

BENCHMARK ENERGY CORP.
Six months ended December 31, 2007 and 2006
Management's Discussion and Analysis

The following management discussion and analysis is prepared as at February 28, 2008 and should be read in conjunction with the unaudited financial statements for the six months ended December 31, 2007, the audited financial statements for the year ended June 30, 2007 and the unaudited financial statements for the six months ended December 31, 2006 of Benchmark Energy Corp. (the "Company"). Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at <http://sedar.com>.

Forward Looking Statements

Except for statements of historical fact, all statements in this MD&A - including, without limitation, statements regarding production estimates, potential reserves and future plans and objectives of the Company - are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from anticipated results include risks and uncertainties most of which are beyond the Company's control such as: risks relating to estimates of reserves and recoveries; production rates and operating cost assumptions; development risks and costs; the risk of commodity price and currency fluctuations; general economic and industry conditions; political and regulatory risks; environmental risks; stock market volatility; access to sufficient capital from internal and external sources; and other risks and uncertainties as disclosed under the heading "Risk Factors" and elsewhere in the Company's documents filed from time-to-time with the Canadian securities regulatory authorities. The reader is cautioned that assumptions used in the preparation of such information, while considered reasonable by the Company at the time, may prove to be incorrect. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

The Company is listed on the TSX Venture Exchange Inc. ("TSXV"). Operations at this time are focused on the acquisition, exploration and development of international petroleum and natural gas properties. The Company has three wholly owned subsidiaries: Benchmark (Colombia) Inc., Benchmark Holdings (BVI) Limited and Benchmark Energy (BVI) Corp. As of the date of this MD&A, all three subsidiaries are inactive.

Latin America

During the six months ended December 31, 2007, the Company continued to examine petroleum and natural gas interests in Latin America. While no acquisition has been made at the date of this MD&A, the Company's focus remains on acquiring international petroleum and natural gas assets in Latin America.

Tunisia

Capitalized petroleum and natural gas interests as at December 31, 2007 of \$458,926 (2006 - \$441,795) consist solely of acquisition costs of the Company's 33.33% interest in the Cosmos Concession.

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Drilling Technology

During the year ended June 30, 2007, the Company signed an agreement with a third party to use proprietary radial drilling technology in Indonesia and Malaysia. Under the terms of the agreement, the Company will pre-pay services to be provided in a sufficient amount to fund the manufacturing and delivery of a radial drilling unit for priority use by the Company in Indonesia and Malaysia. 75% of the cost of the work on the wells will be credited towards the pre-payment and the remaining 25% will be paid out of production generated. The third party will hold a 12.5% back-in right, subject to giving notice within 60 days of commercial operations and paying a proportionate share of costs and expenses, on any projects in Indonesia and Malaysia to which the radial drilling technology is applied by the Company. No fees have been advanced under this arrangement as of the date of this MD&A.

During the year ended June 30, 2007, the Company entered into a co-operation agreement with privately held Dominion Oil USA Corp. ("Domoil") of Spring, Texas. The Company originally advanced Domoil US \$585,000 (\$572,540) (the "Advance") to fund the manufacture of their Radial Drilling Service Unit. The Company will receive a preferential right to use the equipment.

During the six months ended December 31, 2007, the manufacture of the Radial Drilling Service unit was completed and the unit was shipped to Colombia for a pilot project. In conjunction with the pilot project and pursuant to the agreement with Domoil, the Company has received a credit on the Advance in the amount of US \$119,500 (\$118,078) reducing the current amount advanced to Domoil US \$462,500 (\$454,462).

Results of Operations

Results of Operations for the six months ended December 31, 2007 and 2006

General and administrative expenses consist of the following:

Six months ended December 31,	2007	2006
Expenses		
Travel and promotion	\$ 141,591	\$ 55,004
Salaries and benefits	29,892	8,981
Rent	26,054	18,720
Consulting fees	325,359	266,876
Management fees	72,169	26,837
Transfer agent and filing fees	12,687	2,452
Legal Fees	206,702	30,764
Stock-based compensation	233,393	25,647
Office	76,210	100,418
Foreign exchange	86,108	(585)
	1,120,165	535,112

The total operating expenses for the six months ended December 31, 2007 amounted to \$1,120,164 compared to \$535,112 for the six months ended December 31, 2006. The levels of expenditures for certain cost categories have increased from period to period due to the capital raising efforts of management and the continued exploration of potential petroleum and natural

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gas prospects. In particular, legal fees, management fees and travel expenses have significantly increased during the six months ended December 31, 2007 as a result of on-going negotiations with respect to oil and natural gas projects currently being pursued by management.

Foreign exchange loss has increased during the six months ended December 31, 2007 compared to the six months ended December 31, 2006 due to the end of period exchange revaluation having a negative impact on capital assets.

Stock-based compensation was \$233,393 during the six months ended December 31, 2007 compared to \$25,647 during the six months ended December 31, 2006.

The Company earned \$94,286 in interest income during the six months ended December 31, 2007 compared to \$15,000 interest income earned during the six months ended December 31, 2006. Interest was the sole source of revenue during both quarters and was earned on cash and cash equivalents held by the Company.

Net Loss for the three months ended December 31, 2007 and 2006

The Company incurred a net loss for the three months ended December 31, 2007 of \$498,286 or \$0.02 per share compared to a net loss of \$234,289 or \$0.01 per share for the three months ended December 31, 2006.

Summary of Quarterly Results

	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31
	2007	2007	2007	2007	2006	2006	2006	2006
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	32,553	61,733	8,581	11,893	7,500	7,500	7,930	1,036
Net loss	(498,286)	(622,671)	(2,509,351)	(528,106)	(234,289)	(287,475)	(375,981)	(233,791)
Net loss per share- basic and diluted	(0.02)	(0.03)	(0.14)	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)

The Company's costs have increased during the three months ended December 31, 2007 compared to the three months ended December 31, 2006 due to the increased operations of the Company as a result of its business plan to acquire, explore and develop petroleum and natural gas properties internationally.

Liquidity and Capital Resources

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. There can be no assurance of continued access to any equity funding.

The Company began the year with working capital of \$1,094,828 which included cash of \$441,844. For the six months ended December 31, 2007, the Company had working Capital of \$104,973 including cash of \$368,483.

The Company's financial statements are prepared in accordance with Canadian GAAP applicable for a going concern, which presumes that the Company will continue realizing its assets and

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discharging its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependant on its ability to acquire, explore, develop and produce its existing and new petroleum and natural gas interests and to raise sufficient funds to do so.

The Company believes it has adequate working capital to fund its corporate general and administrative activities over the next twelve months. If the Company chooses to proceed with any acquisition, it will need to raise additional funds for those expenditures.

The Company had no commitments for material capital expenditures for the six months ended December 31, 2007. In December 2007, the Company announced a private placement in the amount of \$2 million would take place in January 2008. However, subsequent to the announcement this intended private placement has been cancelled. As at the date of this MD&A, the Company has no other financial arrangements.

Transactions with Related Parties

For the six months ended December 31, 2007, the Company incurred management service fees of \$140,933 (2006 - \$189,105) payable to directors, companies controlled by directors and former directors of the Company.

A director working in relation to prospects in Latin America provided the Company with management services. The director was paid fees of \$61,062 (2006 - \$nil) during the six months ended December 31, 2007.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Outstanding Share Data

The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price	Number	Total Number
Common shares				23,313,771
Warrants	March 1, 2008	\$0.40		1,129,250
Stock options	May 24, 2010	\$0.27	242,500	
	January 17, 2011	\$0.35	375,000	
	February 14, 2011	\$0.50	29,000	
	May 24, 2011	\$0.71	200,000	
	February 7, 2012	\$0.48	232,000	
	March 16, 2012	\$1.00	448,000	
	September 21, 2012	\$0.53	447,500	
	September 24, 2012	\$0.55	275,000	
	October 17, 2012	\$0.69	42,000	2,291,000

During the six months ended December 31, 2007, 298,750 warrants were exercised. At the date of this MD&A, the total number of issued and outstanding shares is 23,313,771. During the six months ended December 31, 2007 three were three stock option grants; 447,500 options at \$0.53; 275,00 options at \$0.55 and; 42,000 options at \$0.69. Also, during the six months ended December 31, 2007, 10,000 options were not exercised and expired. The total options issued at the date of this MD&A are 2,291,000.

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Subsequent Event

On December 28, 2007, the Company announced it had arranged a non-brokered private placement for up to 4,000,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$2 million. Subsequent to this announcement, the Company cancelled this private placement and will issue a news release confirming the details of this cancellation in March 2008.