

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) of the consolidated financial position and results of operations of Petro Uno Resources Ltd. ("Petro Uno" or the "Corporation"), is for the three and six month period ended, June 30, 2009. 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.

Petro Uno's Board of Directors has reviewed and approved the consolidated financial statements and MD&A.

Basis of presentation

The financial data presented below has been prepared in accordance with Canadian generally accepted accounting principles. Funds from operations, which are determined as cash flow from operating activities per the statement of cash flows before changes in non-cash working capital, are used in the oil and gas industry as a measure of performance. Funds from operations can also be calculated by subtracting all cash related expenses from all cash related revenue. Net operating income is calculated as revenue derived from oil and gas operations, excluding extraordinary items or gains, and subtracting the royalties, operating and transportation costs incurred to earn that oil and gas revenues. Operating netbacks are calculated by subtracting royalties, production and transportation expenses per barrel of oil equivalent ("boe") from the average sales price per boe. Funds from operations, funds from operations per share, net operating income and operating netbacks, as used by Petro Uno, do not have a standardized meaning prescribed by Canadian GAAP and therefore, may not be comparable with the calculation of similar measures by other corporations. Many of the Corporation's peers in the oil and gas industry use the same definition of funds from operations and operating netbacks and the disclosure herein enhances comparability with those peers. Funds from operations, as presented, is not intended to represent operating profits, nor should it be viewed as an alternative to funds provided by operating activities, net earnings or other financial performance calculated in accordance with GAAP. The Corporation calculates funds from operations per share using the same method and shares outstanding, which are used in the determination of earnings per share. The reporting and the measurement currency is the Canadian dollar.

Boe presentation

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. The conversion ratio used by the Corporation of 6 mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All conversions in this MD&A are derived by converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil.

Accounting policies and estimates

Management is required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of the Corporation. Details outlining Petro Uno's accounting policies are contained in the notes to the unaudited financial statements for the period ended June 30, 2009 and 2008 respectively.

Corporate Overview

The Corporation was started as 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 initial purpose of the Company was to identify and complete a qualifying transaction in accordance with the Exchange rates. On March 31, 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's acquisition of Ballater fulfilled the requirements of a qualifying transaction under the terms defined by the Exchange. Pursuant to the terms of the agreement, all the 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's in reserves, of which 90% was proved producing. Of these reserves 93% was light oil equating to an acquisition metric of \$15.45 per boe on a proved plus probable reserve basis with a reserve life index of over 13 years. Petro Uno currently produces approximately 30 - 35 boe's/day from the long-life, low-decline, light-oil properties in the Lanaway, Loon and Red Earth areas of Alberta. Petro Uno is a Tier 2 company on the Exchange under the symbol "PUP". This MD & A reflects the Corporation's oil and gas operations for the three and six month periods of 2009 with comparison to the same period in the previous year of 2008.

Over the past two years Petro Uno focused on identifying oil and gas opportunities and assets in Colombia. Several potential opportunities were identified for possible acquisitions and/or exploration activities. However, unrealistic transition terms and/or high cost and high risk work commitments limited Petro Uno's ability to complete a transaction on economic terms.

Recognizing the high cost/high risk environment in Colombia, the Corporation has decided to pursue more familiar oil and gas operating areas such as the Western Canadian Sedimentary Basin (Alberta and Saskatchewan) as well as prospects in the Williston Basin, including North Dakota.

Petro Uno has signed a letter of intent to purchase an independent operator's interest in a property located in the Mckinney field of Renville County in the state of North Dakota (see subsequent event note). The anticipated closing date is September 15th, 2009. This property has 14 wells producing 39 Bbls/d of light oil. Along with the production comes 1 vertical and 2 horizontal development locations. If the Corporation is successful in purchasing the property it expects to it will apply state-of-the-art drilling techniques which is anticipated to increase production .

Sales volumes for the 2nd quarter and six months

	Three months ended, June 30, 2009	Three months ended June 30, 2008	Six months ended, June 30, 2008	Six months ended, June 30, 2008
Natural gas (mcf/d)	11.1	19.5	11.6	9.8
Light oil (bbls/d)	36.4	22.6	32.9	11.3
NGL's (bbls/d)	0.5	1.1	0.5	0.6
Total boe/d (6:1)	38.7	27.0	35.4	13.5

For the second quarter of 2009, light oil production averaged 36.4 barrels of oil equivalent per day ("boe/d"). Production was slightly higher than the first quarter as warmer weather improved operational problems usually experienced with cold winter weather. All wells capable of production except for one are currently producing. Gas and natural gas liquids ("NGLs") sales coming from the Lanaway area, averaged an expected 2.3 boe's/d for the first quarter or 6% of the total sales volumes.

Revenue and pricing

	Three months ended, June 30, 2009	Three months ended, June 30, 2008	Six months ended, June 30, 2009	Six months ended, June 30, 2008
Natural gas revenue	\$3,960	\$15,731	\$9,830	\$ 15,731
Natural gas (\$/mcf)	\$3.91	\$8.85	\$4.67	\$ 8.85
Light oil revenue	\$211,486	\$258,842	\$340,226	\$ 258,842
Light oil (\$/bbl)	\$62.98	\$126.02	\$56.42	\$126.02
NGL's revenue	\$1,488	\$7,657	\$2,728	\$7,657
NGL's (\$/bbl)	\$31.78	\$72.86	\$30.27	\$72.86
Total revenue	\$216,934	\$282,230	\$352,784	\$ 282,230
Total \$/ boe (6:1)	\$61.43	\$114.94	\$55.09	\$ 114.94

Prices for light oil in the second quarter of 2009, averaged \$62.98/bbl, making up 97% of the revenue earned. Oil prices dropped 47% as compared to the 2nd quarter of 2008's average price of \$114.94/ bbl. Gas prices averaged \$3.91 per mcf for the 2nd quarter of 2009. Gas prices are down 56% from the comparative quarter in 2008 and are still declining in the third quarter of 2009. NGL revenue, making up less than 1.0% of the total revenue stream, received \$31.78 per bbl for sales in the second quarter of 2009.

Royalties

	Three months ended, June 30, 2009	Three months ended, June 30, 2008	Six months ended, June 30, 2009	Six months ended, June 30, 2008
Crown	(\$4,372)	\$ 13,500	4,783	\$ 13,500
Freehold	463	4,227	890	4,227
Gross overriding	3,557	6,182	5,975	6,182
Total royalties	(\$352)	\$23,909	\$11,648	\$23,909
Per boe	\$ 0.10	\$ 9.74	\$1.82	\$ 9.74
Percent of total revenue	-0.002%	8.5%	3.3%	8.5%

Royalties for the six month period in 2009 averaged \$1.82 per boe or 3.3% of total revenue. Royalties are low because of the low productivity nature of the wells. The second quarter saw a prior year adjustment from a non operated unit property in the Loon area come through giving the Corporation a lower than normal royalty rate and negative royalty expense for the quarter .

Operating expenses

	Three months ended, June 30, 2009	Three months ended, June 30, 2008	Six months ended, June 30, 2009	Six months ended, June 30, 2008
Operating expenses	\$100,828	\$119,773	183,025	\$119,773
Per boe	\$28.55	\$48.78	\$28.58	\$48.78
Percent of total revenue	46.4%	42.4%	51.9%	42.4%

Operating costs for the second quarter 2009 averaged \$28.55 per boe. With commodity prices being low, operating expenses on wells including some minor workovers averaged 46.4% of recorded revenues for the three month period ended June 30, 2009. Operating costs for the second quarter were lower by 41% as compared to the same period in 2008. Costs should continue to reduce during the warmer summer months and into the 3rd quarter.

Field Netbacks

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
(\$/boe except production)				
Daily production (boe/d)	31.9	27.0	35.4	13.5
Sales price	\$61.43	\$114.94	55.09	\$114.94
Royalties	0.10	(9.74)	(1.82)	(9.74)
Operating expenses	(28.55)	(48.78)	(28.58)	(48.78)
Netback	\$32.98	\$56.42	\$24.69	\$56.42

Improving oil prices offset by royalty adjustments and operating costs have resulted in a field netback of \$32.98 per boe for the second quarter of 2009. That is a 127% increase from the \$14.50 per boe received in Q.1 of 2009. With steadier world oil prices, and warmer weather, the anticipated netback for the coming quarter should continue that improvement trend.

General and Administrative Expenses ("G&A")

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
G&A expenses (cash)	\$101,764	\$122,845	\$188,877	\$219,177
Add stock based compensation (non cash)	(15,791)	(531)	(11,954)	(531)
Total G&A expenses	\$85,973	\$122,314	\$176,923	\$218,646

G&A in 2009 has decreased over the same three and six month periods in 2008 largely from activities no longer taking place in Colombia. The Corporation has taken steps to reduce its international spending and future administration costs by refocusing to projects back in North America. It has also terminated its association with its Colombian partner Pyxis Exploration Ltda effective March 31, 2009. With that termination, stock based compensation that was expensed for options granted to Pyxis, was reversed in the second quarter of 2009 upon cancellation of such options.

Interest income and expenses

	Three months ended June 30 2009	Three months ended June 30 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Interest Income	\$0	\$1,046	\$182	\$7,804
Less: Interest Expense	(7,423)	(15,656)	(15,656)	(15,656)
Total Net Interest Income (Expense)	(\$7,423)	(\$14,610)	(\$15,474)	(\$7,852)

With the purchase of Ballater Resources Inc. in 2008 and a portion of that acquisition being funded with debt, the Corporation incurred interest charges on its lending facility in both years. Interest income was earned on funds from financings completed in 2008 prior to those funds being used for the acquisition of Ballater.

Depletion, depreciation, accretion expense ("DD&A")

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Depletion & depreciation	\$110,656	\$61,309	\$198,345	\$61,309
Accretion	2,993	2,139	5,954	2,139
Total DD&A	113,649	63,448	204,299	63,448
Per boe	\$32.18	\$24.95	\$31.90	\$24.95

Depletion and depreciation for the three and six month periods ended, June 30, 2009 was approximately \$32 per boe. The rate is higher than the comparative period as a result of a reserve revisions for the annual year end review performed by the independent external evaluators.

Income Taxes

The Corporation has a net tax recovery of \$24,876 for the three month period ended, June 30, 2009. With the amalgamation of the two companies effective January 1, 2009, non-capital losses and share issue costs can be used to offset future tax burdens from oil and gas income. Petro Uno at June 30, 2009 has an estimated \$938,000 in tax pools, share issue costs and loss carry-forwards available to offset future income.

Funds from operations and net earnings

	Three months ended				Six months ended			
	June 30, 2009		June 30, 2008		June 30, 2009		June 30, 2008	
	Total	Per boe	Total	Per boe	Total	Per boe	Total	Per boe
Net operating income	\$116,458	\$32.98	\$138,548	\$56.42	\$158,111	\$24.69	\$138,548	\$56.42
G&A	(101,764)	(28.82)	(122,845)	(50.00)	(188,876)	(29.49)	(219,177)	(89.26)
Current taxes	23	0.01	(25,878)	(10.54)	23	0.00	(25,878)	(10.54)
Interest ,net	(7,423)	(2.10)	(14,610)	(5.95)	(15,474)	(2.42)	(7,852)	(3.19)
Funds from operations	7,294	2.07	(24,785)	(10.07)	(46,216)	(7.22)	(114,359)	(46.57)
DD&A	(113,649)	(32.18)	(63,448)	(25.82)	(204,299)	(31.90)	(63,448)	(25.82)
Stock-based compensation	15,791	4.47	531	0.22	11,954	1.87	531	0.22
Future income tax reduction	24,853	7.04	133,894	54.49	50,024	7.81	163,919	66.72
Net income (loss)	(\$65,711)	(\$18.61)	\$46,192	\$18.82	(\$188,537)	(\$29.44)	\$(13,357)	\$(5.45)

	Three months ended		Six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Funds from Operations	\$7,294	(\$24,785)	(\$46,216)	(\$114,359)
Changes in non-cash working capital	(78,211)	125,594	(218,138)	237,081
Funds from Operating activities	\$(70,917)	\$101,340	\$(264,354)	\$123,253

	Three months ended		Six months ended	
	June 30 2009	June 30 2008	June 30, 2009	June 30, 2008
Weighted average common shares outstanding				
Basic	9,835,750	9,734,651	9,835,750	8,428,005
Diluted	10,335,750	10,334,651	10,335,750	9,028,005
Earnings (loss) per share basic	(\$0.01)	\$0.00	(\$0.02)	(\$0.00)
Earnings (loss) per share diluted	(\$0.01)	\$0.00	(\$0.02)	(\$0.00)

The Corporation in the second quarter of 2009 recorded a net loss of \$65,711 (Same period in 2008 – income of \$46,192). On an earnings per share basis, the Corporation had a one cent per share loss for the three months ending June 30, 2009 as compared to a \$.0048 per share of income over that same period in 2008. The Corporation had an \$188,537 loss for the first six months of 2009 as that compared to the same six month period in 2008 where the loss was \$13,357. Lower commodity prices and higher operating expenses and DD&A are the major factors for this change.

Capitalization

Outstanding Shares	Six months ended		Year ended	
	June 30, 2009		December 31, 2008	
Weighted Average Common Shares Outstanding	9,835,750	\$2,126,748	8,900,678	\$2,126,748
Outstanding Securities				
- Common Shares	9,835,750		9,835,750	
- Options	500,000		700,000	

Liquidity & Capital Resources

	June 30, 2009	December 31, 2008
Common shares outstanding	9,835,750	9,835,750
Share price	\$0.23	\$0.11
Market value of common shares	\$2,262,223	\$1,081,932
Net debt, including working capital	1,143,536	1,079,197
Asset retirement obligation	170,119	171,517
Future income tax liability	673,325	723,349
Total capitalization	\$4,249,203	\$3,055,995
Total Assets as per the financial Statements	\$3,822,235	\$4,201,518

Effective March 31, 2008 Petro Uno became a party to standard industry contracts or obligations through its 100% subsidiary in Ballater. The Corporation has \$1,112 of cash as at June 30, 2009 (\$200,226 - December 31, 2008) as well as the unused bank line of \$200,000.

In March of 2008, the Corporation signed a revolving credit facility agreement with a Canadian financial institution for a maximum aggregate amount of \$1,250,000. The loan is secured under a General Security Agreement conveying a first floating charge over all the present and after acquired properties. Interest rate is Lender's Prime Rate plus 1.00% with funds being advanced in \$25,000 increments up to the maximum amount. At June 30, 2009, \$1,050,000 was drawn against the credit facility (December 31, 2008, \$975,000).

On March 6th of 2008 the Corporation issued 3,535,750 common shares @ \$0.40/share for proceeds net of issue costs of \$1,281,720. 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. In the second quarter of fiscal 2008, an agent exercised its remaining 150,000 options @ \$0.20/share for a cash value of \$30,000.

Significant accounting policies, Financial Instruments and Capital disclosures See Notes 2, 3, 10 and 11 respectively to the audited consolidated financial statements of the Corporation for the year ended December 31, 2008 and the unaudited statements of June 30, 2009 for a summary of the significant accounting policies employed by the Corporation and discussion on financial instruments and risks for the Corporation.

Outlook, Business Risks and Uncertainties

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. Recognizing the high cost high risk environment in Colombia, the Corporation has abandoned its Columbian efforts and made a corporate shift towards identifying oil and gas operation in the Western Canadian Sedimentary Basin (Alberta & Saskatchewan) as well as prospects in the Williston basin (Montana & North Dakota). Effective March 31, 2009 the alliance with its Colombian associate Pyxis Exploration Ltda was cancelled.

The Corporation faces several key risks in its business, including possible commodity price downturns, emergence of superior competing technologies, reliance on relatively few key suppliers and customers, and adequacy of capital and/or cash flow to pursue its business plan objectives. This list is not intended to be exhaustive, but merely to communicate to shareholders certain key risks faced by the Corporation in its business operations. The Corporation, where it can employs strategies to mitigate and minimize some risks. But some risks and market conditions are outside of the Corporations influence and 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 June 30, 2009 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 June 30, 2009 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 an 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.

Quarterly financial information

	2009 Q2	2009 Q1	2008 Q4	2008 Q3
Revenue, net of royalties	\$217,286	\$123,850	\$211,223	\$376,546
Funds from operations	\$7,294	(\$53,511)	(\$124,825)	(\$89,377)
Per share – basic (\$/share)	\$0.00	(\$0.01)	(\$0.02)	\$0.01
Per share – diluted (\$/share)	\$0.01	(\$0.01)	(\$0.02)	\$0.01
Net earnings (loss)	\$(65,711)	\$(122,826)	(\$177,474)	\$54,852
Per share – basic (\$/share)	\$(0.01)	\$(0.01)	(\$0.02)	\$0.01
Per share – diluted (\$/share)	\$(0.01)	\$(0.01)	(\$0.02)	\$0.01
Total assets	\$3,822,235	\$3,935,025	\$4,201,518	\$4,303,318
Production (boe/d)	38.7	31.9	34.3	38.1
Corporate average price (\$/boe)	\$61.43	\$47.29	\$65.46	\$115.01
Operating netback (\$/boe)	\$34.98	\$14.50	\$24.80	\$82.27

	2008 Q2	2008 Q1
Revenue, net of royalties	\$258,321	\$0
Funds from operations	\$(24,254)	(\$89,574)
Per share – basic (\$/share)	\$0.00	(\$0.01)
Per share – diluted (\$/share)	\$0.00	(\$0.01)
Net earnings (loss)	\$46,192	\$(59,549)
Per share – basic (\$/share)	\$0.00	\$(0.01)
Per share – diluted (\$/share)	\$0.00	\$(0.01)
Total assets	\$4,391,689	\$4,344,965
Production (boe/d)	27.0	0
Corporate average price (\$/boe)	\$114.94	\$0
Operating netback (\$/boe)	\$56.42	\$0