MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management discussion and analysis ("**MD&A**") of financial conditions and results of operations is as of June 28, 2011 and should be read in conjunction with the audited consolidated financial statements of Greenfields Petroleum Corporation, formerly Greenfields Petroleum, LLC ("**Greenfields**" or the "**Corporation**") for the three months ended March 31, 2011 and 2010. Additional information relating to Greenfields is available on SEDAR at **www.sedar.com** and on the Corporation's website at **www.greenfields-petroleum.com**. Unless stated otherwise, all references to monetary values are in the United States dollar.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

On January 1, 2011, the Corporation adopted IFRS for Canadian publicly accountable enterprises as required by the Accounting Standards Board of Canada. Prior to the adoption of IFRS, the Corporation followed Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The Corporation has reported its results in accordance with IFRS starting in the first quarter 2011, with comparative IFRS information for the 2010 fiscal year. The Note 3 to the Corporation's interim unaudited consolidated financial statements as at and for the three months ended March 31, 2011 outlines the Corporation IFRS accounting policies and Note 18 provides details of the Corporation's IFRS 1 elections and reconciliations between Canadian GAAP and IFRS.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information regarding the Corporation set forth in this report includes forward looking statements. All statements other than statements of historical facts contained in this MD&A, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect" and similar expressions, as they relate to the Corporation, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that the Corporation believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions described elsewhere in this report.

Other sections of this report may include additional factors, which could adversely affect our business and financial performance. Moreover, the Corporation operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Corporation's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

The Corporation undertakes no obligation to update publicly or revise any forward-looking statements. Furthermore, the forward-looking statements contained in this report are made as of the date of this report, and the Corporation undertakes no obligation to update publicly or to revise any of the included forward-looking statements unless required by applicable securities laws, whether as a result of new information, future events or otherwise. The forward-looking statements in this report are expressly qualified by this cautionary statement.

CORPORATE OVERVIEW

The Corporation was formed on November 28, 2007 as Greenfields Petroleum Inc., a corporation formed under the laws of the State of Texas. On April 4, 2008, the Corporation was converted pursuant to a Certificate of Conversion to Greenfields Petroleum, LLC, a limited liability company formed under the laws of the State of Texas. Pursuant to a resolution approved by the board of directors of Greenfields Petroleum, LLC, on January 8, 2010, the outstanding units were split on the basis of 1.5 new units for each existing unit. On February 19, 2010, pursuant to a Certificate of Conversion, Greenfields Petroleum, LLC was converted to a corporation formed under the laws of the State of Delaware and concurrently changed its name to Greenfields Petroleum Corporation.

The common share numbers and per share numbers for the comparative period have been reclassified throughout the MD&A and consolidated financial statements as if the common shares were outstanding throughout the years indicated.

BUSINESS OF THE CORPORATION

The Corporation is a junior oil and natural gas exploration and development corporation focused on the development and production of proven oil and gas reserves principally in the Republic of Azerbaijan ("**Azerbaijan**"). The board of directors and management of the Corporation are experienced in financing, developing and operating international oil and gas fields, and possess the requisite technical skills and business acumen to operate in diverse international environments. The Corporation plans to expand its oil and gas assets through further farm-ins and acquisitions of licenses focusing on previously discovered and undeveloped international oil and gas fields.

The Corporation's primary focus is Azerbaijan. On December 22, 2009, Bahar Energy Limited ("**Bahar Energy**"), a 33.33% joint venture of the Corporation, entered into an Exploration, Rehabilitation, Development and Production Sharing Agreement ("**ERDPSA**") with the State Oil Company of Azerbaijan ("**SOCAR**") and its affiliate SOCAR Oil Affiliate ("**SOA**") in respect of the offshore block known as the Bahar Project, which project consists of the Bahar gas field and the Gum Deniz oil field. Bahar Energy has an 80% participating interest and SOA has a 20% participating interest in the ERDPSA (together the "**Contractor Parties**").

General Highlights

- Approval of the Plan of Development ("POD") for rehabilitation and development of the Gum Deniz oil field and Bahar gas field in the Bahar ERDPSA is expected to be officially received from SOCAR in July 2011.

- Approval of the POD from SOCAR will start the performance period in which the Contractor Parties (Bahar Energy and SOA) are required to increase production in the rehabilitation area within three years to 150% of the 2008 production levels from the Gum Deniz oil field and the Bahar gas field of each of oil and natural gas. The gross 2008 production levels of the Gum Deniz oil field and the Bahar gas field were 1,233 bbl/d and 18.8 mmcf/d, respectively.

- Workover rig operations are projected to start in July 2011 with the use of three older-style rigs provided by SOCAR and drilling operations are scheduled to start in the fourth quarter of 2011.

First Quarter 2011 Highlights

- The Company's entitlement volumes from production for its net interest in the Bahar ERDPSA averaged 1,172 boe/d in the first quarter.

OPERATIONAL OUTLOOK

The Corporation, through its 33.33% affiliate, Bahar Energy, has started the field work over and redevelopment programs with the acquisition of both 2-D (76 of 144 km acquired) and 3-D seismic (77 sq km planned) and planning for the forthcoming 164 well work over and development drilling campaign in the Bahar gas field and Gum Deniz oil field. The workover program is expected to begin in the third quarter 2011 (using 3 in-country SOCAR drilling rigs) and development drilling (using two imported rigs) in the last quarter this year. The in-country rigs are now on location while the first of two new work over rigs is expected to arrive in the third quarter 2011 with the second rig to follow in first quarter 2012.

The Corporation's 33.33% share of Bahar Energy production for the second quarter is projected to be approximately 1,129 boe/d (453 bbl/d and 4.06 mmcf/d). These declines are attributed to the lack of readily available equipment and materials necessary to complete routine well maintenance and repairs.

In preparation for the work over and drilling Bahar Energy has completed numerous facility upgrades as well as started an extensive refurbishing program on six offshore platforms. Bahar Energy has acquired recompletion equipment, work over materials and the two western style work over rigs noted above. The initial Phase-I development drilling program for the Gum Deniz field includes 57 development wells and 107 existing well workovers.

The 2-D seismic and 3-D seismic programs are both progressing but due to equipment and weather setbacks, both seismic programs are approximately 45 days behind expectations. Based on the progress to date, completion of the first 2-D seismic ever shot over the Bahar and Gum Deniz fields in the Bahar ERDPSA is anticipated to be in early August 2011.

In the Bahar (BE-2) exploration area, the shooting of the 3-D seismic program will start up immediately upon the completion of the 2-D program. Completion of the 3-D seismic program is projected to be in October 2011. Should the 3-D seismic results confirm an attractive target in the BE-2 exploration area, Bahar Energy will plan to move one of the drilling rigs temporarily off the Gum Deniz oil field development program to drill an exploration well in 2012.

OVERVIEW AND SELECTED QUARTERLY INFORMATION

Selected Information

($ Thousands, except as noted)	Three Months Ended March 31, 2011	December 31, 2010	March 31, 2010
Financial			
Revenues	6,439	7,672	251
Net loss	(831)	(1,710)	(1,166)
Per share, basic and diluted	($0.06)	($0.14)	($0.16)
Selected Balance Sheet Items			
Cash and cash equivalents	36,328	47,977	5,362
Total Assets	62,995	57,316	5,789
Working capital	46,309	47,492	3,713
Shareholders' equity	50,230	50,457	4,015
Operating			
Average Production [1]			
Oil/condensate (bbl/d)	448	452	-
Natural gas (mcf/d)	4,349	4,455	-
Barrel oil equivalent (boe/d)	1,172	1,194	-
Average Oil Price			
Oil price ($/bbl)	$100.98	$83.06	-
Net back price ($/bbl)	$97.23	$79.38	-
Brent oil price ($/bbl)	$103.52	$86.54	-
Natural gas price ($/mcf)	$3.96	$3.96	-

[1] Daily volumes represent the Corporation's share of the contractor's entitlement volumes net of 5% compensatory petroleum and the government's share of profit petroleum

Quarterly Performance

($ Thousands, except as noted)	IFRS				
	2011	2010			
	Q1	Q4	Q3	Q2	Q1
Financial					
Revenues					
Petroleum and natural gas	5,618	5,078	-	-	-
Transportation and storage fees	762	-	-	-	-
Management service fees	59	2,594	84	84	251
	6,439	7,672	84	84	251
Loss from operations	(831)	(1,710)	(1,118)	(865)	(1,166)
Per share, basic and diluted	($0.06)	($0.14)	($0.13)	($0.11)	($0.16)
Operating					
Average Production [1]					
Oil/condensate (bbl/d)	448	452	-	-	-
Natural gas (mcf/d)	4,349	4,455	-	-	-
Barrel oil equivalent (boe/d)	1,172	1,194	-	-	-
Prices					
Average oil price ($/bbl)	$100.98	$83.06	-	-	-
Natural gas price ($/mcf)	$3.96	$3.96	-	-	-
Selected Balance Sheet Items					
Cash and cash equivalents	36,328	47,977	14,101	3,596	5,362
Total Assets	62,995	57,316	16,320	5,010	5,789
Working capital	46,309	47,492	12,307	1,831	3,713
Shareholders' equity	50,230	50,457	14,436	3,177	4,015

[1] Daily volumes represent the Corporation's share of the contractor's entitlement volumes net of 5% compensatory petroleum and the government's share of profit petroleum

Quarterly Performance

($ Thousands, except as noted)	CDN GAAP 2009		
	Q4	Q3	Q2
Financial			
Revenues			
Petroleum and natural gas	-	-	-
Transportation and storage fees	-	-	-
Management service fees	(147)	110	110
	(147)	110	110
Loss from continuing operations	(479)	(544)	(362)
Per share, basic and diluted	($0.07)	($0.09)	($0.06)
Net (loss) income	(158)	(174)	2,724
Per share, basic and diluted	($0.02)	($0.03)	$0.42
Operating			
Not applicable	-	-	-
Selected Balance Sheet Items			
Cash and cash equivalents	1,326	1,986	2,190
Total Assets	1,778	2,523	2,709
Working capital	1,350	1,617	1,837
Shareholders' equity	1,679	1,803	2,346

RESULTS OF OPERATIONS

Revenues

($ Thousands)	Three months Ended March 31, 2011	December 31, 2010	March 31, 2010
Oil revenue	4,068	3,453	-
Natural gas revenue	1,550	1,625	-
Total petroleum and natural gas revenue	5,618	5,078	-
Transportation and storage fees	762	-	-
Management service fees	59	2,594	251
Total revenue	6,439	7,672	251

In the fourth quarter of 2010, the Corporation's first petroleum production and sales began from the Azerbaijan ERDPSA. In the three month period ended March 31, 2011 compared to the three month period ended December 31, 2010, crude oil revenue was $4.1 million compared to $3.5 million. The 17% increase in crude oil revenue for the 2011 first quarter was the result of a 21% favorable average sales price increase reduced by a 4% decline in production volumes.

Natural gas revenue in the three month period ended March 31, 2011 and the three month period ended December 31, 2010, was $1.5 million and $1.6 million, respectively. The 2011 first quarter 5% reduction in natural gas revenue when compared to the 2010 fourth quarter was wholly a result of lower natural gas production volumes in the latest quarter.

The average sales price for crude oil over the three month period ended March 31, 2011 and the three month period ended December 31, 2010 was $100.98/bbl and $83.06/bbl, respectively. The natural gas price for all periods was $3.96/mcf and this should not change as this is the contract price over the next four and half years.

The Corporation's net daily average crude oil production for the three month period ended March 31, 2011 compared to the three month period ended December 31, 2010, was 448 bbl/day compared to 452 bbl/day. The lower production volume was attributable to the delay in commencement of the well work over and development drilling programs both pending the delivery of equipment and rigs.

The net daily average natural gas production in the three month period ended March 31, 2011 and the three month period ended December 31, 2010, was 4,349 mcf/day and 4,455 mcf/day, respectively.

Oil Netback Price (1)

	Three months Ended March 31, 2011	December 31, 2010	March 31, 2010
Average sales oil price	$100.98	$83.06	-
Transportation fees	(2.69)	(2.77)	-
Marketing fees	(1.01)	(0.86)	-
Port storage, customs, bank and certification fees	(0.05)	(0.05)	-
Average oil netback price	$97.23	79.38	-

(1) The “Oil Netback Price” is a non-IFRS and non-GAAP measurement. The ERDPSA defines the valuation of crude oil for the purposes of cost recovery (“Cost Oil”) and profit sharing (“Profit Oil”) as the netback value (“NBV”). The NBV is calculated by deducting from the average crude oil sales price the costs of transportation, marketing, port storage, customs and banking fees.

Transportation and Storage fees

In the period ended March 31, 2011, the Corporation recognized transportation and storage revenue in the amount of $762 thousand under a fee arrangement to supply excess capacity available in the Corporation’s interest in the ERDPSA. The contract was finalized in May 2011 and has a retroactive effective date of October 1, 2010. Net revenue recognized for the quarter ended March 31, 2011 is for the six month period from October 1, 2010 to March 31, 2011.

Management Fees

For the period ended March 31, 2011, the Corporation recorded $59 thousand in management fees (December 31, 2010 – $84 thousand and March 31, 2010 - $251 thousand). Excluding a final $167 thousand installment in January 2010 for consulting services provided to the purchaser of the Corporation’s Greenfields Petroleum (Lahat) Company subsidiary, all other management fees relate to a management services agreement with the Corporation’s affiliate company GFPI-USA, LLC. Management fees are renegotiated annually based on the approved work program of GFPI-USA and the amount of management, technical and administrative services expected to be provided by the Corporation. Agreed monthly management fees for 2011 are $19.6 thousand versus $28 thousand for 2010.

Operating Expenses

The Corporation’s single venture, the Azerbaijan ERDPSA, which began operations on October 1, 2010, incurred $3.9 million and $2.5 million in operating expenses for the three month period ended March 31, 2011 and December 31, 2010, respectively. The higher expenses in the first quarter of 2011 were related to increases in staffing costs, field general liability and property insurance and platform and facility maintenance.

Administrative Expenses

	Three months Ended		
($ Thousands)	March 31,	December 31,	March 31,
	2011	2010	2010
Employee wages and benefits	784	1,077	385
Stock-based compensation	487	649	154
Professional service costs	876	629	372
Office, travel and other	537	522	337
Foreign office costs	370	3,216	-
	3,054	6,093	1,248

Administrative expenses for the three months period ended March 31, 2011, excluding stock-based compensation and foreign office administrative costs, were $2.197 million (December 31, 2010 - $2,228 and March 31, 2010 - $1,094). The increase in administrative expenses for first quarter 2011 and fourth quarter 2010 versus first quarter 2010 is attributable to higher staffing levels and travel costs associated with supporting the ERDPSA project in Azerbaijan with fourth quarter 2010 being slightly higher due to year-end bonus payments to personnel. The Corporation had 12 full-time employees and 5 full and part-time contractors as of March 31, 2011 (March 31, 2010 – 9 and 2 respectively).

Foreign office administrative expenses for the three months ended March 31, 2011 were $370 thousand (December 31, 2010 - $3.216 million and March 31, 2010 – $ nil). Administrative expenses from the ERDPSA project decreased due to the prior quarter including pre-effective date expenses being billed to the project by the partners in Bahar Energy and some initial startup costs. There were no foreign office administrative expenses for the three months ended March 31, 2010 due to the ERDPSA project in Azerbaijan not being effective until October 1, 2010.

Stock-based Payments

Stock-based compensation expense for the three months ended March 31, 2011 was $487 thousand (December 31, 2010 - $649 thousand and March 31, 2010 - $154 thousand). The higher expenses in the first quarter 2011 and fourth quarter 2010 were attributable to stock options granted to the Corporation's employees and permanent contractors in the last half of 2010 and first quarter 2011 versus no stock options granted in the first quarter 2010.

In accordance with the Corporation's Stock Option Plan, a total of 1,211,000 stock options were issued during 2010 and 30,000 Q1 2011. The exercise prices of the stock options range from CDN$6.50 to CDN$9.50 per common share with all options expiring on various dates between years 2020 and 2021. For the initial 2010 grant of 986,000 stock options, 25% vests on the date of grant and 25% on each of May 1, 2011, May 1, 2012 and May 1, 2013, except for stock options issued to a certain executive officer, which vests as to 25% on August 31, 2010 and 25% on each of the first, second and third anniversaries of February 1, 2010. For the second 2010 grant of 225,000 stock options, 25% vests on the date of the grant and 25% on each of the first, second and third anniversaries of November 1, 2011. For the 2011 grant of 30,000 stock options, 25% vests on the date of the grant and 25% on each of the first, second and third anniversaries of March 14, 2011.

As a provision of the Corporation's Stock Option Plan, the optionee may make the following cashless exercise option at the discretion of the Compensation Committee:

When an Optionee incurs tax liability in connection with an option, which is subject to tax withholding under applicable tax laws and the optionee is obligated to pay the Corporation the required withholding amount due, the optionee may satisfy the tax withholding obligation in two cashless methods; (i) by surrending to the Corporation common share(s) that have been owed by the optionee for more than six (6) months on the date of surrender with a market value equal to the withholding tax obligation or (ii) by electing to have the Corporation withhold from the common share(s) to be issued upon exercise of the option the number of common share(s) having a market value equal to the amount required to be withheld.

The fair value of each stock option granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Black-Scholes option pricing model assumptions	
Risk-free interest rate range	1.33% - 2.00%
Expected life	4.0 years
Expected volatility	49.53%
Expected dividend	-
Forfeiture	-
Fair value range of options at grant date	$2.42 - $3.76

Income from Short Term Investments

For the quarter ending March 31, 2011, the Corporation recorded $52 thousand as income from short term investments ($nil for December 31 and March 31, 2010). This income relates to interest accrued from investments in corporate bonds and dividends from income producing mutual funds.

Changes in fair value of warrants

The Corporation issued warrants in conjunction with a private placement in February 2010 which have an exercise price denominated in Canadian dollars while the Corporation's functional currency is U.S. dollars.

Under IFRS, these warrants are considered a derivative financial liability due to the variable proceeds the Corporation will realized for each share issued if such warrants are exercised and because they were not offered pro rata to all existing owners of the same class of shares. A derivative financial liability is measured at fair value each balance sheet date with changes in fair value recognized in profit or loss.

During the quarters ending March 31, 2011 and 2010, the derivative liability increased by $362 and $55 thousand respectively and equivalent non-cash derivative losses for those amounts were recorded. For the year ending December 31, 2010, the derivative liability increased by $908 thousand and the respective non-cash derivative loss for this amount was also recognized through profit or loss.

Income Taxes

	Three Months Ended March 31,	
($ Thousands)	2011	2010
Current	(48)	(129)
Deferred	(112)	-
Total provision for income taxes	(160)	(129)

For the three months period ended March 31, 2011, the Corporation recorded a provision for income taxes of ($160) thousand versus ($129) thousand for the same period in 2010. The lower tax provision and effective tax rate in 2010 is the result of the Corporation being taxed as a partnership prior to February 20, 2010.

The Corporation, through its consolidated affiliate Bahar Energy, is subject to a 22% tax rate in Azerbaijan on earnings generated from the ERDPSA. The Corporation is also subject to taxes in the United States on consolidated results at an effective rate of 35%. Foreign tax payments associated with the ERDPSA qualify for foreign tax credits in the United States. For the period ended March 31, 2011, stock-based compensation associated with qualified Incentive Stock Options (ISO) and loss in the fair value of the Corporation's outstanding warrants are included in the Corporation's operating losses, neither of which are deductible for US tax purposes. These non-taxable expense items have the effect of reducing the Corporations effective tax rate below the maximum statutory tax rate in the US.

Net Loss and Comprehensive Loss

	Three Months Ended March 31,	
($ Thousands)	2011	2010
Net loss and comprehensive loss	(821)	(1,166)

For the period ended March 31, 2011, the Corporation incurred net loss of $821 thousand compared to a net loss of $1,166 thousand for the corresponding period in 2010.

Per Share Information

	Three Months Ended March 31,	
	2011	2010
Net loss per share (loss), basic and diluted	($0.06)	($0.16)

EQUITY CAPITAL

Authorized 49,900,000 common shares and 100,000 preferred shares, each at US dollars $.001 par value. As of the date of this report, the Company had 14,848,380 common shares outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Capital Management

($ Thousands)	Three months Ended March 31, 2011	December 31 2010	March 31, 2010
Working Capital	46,309	47,492	3,713
Shareholders' Equity	50,230	50,457	4,015
Working Capital to Shareholders' Equity Ratio	92%	94%	92%

The Corporation expects to finance its 2011 contractual commitments under the ERDPSA with funds from Bahar Energy operations, cash on hand and short term investments. If the Corporation undertakes any major acquisitions, management would expect to finance the transactions with a combination of debt and equity in a cost effective manner.

Off-Balance Sheet Arrangements

The Corporation does not have any special purpose entities, nor is it party to any transactions or arrangements that would be excluded from the Corporation's balance sheet.

Related Party Transactions

A detailed discussion of related party transactions is included in Note 8 to the unaudited financial statements for the quarter ended March 31, 2011.

Financial Instruments

A detailed summary of the Corporation's financial instruments is included in Note 16 to the unaudited financial statements for the quarter ended March 31, 2011.

Contractual Commitments and Obligations

We have assumed various contractual commitments and obligations in the normal course of our operations and financing activities. We included these obligations and commitments in our 2010 audited financial statements and MD&A. There have been no other significant developments since year end, other than the item noted below.

On April 15, 2011, the Corporation signed the Common Term Agreement ("**CTA**") between the shareholders of Bahar Energy where by each shareholder agrees to grant a credit facility to Bahar Energy up to specific amounts during a commitment period. As part of the CTA, the Corporation has also signed the 2011 Loan Agreement to fund up to $17.4 million during the period January 1, 2011 to December 31, 2011. As at March 31, 2011, the Corporation has not made an advance on this commitment. During May 2011, the Corporation made the first advance under the 2011 Loan Agreement for $8.7 million. (See also Note 9, Related Party Transactions in the unaudited financial statements for the quarter ended March 31, 2011.

FINANCIAL AND LIQUIDITY RISKS

The Corporation anticipates that it will make capital expenditures for the farm-in, acquisition of licenses, exploration, development, and production of oil and natural gas in the future. On an ongoing basis, the Corporation will typically plan to utilize three sources of funding to finance its capital expenditure program; internally generated cash flow from operations, debt where deemed appropriate and new equity issues, if available at favourable terms. In addition, the Corporation may contemplate the sale of producing properties or the sale of other assets to fund its contractual obligations.

Funds Flow

Funds flow is influenced by many factors, which the Corporation cannot control, such as commodity prices, interest rates and changes to existing international government regulations and tax policies. Should circumstances affect cash flow in a detrimental way, the Corporation may have limited ability to expand the capital necessary to undertake or complete future drilling programs. In such circumstances, the Corporation would be required to either reduce the level of its capital expenditures or supplement its capital expenditure program with additional debt and/or equity financing. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or, if debt or equity is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's financial condition, results of operations and prospects.

Issuance of Debt

From time to time, the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. Neither the Corporation's articles nor its by-laws limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness from time to time could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Supply of Service and Production Equipment

The supply of service and production equipment at competitive prices is critical to the ability to add reserves at a competitive cost and produce these reserves in an economic and timely fashion. In periods of increased activity, these supplies and services can be difficult to obtain. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities. The Corporation attempts to mitigate this risk by developing strong long-term relationships with suppliers and contractors. There can be no assurances that these relationships will increase the availability of the supplies and services.

ABBREVIATIONS

Abbreviation	Description
bbl	Barrel
boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 boe for 6 mcf of natural gas
bbl/d	barrels of oil per day
boe/d	barrel of oil equivalent per day
mbbls	thousand barrels
mcf	thousand cubic feet
mmcf	million cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
bcf	billion cubic feet
km	kilometer
sq km	square kilometer