



**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 audited consolidated financial statements for the year ended December 31, 2010. The MD&A has been prepared effective July 26, 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 on 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 Resources Corp (“the Company” or “Abenteuer”) is a Canadian junior oil and gas company incorporated under the laws of British Columbia, 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. 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 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	45.90	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 01-27-004-07 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:

<u>Location</u>	<u>Mar. 31, 2011</u>	<u>Mar. 31, 2010</u>
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 prior period ended March 31, 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:

<u>YEAR</u>	<u>OIL \$/BBL ^{(1) (2)}</u>
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.



AMENDED AND RESTATED

Operating revenue for the three month period ended March 31, 2011:

	Well #1 \$	Well #2 \$	Well #3 \$	Well #4 \$	Well #5 \$	Total \$
Sales	37,919	11,377	25,323	32,040	43,116	149,775
Royalties and tax	5,529	277	3,697	18,103	6,469	34,075
Gross margin	32,390	11,100	21,626	13,937	36,647	115,700
Operating expenses	3,048	1,285	2,998	5,406	17,965	30,702
Operating revenue	29,342	9,815	18,628	8,531	18,682	84,998

Operating revenue for the three month period ended March 31, 2010:

	Well #1 \$	Well #2 \$	Well #3 \$	Well #4 \$	Well #5 \$	Total \$
Sales	33,677	9,396	29,786	23,628	30,410	126,897
Royalties and tax	5,156	241	4,539	7,031	4,541	21,508
Gross margin	28,521	9,155	25,247	16,597	25,869	105,389
Operating expenses	4,848	1,373	2,724	1,026	8,690	18,661
Operating revenue	23,673	7,782	22,523	15,571	17,179	86,728

RESULTS OF OPERATIONS

Current Quarter and YTD

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 \$115,700. The difference of \$10,311 (10%) can be attributed to an approximate 10% increase in the price of oil and a 5% oil production increase. 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. The difference of \$130 is immaterial but is based on a lower cash balance held in Company's bank account and short term investments.

Operating expenses for the period ended March 31, 2011 increased to \$30,702 from \$18,661 during the period ended March 31, 2010. The cause of this \$12,041 (65%) increase was an overall increase in costs from service providers as well as Well No. 5 being down and not producing during the month of March 2010.

International property investigation expenses amounted to \$83,163 during the first quarter versus a nil balance in the prior period. Most of this was comprised of legal and audit services rendered in relation to the proposed business combination with SMW Gold Ltd. The Company began due diligence on this transaction in the fall of 2010 so there was no expense in the prior year period.



Depletion, accretion and amortization for the period have increased by \$6,374 (25%) from \$25,544 in 2010 to \$31,918 in 2011. This is the result of lower production in 2010 versus 2011, in part due to Well No. 5 being shut-in for the month of March 2010.

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 \$5,814 (10%) from \$55,764 in 2010 to \$61,578 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.

	December 31, 2010	Year ended 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	2,340,282
Total long-term liabilities	86,663	112,716	144,307
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. 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.

	Mar 31 2011	Three months ended Dec 30 2010	Sept 30 2010	June 30 2010
	IFRS	CGAAP	CGAAP	CGAAP
Petroleum and natural gas sales, net	115,700	127,533	108,211	90,367
Interest income	40	-	3,449	-
Expenses, excluding property write-offs	(124,198)	(213,414)	(94,865)	(125,283)
Income tax recovery (expense)	-	17,986	(1,500)	13,500
Net loss	(91,621)	(605,156)	3,974	(42,787)
Net earnings (loss) per share and diluted earnings (loss) per share	(0.01)	(0.04)	(0.00)	0.00



	Mar. 31 2010	Three months ended		
		Dec. 31 2009	Sept. 30 2009	June 30 2009
	IFRS	CGAAP	CGAAP	CGAAP
Petroleum and natural gas sales, net	105,389	122,062	104,412	\$ 106,504
Interest income	170	-	-	12,415
Expenses, excluding property write-offs	(99,969)	(245,245)	(125,896)	(169,576)
Income tax recovery (expense)	-	55,526	-	-
Net income (loss)	5,590	(84,607)	(28,970)	(65,627)
Net earnings (loss) per share and diluted earnings (loss) per share	0.00	(0.01)	(0.01)	(0.01)

Note: The quarter ended December 31, 2010 showed a material variation compared to the other seven quarters presented. 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.

FIRST QUARTER ANALYSIS

Total revenue net of all royalties and mineral taxes was \$115,700. 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. (See below). The Company also received cash proceeds of \$128,250 from the exercise of share purchase warrants and stock options.

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 \$179,025 (36%) from \$495,569 on December 31, 2010 to \$316,544 on March 31, 2011. However, working capital increased by \$91,047 (9%) from \$1,064,176 to \$1,155,223 during the quarter.

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 \$329,775 and raised \$150,750 from the issuance of common shares through warrant and option exercises. As at March 31, 2011, the Company had total assets of \$2,345,333, and the principal non-cash assets of the Company were its oil properties in Saskatchewan with a carrying value of \$1,026,837 representing 44% of its total assets.

At March 31, 2011, the Company had long term debt consisting of a restoration provision on its Saskatchewan oil properties, estimated to have a present value of \$108,812. 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 three month period ended March 31, 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.

COMMITMENTS

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



OUTSTANDING SHARE DATA

As at March 31, 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.

SUBSEQUENT EVENTS

Subsequent to the end of the period, the Company announced the resignation of Jamie Lewin from the Board of Directors and as interim Chief Financial Officer. Mr. Sean McGrath has joined the Board of Directors and replaces Mr. Lewin as Chief Financial Officer. Mr. McGrath has been engaged in the financial administration of public companies for more than 14 years and holds the professional accounting designations of CGA and CPA (IL).

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:

Oil Price Risk

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.



Financial Market Risk

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.

Title Risk

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

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 unchanged from the prior year.

The Company paid \$8,295 to Jamie Lewin, who is a director of the Company for accounting services. The increase of \$1,235 (17%) over the prior year amount of \$7,060 can be attributed to increased corporate activity.

In addition, the Company also paid a total of \$13,000 (2010 - \$15,000) in Directors' Fees, commencing in January 2011 to each of the following Directors: Joseph Lewis Dillman (\$3,000), Jamie A Lewin (\$3,000), David Parry (3,000), Sean McGrath (\$1,000) and Stephen Polakoff (\$3,000).

These transactions were 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.

Previously, 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 July 15, 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.

OFF-BALANCE SHEET ARRANGEMENTS

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

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
Officers:	J. Lewis Dillman, President and CEO Sean McGrath, CFO
Auditor:	PricewaterhouseCoopers LLP Suite 700 – 250 Howe Street Vancouver, BC, V6C 3S7
Legal Counsel:	McCullough O’Connor Irwin LLP Suite 2600 Oceanic Plaza 1066 West Hastings Street Vancouver, BC, V6E 3X1
Transfer Agent:	Olympia Trust Company Suite 1003 – 750 West Pender Street Vancouver, BC, V6C 2T8

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