

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*This Management's Discussion and Analysis (MD&A) of the financial position and results of operations of Petro Uno Resources Ltd. ("Petro Uno" or the "Corporation"), is for the three-month period ending March 31, 2008. For a full understanding of the financial position and results of operations of the Corporation, the MD&A should be read in conjunction with the documents filed on SEDAR, including historical financial statements and press releases. These documents are available at [www.sedar.com](http://www.sedar.com).*

*Petro Uno's Board of Directors has reviewed and approved the financial statements and MD&A. This MD&A is dated as of May 29<sup>th</sup> 2008.*

### *Corporate Overview*

The Corporation was a Capital Pool company pursuant to Policy 2.4 of the TSX Venture Exchange Inc, (the "Exchange"). The Corporation started operations and financings in June of 2007. The sole purpose of the Company was being to identify and complete a Qualifying Transaction in accordance with Policy 2.4 of the Exchange. On March 31, of 2008, Petro Uno acquired all the issued and outstanding shares of Ballater Resources Ltd ("Ballater"). Ballater was a private company incorporated under the laws of the Province of Alberta. The Corporation intended for the acquisition of Ballater to be its Qualifying Transaction under the terms defined in the policies of the TSX Venture exchange. Pursuant to the terms of the agreement 100% of the issued an outstanding shares of Ballater were purchased for the consideration of \$2,950,000 cash. Through the Ballater transaction, Petro Uno acquired an estimated 191,400 BOE in reserves, of which 90% is proved producing. Of these reserves 93% is light oil equating to an acquisition metric of \$15.45 per BOE on a P+P basis with a reserve life index of over 13 years. Petro Uno currently produces approximately 40 BOE/D from long-life, low-decline, light-oil properties in the Lanaway, Loon and Red Earth areas of Alberta. This transaction meets the standards as defined by the TSX and Petro Uno is now a fully listed company on the Venture exchange.

### *Revenue*

The Corporation earned interest income of \$6,758 during the period on funds raised from the financings completed in September of 2007 and March of 2008.

### *General and Administrative Expenses*

	Three months ended March 31, 2008
G&A expenses (cash portion)	\$68,160
Add stock based compensation (non cash)	28,172
Total G&A expenses as reported	\$96,332

G&A expenses (cash portion) consist of rent and general G&A. The stock based compensation pertains to the options granted to the agents for work related to the private placement completed by the Company in March of 2008.

### *Net Loss*

As the Corporation has not yet conducted any oil & gas operations to date, the net loss is \$59,549 for the three month period end March 31, 2008. With the Corporation completing the purchase of Ballater, the Corporation will have operations to report on in future periods.

### *Capitalization*

	Three Months Ended March 31 2008	Year Ended December 31 2007
Outstanding Shares		
Weighted Average Class A Shares Outstanding	7,121,360	\$2,134,452
		6,104,348
		\$,834,763
Outstanding Securities		
- Class A Shares	9,685,750	6,150,000
- Options	600,000	600,000

### *Liquidity*

Effective March 31, 2008 Petro Uno is now party to standard industry contracts or obligations through its 100% subsidiary in Ballater. The Company has \$44,006 in the bank as at March 31, 2008 as well as the unused bank line of \$275,000.

In June of 2007 the Corporation issued 3,000,000 common shares @ \$0.10/share for proceeds, net of issue costs of \$289,400.

In September of 2007 the corporation issued 3,000,000 common shares @ \$0.20/share for proceeds, net of issue costs of \$ 513,645.

In October of 2007 the agent exercised 150,000 options @ \$0.20/share for a cash value of \$30,000.

On March 6<sup>th</sup> of 2008 the Corporation issued 3,535,750 common shares @ \$0.40/share for proceeds net of issue costs of \$1,299,689. Each common share issued had a one – half share purchase warrant attached, with each full common share purchase warrant being exercisable into one common share at a price of \$0.60 for one year from the date of issue.

### *Significant accounting policies*

See Notes 2 to the audited financial statements of the Company for the period ended March 31, 2008 for a summary of the significant accounting policies employed by the Company.

### *Outlook and Business Risks*

The Company is a Capital Pool Company under the policies of the Exchange. If the Company fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the common shares of the Company. The Alberta Securities Commission may issue an interim cease trade order against the Company's securities if the common shares of the Company are suspended from trading on the Exchange, and will issue such an interim cease trade order if the Company is delisted from the Exchange. In addition, delisting from the Exchange will result in the cancellation of all the currently issued and outstanding securities of the Company held by insiders.

Management has completed the Qualifying Transaction with the purchase of the issued and outstanding shares of Ballater. The transaction met the criteria of the TSX venture exchange and the corporation is fully listed for trading.

### *Financial Reporting updates*

Effective in 2006, reporting issuers in Canada are subject to new disclosure requirements as per MI 52-109. This has resulted in the requirement by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to certify that they have designed internal controls over financial reporting to provide reasonable assurance over the reliability of financial reporting and the preparation of external financial statements in compliance with GAAP. In addition they are subject to a second certification that they have ensured disclosure of changes in internal control that have had or may have a material effect on the Corporation's internal control.

### *Disclosure controls*

Disclosure controls and procedures have been designed to ensure that relevant and accurate information needed to comply with the Corporation's continuous disclosure obligations is accumulated and summarized to allow timely decisions regarding disclosure and to ensure that the risk of a material error or fraud is minimal. Management has concluded the Corporation's disclosure control and procedures, as at March 31, 2008 are effective in ensuring that material information is accumulated and disclosed accurately. The Corporation's management believes that cost effective disclosure controls, disclosure procedures and internal controls systems can only provide reasonable assurance and not absolute assurance, that the objectives of the controls and procedures are met.

### *Internal Controls over Financial Reporting*

The CFO and CEO of the Corporation are responsible for designing or causing them to be designed, internal controls over financial reporting 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. Management has assessed the design of the Corporation's internal control over financial reporting as of March 31, 2008 and has certified that the controls over financial reporting are effective except for the identified weaknesses below:

Due to the limited number of staff, it is not feasible to attain complete segregation of duties.

Due to the limited number of staff, the Corporation does not have a sufficient amount of technical specialists within finance to address all potential complex and non-routine accounting and tax issues.

The weakness in the Corporation's internal control over financial reporting allows for a greater likelihood that a material misstatement would not be prevented or detected. The Corporation tries to mitigate the risk of a material misstatement by having an active involvement of all senior management and a increased oversight from the Audit committee members of the board of directors. The Corporation where applicable will retain external independent advice in certain key accounting, taxation and legal issues. However it is not possible to provide absolute assurance that this risk can be reduced to less than a remote likelihood of a material misstatement. Management does not intend to remediate the noted weaknesses at this time until such time that the size of the Corporation is considerably larger and it is prudent to do so.