VINERGY RESOURCES LTD.

(the “Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED FEBRUARY 29, 2012

The following Management’s Discussion and Analysis, prepared as of June 27, 2012, should be read together with the consolidated financial statements for the year ended February 29, 2012 and the related notes attached thereto. These consolidated financial statements and MD&A include the results of operations and cash flows for the year ended February 29, 2012 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR web site www.sedar.com.

The aforementioned documents and additional disclosures pertaining to the Company’s press releases and other information are available on the SEDAR website www.sedar.com.

Financial results are now reported in accordance with International Financial Reporting Standards (“IFRS”). As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis differ from those used in previous financial reporting. Further details on the transition to IFRS are included in Notes 2 and 12 of the consolidated financial statements.

Certain statements contained in this interim management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of Bella to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of The Company’s prospects, political and economic conditions, commodity prices and other factors.

Description of Business

Vinergy Resources Ltd. was incorporated as Vanguard Investments Corp. under the provisions of the Alberta Business Corporations Act on March 20, 2001. The articles of the Company were amended on August 27, 2001 to remove the “private issuer” restrictions from its articles. The Company’s shares were listed for trading on the Canadian National Stock Exchange on April 14, 2010 under the trading symbol VIN.

The Company owns 100% of the shares of Zeus Energy Inc. (“Zeus” or the “Subsidiary”), a corporation incorporated under the Alberta Business Corporations Act on November 7, 2007 under the name 1361681 Alberta Inc. This company amended its articles to change its name to “Zeus Energy Inc.” on May 28, 2008.

On November 30, 2009, the Company entered into a Share Purchase Agreement for the acquisition of all of the shares of Zeus. In consideration of the acquisition, the Company issued 18,333,330 of the Company’s common shares. Legally, the Company is the parent of Zeus. However, as a result of the share exchange described above, control of the combined entities passes to the former shareholders of Zeus. This type of share exchange, referred to as a “reverse takeover,” deems Zeus to be the acquirer for accounting purposes.

Performance Summary

The Company's business is presently carried on through the Subsidiary. References to the business of the Company include references to the business carried on through the Subsidiary (unless stated otherwise).

Zeus is engaged in the exploration of oil and gas resources. It holds a 12.5% working interest before payout and 7.5% working interest after payout in four oil and gas leases in South Eastern Saskatchewan.

During the year ended February 28, 2011 the Company was advised by the operator of its farm-in agreement that the last of the four exploration wells was not producing oil and it would be prudent to abandon it. It was therefore decided by management to write down the value of its oil and gas properties by $194,315 (2010 - $429,272). Zeus has an obligation to meet its pro rata share of ongoing costs to complete and receive clearance certificates for the abandonment of each of the four wells that were drilled. Presently, an estimate of $30,000 per well is used by the Company's third party engineers for abandonment costs and final receipt of the clearance certificate. To ensure the Subsidiary's ability to meet its obligation the Company has estimated and provided the joint venture operator with sufficient funds to cover its pro rata share. Abandonment of the four original wells drilled is substantially complete.

The Company is actively pursuing new opportunities.

Selected Annual Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years:

	2012 $	2011 $	2010 $
Total revenue	–	–	–
Net loss for the year	(182,445)	(362,493)	(501,170)
Basic and diluted loss per share	(0.01)	(0.02)	(0.03)
Total assets	57,589	73,562	331,830
Total long-term financial liabilities	134,298	106,227	84,496

The differences in the net losses for the last three fiscal years are mainly due to the write-down of oil and gas properties. The Company recorded write-downs of $13,492, $194,315 and $429,972 for the fiscal years 2012, 2011 and 2010, respectively.

Results of Operations

During the year ended February 29, 2012 the Company incurred a net loss of $182,445 compared to a net loss of $362,493 for the year ended February 28, 2011. The decrease in loss is mostly attributable to a decrease in the write-down of oil and properties, from $194,315 in fiscal 2011 to $13,492 in fiscal 2012.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	February 29, 2012 $	November 30, 2011 $	August 31, 2011 $	May 31, 2011 $
Revenue	–	–	–	–
Net loss for the period	(77,248)	(33,961)	(40,357)	(30,879)
Basic and diluted loss per share	0.00	0.00	0.00	0.00

	February 28, 2011 $	November 30, 2010 $	August 31, 2010 $	May 31, 2010 $
Revenue	–	–	–	–
Net gain for the period	(259,335)	(31,074)	(41,843)	(30,241)
Basic and diluted loss per share	(0.01)	0.00	0.00	0.00

In the fourth quarter of the February 28, 2011 fiscal year, the Company recorded a write down of $194,315 on its oil and gas properties.

Liquidity and Capital Resources

At February 29, 2012, the Company had cash of $23,481 and a working capital deficiency of $292,111.

The Company is actively seeking other opportunities to provide shareholder value. Although historically the Company has been involved in oil and gas exploration and production, future prospects will not necessarily be restricted or limited to this sector or business. While management is confident that it will be able to raise funds, there can be no assurance that these funds will be available on terms acceptable to the Company in the future.

The Company has a $215,000 convertible debt due on January 16, 2015.

The year ended February 29, 2012 compared to the year ended February 28, 2011:

Operating activities

For the year ended February 29, 2012, the Company's operating activities used cash of $51,527 compared to $111,038 for the year ended February 28, 2011.

Investing activities

For the year ended February 29, 2012, the Company used cash of $nil in investing activities compared to $334 for the year ended February 28, 2011.

Financing activities

For the year ended February 29, 2012, the Company received cash of $50,000 from the issuance of shares compared to cash of $50,000 from the issuance of shares for the year ended February 28, 2011.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, equity component of convertible debt and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged during the year ended February 29, 2012.

Transactions with Related Parties

(a) The amount of $28,800 (February 28, 2011 – $28,800) was incurred to the President of the Company for management fees.

(b) The amount of $19,200 (February 28, 2011 - $19,200) was incurred to the spouse of the President of the Company for bookkeeping fees.

(c) The amount of $36,000 (February 28, 2011 – $34,500) was incurred to a Company controlled by the President of the Company for rent.

(d) As at February 29, 2012, the amount of $214,520 (February 28, 2011 - $144,420; March 1, 2010 - $122,518) is owed to the President of the Company and companies controlled by the President of the Company which is non-interest bearing, unsecured, and due on demand.

(e) As at February 29, 2012, the amount of $31,400 (February 28, 2011 – $12,200; March 1, 2010 - $14,040) is owed to the spouse of the President of the Company, which is non-interest bearing, unsecured, and due on demand.

Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at February 29, 2012 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2011 $
Cash	23,481	–	–	23,481

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments. The fair value of convertible debt is estimated to approximate its carrying value based on borrowing rates currently available to the Company for a loan with similar terms.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. Amounts receivable consist of GST/HST refunds due from the Government of Canada.

(c) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company's cash is currently held in current accounts with Chartered Canadian Banks and therefore the Company does not consider its exposure to interest rate fluctuations to be significant.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. As the Company does not have any producing assets or any current programs for exploration management considers the Company's commodity price risk to be minimal.

Fourth Quarter Results

During the fourth quarter of fiscal 2012, the Company had a net loss of $77,248 which includes a write-down of $13,492 on the oil and gas property and finance costs of $32,726.

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited annual financial statements for the year ended December 31, 2011to which this MD&A relates. An analysis of the material components of the Company's oil and gas property is disclosed in Note 3 to the audited annual financial statements for the year ended February 29, 2012 to which this MD&A relates.

Disclosure of Outstanding Share Data

Share Capital

Authorized: Unlimited common shares without par value

As at June 27, 2012, the Company had 24,033,330 shares issued and outstanding.

Share Purchase Warrants

As at June 27, 2012, the following share purchase warrants were outstanding.

Number of warrants outstanding	Exercise price $	Expiry date
2,300,000	0.05	January 15, 2015

Adoption of IFRS

As stated in Note 2 of the consolidated financial statements, these are the Company's first annual consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended February 29, 2012, the comparative information presented in these financial statements for the year ended February 28, 2011, and in the preparation of an opening IFRS statement of financial position as at March 1, 2010 (the Company's "Transition Date").

First Time Adoption of IFRS

The Company has adopted IFRS on March 1, 2011 with a transition date of March 1, 2010. Under IFRS 1, "First Time Adoption of International Financial Reporting Standards ("IFRS 1"), the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit, with IFRS providing certain optional and mandatory exemptions to this principle.

The Company has elected to apply the following optional exemptions:

Business combinations

The Company elected under IFRS 1 to not to apply IFRS 3, *Business Combinations* retrospectively to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

Fair value as deemed cost

The Company may elect among two options when measuring the value of its assets under IFRS. It may elect, on an asset by asset basis, to use either historical cost as measured under retrospective application of IFRS or fair value of an asset at the opening balance sheet date. The Company has elected to use historical cost for its oil and gas properties.

Estimates

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition Date are consistent with estimates made at the same date under Canadian GAAP.

Decommissioning liabilities

IFRS requires specific changes in a decommissioning or similar liability to be added or deducted from the cost of the asset to which it relates. The adjusted depreciable amount is then depreciated prospectively over its remaining useful life. IFRS 1 allows a first time adopter to not fully comply with these accounting requirements for changes in such liabilities that occurred before the date of transition and instead apply a simplified method which is set out in IFRS 1.

Reconciliation to previously reported financial statements

Flow-through shares

Under IFRS, the proceeds from flow-through shares are allocated between the offering of the share and the sale of the tax benefits. The allocation is based on the difference between the amount the investor pays for the flow-through shares and the share prices as of the date the transaction is approved. A liability is recognized for the premium, and extinguished when the tax effect of the temporary differences, resulting from incurring the relevant expenditure, is recorded.

Under Canadian GAAP, the Company recorded the gross proceeds relating to the flow-through shares to share capital at the time of issuance. The Company then recorded a charge (reduction) to share capital at the time the tax benefits of the flow-through shares were renounced to the investors. The charge was calculated by multiplying the amount of the renounced tax benefits (which are equal to the proceeds of

the flow-through share issue) by the effective tax rate at the time. The offset would go to the deferred tax liability to reflect the fact that the Company could no longer use the tax attributes for its benefit.

On adoption of the IFRS requirements, the Company recorded an increase of $126,720 to share capital and deficit; the cumulative premium adjustment was nil.

Decommissioning liabilities

The Company recalculated the decommissioning liabilities as of the Transition Date as per IAS 37 and determined that there was no significant difference in the valuation of the liabilities under IFRS as compared with the amount estimated under Canadian GAAP.

Impact on statement of financial position:

As at March 1, 2010:

	Previous Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Total assets	331,830	–	331,830
Total liabilities	279,785	–	279,785
Equity			
Share capital	359,101	126,720	485,821
Equity component of convertible debt	176,251	–	176,251
Deficit	(483,307)	(126,720)	(610,027)
Total equity	52,045	–	52,045
Total liabilities and equity	331,830	–	331,830

As at February 28, 2011:

	Previous Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Total assets	73,562	–	73,562
Total liabilities	334,010	–	334,010
Equity			
Share capital	409,101	126,720	535,821
Equity component of convertible debt	176,251	–	176,251
Deficit	(845,800)	(126,720)	(972,520)
Total equity	(260,448)	–	(260,448)
Total liabilities and equity	73,562	–	73,562

The transition from Canadian GAAP to IFRS had no material impact on the statement of operations and comprehensive loss and cash flows for the year ended February 28, 2011.

Presentation Adjustments

Finance costs

In the Company's statement of operations prepared in accordance with Canadian GAAP, the accretion of asset retirement obligations, accretion of discount on convertible debt, and interest expense were presented as separate line items. Under IFRS, the Company has presented these amounts within Finance costs.

Impact on consolidated statement of operations and comprehensive loss

Year ended February 28, 2011:

	2011 $
Accretion of asset retirement obligations	(4,960)
Accretion of discount on convertible debt	(28,070)
Interest expense	(21,500)
Finance costs	54,530
Adjustment to net loss and comprehensive loss	–

Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 29, 2012, and have not been applied in preparing the financial statements.

(i) Effective for annual periods beginning on or after July 1, 2011:

Amendments to IFRS 7, "Financial Instruments: Disclosures"

Increase in disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

(ii) Effective for annual periods beginning on or after July 1, 2012:

Amendments to IAS 1 "Presentation of Financial Statements"

In June 2011, the IASB issued amendments to IAS 1 to require companies to group together items within other comprehensive income ("OCI") that may be reclassified to the statement of income. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two separate statements. The amendments are to be applied retrospectively.

(iii) Effective for annual periods beginning on or after January 1, 2013:

New standard IFRS 9, "Financial Instruments"

Partial replacement of IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets that are in the scope of IAS 39. The standard requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if two criteria are met: (a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and (b) the contractual cash flows under the instrument solely represent payments of principal and interest. If a financial asset meets the criteria to be measured at amortized cost, it can be designated at fair value through profit or loss under the fair value option, if doing so would significantly reduce or eliminate an accounting mismatch. If a financial asset does not meet the business model and contractual

terms criteria to be measured at amortized cost, then it is subsequently measured at fair value. In October 2010, the IASB issued additions to IFRS 9 relating to accounting for financial liabilities. Under the new requirements, an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss.

New Standard IFRS 10, "Consolidated Financial Statements"

In May 2011, the IASB issued IFRS 10 to replace portions of IAS 27, "Consolidated and Separate Financial Statements" and interpretation SIC-12, "Consolidated - Special Purpose Entities". IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and a continuous reassessment as facts and circumstances change.

(i) Effective for annual periods beginning on or after January 1, 2013:

New standard IFRS 11, "Joint Arrangements"

In May 2011, the IASB issued IFRS 11 to replace IAS 31, "Interest in Joint Ventures". The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidations will be removed and replaced with equity accounting.

New standard IFRS 12 "Disclosure of Interest in Other Entities"

In May 2011, the IASB issued IFRS 12. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements.

New standard IFRS 13, "Fair Value Measurement"

In May 2011, the IASB issued IFRS 13. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price.

The Company has not early-adopted these new and revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.