MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 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 March 31, 2011. The MD&A includes comparisons for the corresponding period ending March 31, 2010. 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 May 27, 2011.

The following information has been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). 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

Oil and Gas Properties

West Kingsford, Saskatchewan – Oil

During the period ended March 31 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	45.09	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 period ended March 31, 2011 and 2010.

Location	Mar. 31, 2011	Mar. 31, 2010
Well # 1	78.3	71.3
Well # 2	23.5	19.9
Well # 3	52.3	63.1
Well # 4	45.62	52.4
Well # 5	90.7	66.4
Period Total in cubic meters	290.42	273
Period Total in barrels	1,827	1,717
Barrels per day	20.07	18.86

The average price, net of royalties, received for oil was \$67.38 per barrel (\$423.80 per cubic meter) during the period ended March 31, 2011 and \$61.04 per barrel (\$383.90 per cubic meter) during the period ended March 31, 2010.

Operating revenue for the period ending March 31, 2011

	Well #1 $	Well #2 $	Well #3 $	Well #4 $	Well #5 $	Total $
Sales	37,919	11,377	25,323	32,040	43,117	149,776
Royalties and tax	5,529	277	3,697	18,103	6,468	34,075
Gross margin	32,391	11,100	21,625	13,936	36,648	115,701
Operating expenses	3,048	1,285	2,998	5,406	17,965	30,703
Operating revenue	29,343	9,816	18,627	8,530	18,683	84,999

Operating revenue for the period ending March 31, 2010

	Well #1 $	Well #2 $	Well #3 $	Well #4 $	Well #5 $	Total $
Sales	33,677	9,396	29,786	23,628	30,210	126,697
Royalties and tax	5,156	241	4,539	7,031	4,543	21,509
Gross margin	28,521	9,155	25,247	16,597	25,688	105,188
Operating expenses	2,567	1,373	2,724	1,026	8,690	16,381
Operating revenue	25,954	7,782	22,523	15,571	16,978	88,807

Results of Operations

Oil revenues, net of royalties and taxes, for the period ended March 31, 2011 increased from $105,389 during the period ended March 31, 2010 to $115,701. The Company's interest and other income decreased from $170 during the period ended March 31, 2010 to $ 40 for the period ended March 31, 2011. Banks have still not increased the interest being paid on funds on deposit.

Operating expenses for the period ended March 31, 2011 increased to $30,703 from $18,661 during the period ended March 31, 2010. Well No. 5 was down all the month of March 2010.

Depletion and amortization for the period has increased by $6,343 from the same period during 2010. This is the result of 3 months of production in 2011, rather than 2 months as was the case in 2010.

Administrative expenses are in large measure made up of management fees, professional fees, director's fees and office rent. They have increased from $55,764 in 2010 to $61,579 in 2011

Selected Annual Information

The following financial data, which has been prepared in accordance with International Financial Reporting Standards and, 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			
	Mar 31 2011	Dec 30 2010	Sept 30 2010	June 30 2010
Petroleum and natural gas sales, net	115,700	127,533	108,211	90,367
Interest income	40	-	3,449	---
Expenses, excluding property write-offs	(123,381)	(213,414)	(94,865)	(125,283)
Income tax recovery (expense)	-	17,986	(1,500)	13,500
Net loss	(90,704)	(605,156)	3,974	(42,787)
Net loss per share and diluted loss per share		(0.04)	(0.00)	0.00

	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	104,412	$ 106,504
Interest income	169	---	---	12,415
Expenses, excluding property write-offs	(99,080)	(245,245)	(125,896)	(169,576)
Income tax recovery (expense)	---	55,526	--	--
Net income (loss)	6,478	(84,607)	(28,970)	(65,627)
Net earnings (loss) per share and diluted earnings (loss) per share	0.00	(0.01)	(0.01)	(0.001)

First Quarter Analysis

Total revenue net of all royalties and mineral tax was $127,533. International property investigation expenses amounted to $83,163 during the first quarter. Most of this was for legal and audit services rendered in relation to the proposed business combination with SMW Gold Ltd. (mentioned below). The Treasury also received $128,250 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.

Liquidity

The Company's cash position decreased by $179,025 during the period ended March 31, 2011. Working capital was reduced from $1,360,667 at March 31, 2010 to $1,155,223 at March 31, 2011.

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 period ended March 31, 2011, the Company issued 985,000 common shares for cash in the amount of $128,250, as a result of 635,000 share purchase warrants and 200,000 options being exercised.

Transaction with Related Parties

During the quarter the Company paid $7,500 to J Lewis Dillman, a director and officer of the Company as remuneration for management and administrative services. This was the same as the previous year.

The Company paid $8,295 to Jamie Lewin, who is a director of the Company for accounting services. The increase of $1,235 can be attributed to extra time requested by the auditors and tax accountants to explain the workings of the company and find information

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 a total of $9,000 in Directors' Fees, commencing in January 2011 to each of the following Directors: Joseph Lewis Dillman ($1,000), Jamie A Lewin ($1,000), David Parry (3,000), Sean McGrath ($1,000) and Stephen Polakoff ($3,000).

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 Reporting Standards ("IFRS")

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", January 1, 2010 has been considered to be the date of transition to IFRS by the Company. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS. There has been very little change with the exception of warrants and Cumulative Surplus bein now reported as reserves.

Exemptions applied

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

- IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010.
- IAS 21 "The Effects of Changes in Foreign Exchange Rates" has not been applied to as no cumulative translation differences existed at the date of transition to 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 have 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:
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    - 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
    - calculate 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.
- The Company has applied the transitional provision in IFRIC 4 "Determining whether an Arrangement contains a Lease" and has assessed all arrangements as at January 1, 2010.

Property plant and equipment

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.

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.

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
Jamie Lewin – Director, CFO
David Parry –Director
Stephen Polakoff - Director

Contact Person

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