VINERGY RESOURCES LTD.
(formerly Vanguard Investments Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2011

This Management's Discussion and Analysis ("MD&A"), dated as of June 28, 2011, should be read in conjunction with the audited consolidated financial statements and notes thereto of Vinergy Resources Ltd. (formerly Vanguard Investments Corp.) ("Vinergy" or "the Company") for the year ended February 28, 2011.

The financial data presented has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All amounts are reported in Canadian dollars.

Certain statements contained in this annual 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 the Company 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 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 business office is located at 6012 – 85 Avenue, Edmonton, Alberta, T6B 0J5. The registered records office of the Company is located at 155 Glenora Gates, 10403 – 122 Street, Edmonton, Alberta, T5N 4C1. 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.

Accordingly, the net assets of Zeus are included in the balance sheet at book values and the deemed acquisition of the Company is accounted for by the purchase method with net assets of the Company recorded at fair market value at the date of acquisition.

Performance Summary

The Company 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). The Company 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. To ensure the 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 three of the original wells drilled is substantially complete and it is expected that abandonment of the fourth well should be substantially complete by December 31, 2011.

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 ended February 28:

	2011 $	2010 $	2009 $
Total revenue	–	–	–
Net loss for the year	(362,493)	(501,170)	(10,048)
Basic and diluted loss per share	(0.02)	(0.03)	-
Total assets	73,562	331,830	575,040
Total long-term financial liabilities	106,227	84,496	166,828

Results of Operations

During the year ended February 28, 2011, the Company had a net loss of $362,493 compared to $501,170 for the year ended February 28, 2010. The fiscal 2011 loss includes a $194,315 write down of oil and gas properties while there was a $429,272 write-down in fiscal 2010.

Summary of Quarterly Results

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

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

	February 28, 2010 $	November 30, 2009 $	August 31, 2009 $	May 31, 2009 $
Revenue	–	–	–	–
Net gain for the period	(400,163)	(69,355)	(23,710)	(7,942)
Basic and diluted gain (loss) per share	(0.02)	(0.01)	–	–

In the fourth quarter of each fiscal year, the Company recorded a write down of its oil and gas properties.

Liquidity and Capital Resources

As at February 28, 2011, the Company had cash of $25,008 compared to $86,380 as at February 28, 2010. As at February 28, 2011, the Company had a working capital deficiency of $201,229 compared to $104,449 as at February 28, 2010.

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 any funds it may require through equity or debt issues there can be no assurance that these funds will be available on terms acceptable to the Company in the future.

Year ended February 28, 2011 compared to the year ended February 28, 2010:

Operating activities

For the year ended February 28, 2011, the Company's operating activities used cash of $111,038 compared to cash of $88,136 used in operating activities for the year ended February 28, 2010.

Investing activities

For the year ended February 28, 2011, the Company used cash of $334 for oil and gas property expenditures compared to $144,634 for the year ended February 28, 2010. In fiscal 2010, the Company acquired $10,756 in cash in the reverse merger transaction.

Financing activities

For the year ended February 28, 2011, the Company received cash of $50,000 for the shares issued compared to $215,000 for the year ended February 28, 2010. In fiscal 2010, the Company also received advances of $92,598 from related parties.

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 cash equivalents and equity comprised of issued share capital, contributed surplus 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 remains unchanged from the year ended February 28, 2010.

Transactions with Related Parties

During the years ended February 28, 2011 and 2010, the Company was involved in the following related party transactions:

(a) The amount of $28,800 (2010 – $25,200) was incurred to the President of the Company for management fees.

(b) The amount of $nil (2010 - $25,200) was incurred to the former directors of the Company for management fees.

(c) The amount of $19,200 (2010 - $13,800) was incurred to the spouse of the President of the Company for accounting fees.

(d) The amount of $34,500 (2010 – $7,500) was incurred to a Company controlled by the President of the Company for rent.

(e) As at February 28, 2011, the amount of $144,420 (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.

(f) As at February 28, 2011, the amount of $12,200 (2010 – $14,040) is owed to the spouse of the President of the Company, which is non-interest bearing, unsecured, and due on demand.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amounts which are the amounts agreed upon by the transacting parties.

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 28, 2011 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	25,008	–	–	25,008

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 contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(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.

Fourth Quarter

As mentioned previously, the Company recorded write-downs of its oil and gas properties of $194,315 and $429,272 for the quarters ended February 28, 2011 and 2010, respectively

Changes In Accounting Policies Including Initial Adoption

Future Changes in Accounting Standards

In August 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1625, "Comprehensive Revaluation of Assets and Liabilities" for consistency with new Section 1582, "Business Combinations". The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The section is applicable for the Company for the fiscal year beginning March 1, 2011, and is not expected to have a material impact on the Company's consolidated financial statements.

In August 2009, AcSB issued CICA Handbook Section 3251, "Equity" in response to issuing Section 1602, "Non-controlling Interests". The amendments require non-controlling interests to be recognized as a separate component of equity. The amendments apply only to entities that have adopted Section 1602. The adoption of this section is not expected to have a material impact on the Company's consolidated financial statements.

In January 2009, the AcSB issued CICA Handbook Sections 1582, "Business Combinations", 1601, "Consolidated Financial Statements" and 1602, "Non-controlling Interests" which replace CICA Handbook Sections 1581, "Business Combinations" and 1600, "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning March 1, 2011. Early adoption of this section is permitted and all three sections must be adopted concurrently. The adoption of these sections is not expected to have a material effect on the Company's consolidated financial statements.

In February 2008, the AcSB confirmed that public companies will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. The transition date of March 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2011. Management has assessed the impact of adopting IFRS and it is not expected to have a material effect on the Company's consolidated financial statements. The Company will be filing its first IFRS financial statements for the quarter ended May 31, 2011.

Disclosure of Outstanding Share Data

Share Capital

Authorized: Unlimited common shares without par value

As at June 28, 2011, the Company had 23,033,330 shares issued and outstanding

Share Purchase Warrants

As at June 28, 2011, the following share purchase warrants were outstanding.

Number of warrants outstanding	Exercise price $	Expiry date
3,300,000	0.05	January 15, 2015

Disclosures Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation, the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company, is made known to them by employees or third part consultants working for the Company. It should be noted that while the Company's directors believe that its disclosure controls and procedures will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.

Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. We assessed the design of our internal control over financial reporting as of February 28, 2011. During this process, management identified a material weakness in internal controls over financial reporting which is as follows:

- Due to the limited number of personnel at the Company, it is not feasible to achieve complete segregation of duties.

The weakness in the Company's internal controls over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting, however, there can be no assurance that this risk can be reduced to less than a remote likelihood of material misstatement.

Other

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.