009. It should be read in conjunction with the financial statements for the year ended December 31, 2010 and the financial statements for the year ended December 31, 2009. The MD&A has been prepared effective April 29, 2011.

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.

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**. 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 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 resource projects in North America and internationally. Management has experience evaluating and financing resource projects.

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 months of March, April, May and most of June 2010 to perform an upgrade on a battery.

Oil and Gas Properties

West Kingsford, Saskatchewan – Oil

During the year ended December 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 01-27-004-07 W2	100
3	King 92/07 HZ 2C5-18-1D7-13-04-07 W2M	45			

Production during the year ended December 31, 2010 and 2009.

Location	Dec. 31, 2010	Dec. 31, 2009
Well # 1	273.7	238.7
Well # 2	75.8	87.3
Well # 3	229.7	281.2
Well # 4	210.6	241.3
Well # 5[1]	334.5	422.9
Year Total in cubic meters	1,124.3	1,271.4
Year Total in barrels	7,069	7,997
Barrels per day	19.4	21.9

The average price, net of royalties, received for oil was $61.04 per barrel ($383.90 per cubic meter) during the year ended December 31, 2010 and $51.96 per barrel ($326.95 per cubic meter) during the year ended December 31, 2009.

[1] Well # 5 was closed down February 28, 2010 as its battery required an upgrade. Production resumed on June 28, 2010.

Results of Operations

Oil revenues, net of royalties and taxes, for the year ended December 31, 2010 increased from $415,555 during the year ended December 31, 2009 to $431,500. The Company's interest and other income decreased from

$13,323 during the year ended December 31, 2009 to $ 3,618 for the year ended December 31, 2010. Banks have still not increased the interest being paid on funds on deposit.

Operating expenses for the year ended December 31, 2010 decreased to $131,238 from $208,711 during the year ended December 31, 2009. The decrease can be attributed to the fact that during the second quarter of 2009 one well required a minor work-over and another was re-lined. These are considered normal operating expenses in the industry

Depletion and amortization for the period has decreased by $36,454 from the same period during 2009 as a result of Well #5 on Section 27 being shut down during four months. Depletion is directly related to production volume.

Administrative expenses are in large measure made up of management fees, professional fees, director's fees and office rent. They have decreased from $287,433 in 2009 to $276,408 in 2010.

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 amounts are being reported in Canadian dollars.

	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 property write-offs	(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	2,340,280
Total long-term liabilities	86,663	82,729	78,795
Future income tax liability	--	29,987	65,512
Cash dividends	--	--	--

Selected Quarterly Information

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

	Three months ended			
	Dec 30 2010	Sept 30 2010	June 30 2010	Mar. 31 2010
Petroleum and natural gas sales, net	127,533	108,211	90,367	105,389
Interest income	-	3,449	---	169
Expenses, excluding property write-offs	(213,414)	(94,865)	(125,283)	(99,080)
Income tax recovery (expense)	17,986	(1,500)	13,500	---
Net loss	(605,156)	3,974	(42,787)	6,478
Net loss per share and diluted loss per share	(0.04)	(0.00)	0.00	0.00

	Three months ended			
	Dec. 31 2009	Sept. 30 2009	June 30 2009	March 31 2009
Petroleum and natural gas sales, net	122,062	104,412	$ 106,504	$82,578
Interest income	---	---	12,415	908
Expenses, excluding property write-offs	(245,245)	(125,896)	(169,576)	(143,127)
Income tax recovery (expense)	55,526	--	--	--
Net income (loss)	(84,607)	(28,970)	(65,627)	59,643
Net earnings (loss) per share and diluted earnings (loss) per share	(0.01)	(0.01)	(0.001)	(0.01)

Fourth Quarter Analysis

Total revenue net of all royalties and mineral tax was $127,533. International property investigation expenses amounted to $535,488 during the fourth quarter. Over half of this was for legal and audit services rendered in relation to the proposed business combination with SMW Gold Ltd. (mentioned below). Other sizable items related to obtaining a 43 – 101 on the Egyptian concessions and fees related to the financing of the proposed business combination with SMW Gold Ltd. An additional $11,130 was spent this quarter as the Company's share of replacing a pump jack on one of the wells. The Treasury also received $413,500 from the exercise of warrants and options.

Transaction with SMW Gold Ltd.

On September 22, 2010 the Company signed a letter of intent with SMW Gold Ltd. ("SMW"), a private company incorporated in Cyprus that controls 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 previously raised in escrow $12,000,000 through the issuance of 15,000,000 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 recent political instability in Egypt, and uncertainty regarding the status of the concession agreements over the gold licenses, the transaction has not yet been completed. In accordance with the terms of the subscription receipts, the proceeds of the financing were fully returned to the subscribers from escrow, with interest, at March 3, 2011.

The Company is continuing to work with SMW to attempt to complete the transaction in the future.

Liquidity

The Company's cash position increased by $33,055 during the year ended December 31, 2010. Working capital was reduced from $1,325,782 at December 31, 2009 to $1,064,176 at December 31, 2010. This is partially due to the loss of production, during a four month shut down of one well and to the approximate $570,000 spent on the proposed business combination with SMW Gold Ltd.

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, and to participate in future drilling opportunities.

Securities Issued During the Period

During the year ended December 31, 2010, the Company issued 2,610,000 common shares for cash in the amount of $413,500, as a result of share purchase warrants and options being exercised.

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:

Share Capital	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
Exercise of share purchase warrants	1,860,000	279,000
Exercise of directors and officers options	750,000	134,500
Transfer from warrants & contributed surplus		99,594
Balance at December 31, 2010	17,193,266	$2,618,653

Warrants

Balance December 31, 2008	Nil	Nil
Private Placement October 2009	3,850,000	$100,000
Issuance Costs	-	(2,867)
Balance at December 31, 2009	3,850,000	97,133
Exercise of warrants	(1,860,000)	(48,275)
Balance December 31, 2010	1,990,000	$ 48,858

Contributed surplus

Balance December 31, 2008	$217,963
Stock-based compensation	26,250
Balance December 31, 2009 and	$244,213
Exercise of stock options	(51,319)
Balance December 31, 2010	$ 192,894

Stock Options

(i) Expiry date

Number of Stock Options	Exercise Price	Expiry Date
100,000	$0.10	Dec. 2011
100,000	$0.23	Oct. 2012

Transaction with Related Parties

During the year ended December 31, 2010, the Company:

a) paid management fees of $30,000 (2009 - $30,000) to a company controlled by an officer and director of the Company;
b) paid legal fees of $ Nil (2009 - $12,987) to an advisor who is an officer of the Company;
c) paid accounting services of $23,674 (2009 - $22,535) to a proprietorship owned by a director of the Company;
d) paid $60,000 (2009 – $60,000) in directors' fees.
e) paid $3,662 in mineral royalties to an officer and director of the Company.

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.

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

International Financial Accounting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") has set January 1, 2011 as the date for publicly-listed companies to adopt IFRS, replacing Canadian GAAP. Accordingly, IFRS compliant financial statements for the Company will be required for the first quarter of 2011. Comparative figures presented in these financial statements are also required to comply with IFRS.

The Company has completed a review of the Canadian equivalents to IFRS. Certain relevant accounting differences between Canadian GAAP and IFRS and the possible impacts on the consolidated financial statements of the Company are described below.

Impact of adoption of IFRS
IFRS are premised on a conceptual framework similar to Canadian GAAP, however, significant differences exist in certain matters of recognition, measurement and disclosure. The following paragraphs outline the significant accounting policies which are required or are currently expected to be applied by the Company on its adoption of IFRS that will be significantly different than its Canadian GAAP accounting policies. The Company has identified that the following areas have the greatest potential impact to the Company's accounting: capital assets and stock -based compensation.

Property plant and equipment
Abenteuer accounts for oil and gas properties and interests in accordance with the full cost accounting method. Under the full cost method, all directly attributable acquisition, exploration and development costs associated with oil and gas properties are capitalized. Capitalized costs include the cost of drilling and equipping productive wells, including the estimated costs of dismantling and abandoning these assets, dry hole costs, lease acquisition costs, seismic and other geological and geophysical costs, delay rentals and costs related to such activities. General and administrative costs directly attributable to the exploration and development of oil and gas properties are also capitalized.

Under IFRS the Company will follow the guidance in IFRS 6 ("Exploration for and Evaluation of Mineral Resources") under which all license acquisition, geological and geophysical exploration and appraisal costs are initially capitalized to well, field or specific exploration licenses as appropriate, pending determination of the existence of economically viable commercial reserves. Expenditure incurred during the various exploration and appraisal phases will then be written off unless commercial reserves have been established.

Impairment
Under Canadian GAAP an impairment loss is recognized when the carrying amount of an asset is not recoverable and the carrying amount of the asset exceeds the sum of the discounted cash flows from proved reserves. The discounted cash flow calculation assumes constant pricing, discounts the cash-flows at a credit-adjusted risk free rate and takes into account the expected future costs to develop proved reserves, estimated operating expenses and income taxes (the "ceiling amount"). If the ceiling amount is less than the carrying amount, an impairment loss is recognized in the amount of such deficiency. Under IFRS the calculation of future cash flows can be based on proved plus probable reserves. An IFRS based impairment test will be carried out as at the transition date for any potential area of impairment.

Stock-based compensation

Under IFRS the fair value of each tranche of the award is considered a separate grant based on the vesting period with the fair value of each tranche determined separately and recognized as compensation expense over the term of its respective vesting period.

First time adoption of IFRS

The Company's adoption of IFRS will require the application of IFRS I First-time adoption of International Financial Reporting Standards ("IFRS I"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively. However, IFRS I does require certain mandatory exceptions and limited optional exemptions in specified areas of certain standards from this general requirement. The following are the optional exemptions available under IFRS I that the Company expects to apply in preparing its first financial statements under IFRS:

Business combinations

IFRS I allows for IFRS 3 ("Business Combination") to be applied either retrospectively or prospectively. Retrospective application would require that the Company restate all business combinations occurring before the date of its transition to IFRS. Abenteuer intends to adopt IFRS 3 prospectively.

Decommissioning liabilities

The Company intends to make use of the exemption allowed under IFRSI relating to the treatment of changes in the Decommissioning, Restoration or Similar Liabilities prior to the date of transition to IFRS. As at the date of this report the Company had yet to complete the quantification of the impact of the switch to IFRS on its financial statements. Full details will be provided in the first interim MD&A completed under the new standards in 2011.

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.

Officers and Directors

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