

**BENCHMARK ENERGY CORP.**  
**Nine months ended March 31, 2008 and 2007**  
**Management's Discussion and Analysis**

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The following management discussion and analysis is prepared as at May 30, 2008 and should be read in conjunction with the unaudited financial statements for the nine months ended March 31, 2008, the audited financial statements for the year ended June 30, 2007 and the unaudited financial statements for the nine months ended March 31, 2007 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. At the date of this MD&A, all three subsidiaries are inactive.

*Latin America*

During the nine months ended March 31, 2008, the Company entered into an arms-length agreement with Central Argentina Corporation ("CAC"), which holds 100% of the producing Catriel Oeste concession in the Neuquen Basin of Argentina. The Catriel Oeste field is producing approximately 1,300 barrels of oil per day ("bopd") with current productive capacity of over 1,400 bopd.

While no acquisition has been completed, the Company continues to focus on acquiring international petroleum and natural gas assets in Argentina and other areas of South America.

*Tunisia*

Capitalized petroleum and natural gas interests as at March 31, 2008 of \$458,926 (2007 - \$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 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 (\$590,850) to fund the manufacture of their radial drilling service unit. The Company will receive a preferential right to use the equipment.

During the nine months ended March 31, 2008, the manufacture of the radial drilling service unit was completed and the unit was shipped to Colombia for a pilot project with Ecopetrol S.A. 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 \$457,875 (\$462,454) reducing the current amount advanced to Domoil to US \$127,125 (\$128,396). The pilot project was suspended for a short time in March due to security concerns in the region – the pilot project was on Ecopetrol's Petrolea Field in the Catatumbo Basin, in close proximity to the Venezuelan border. The project resumed a few weeks later.

**Results of Operations**

**Results of Operations for the nine months ended March 31, 2008 and 2007**

General and administrative expenses consist of the following:

Nine months ended March 31.	2008	2007
<b>Expenses</b>		
Travel and promotion	\$ 174,504	\$ 110,442
Salaries and benefits	51,142	22,908
Rent	39,303	29,615
Consulting fees	478,202	535,282
Engineering Services	–	354,705
Management fees	112,693	85,474
Transfer agent and filing fees	20,188	7,509
Legal and professional fees	256,750	102,312
Stock-based compensation	351,125	25,647
Office	100,484	152,324
Bank fees	3,832	337
Depreciation	4,128	4,667
Foreign exchange	74,442	244
	\$ 1,666,793	\$ 1,431,466

The total operating expenses for the nine months ended March 31, 2008 amounted to \$1,666,793 compared to \$1,431,466 for the nine months ended March 31, 2007. 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 gas prospects. While consulting and office expenses both decreased comparatively for the nine months ended March 31, 2008 from the nine months ended March 31, 2007, other expenses, in particular, legal & professional fees, management fees, salaries & benefits and travel expenses have all increased during the nine months ended March 31, 2008. This is a result of on-going negotiations

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with respect to oil and natural gas projects currently being pursued by management in South America.

Foreign exchange loss has increased to \$74,442 during the nine months ended March 31, 2008 from \$244 during the nine months ended March 31, 2007. This is due to the end of period exchange revaluation having a negative impact on capital assets and cash holdings.

Stock-based compensation was \$351,125 during the nine months ended March 31, 2008 compared to \$25,647 during the nine months ended March 31, 2007.

The Company earned \$100,266 in interest income during the nine months ended March 31, 2008 compared to \$26,893 interest income earned during the nine months ended March 31, 2007. 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 March 31, 2008 and 2007***

The Company incurred a net loss for the three months ended March 31, 2008 of \$445,570 or \$0.02 per share compared to a net loss of \$882,810 or \$0.05 per share for the three months ended March 31, 2007.

**Summary of Quarterly Results**

	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	Jun 30
	2008	2007	2007	2007	2007	2006	2006	2006
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total revenue</b>	5,980	32,553	61,733	8,581	11,893	7,500	7,500	7,930
<b>Net loss</b>	(445,570)	(498,286)	(622,671)	(2,509,351)	(882,810)	(234,289)	(287,475)	(375,981)
<b>Net loss per share- basic and diluted</b>	(0.02)	(0.02)	(0.03)	(0.14)	(0.05)	(0.01)	(0.02)	(0.02)

The Company's costs have decreased significantly in certain areas while others have increased during the three months ended March 31, 2008 compared to the three months ended March 31, 2007. This is 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 that included cash of \$441,844. For the nine months ended March 31, 2008, the Company had a working capital deficiency of \$240,687 that included cash of \$137,605. The decrease in working capital stems directly from the Company's continued efforts to acquire, explore and develop petroleum and natural gas properties internationally.

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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 discharging its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent 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.

As a result of the Sale and Purchase Agreement for the Cosmos Concession in Tunisia in April 2008, the Company believes it has adequate working capital to fund its corporate, general and administrative activities over the next period. If the Company chooses to proceed with any acquisition(s), it will need to raise additional funds for those expenditures.

The Company had no commitments for material capital expenditures for the nine months ended March 31, 2008.

**Transactions with Related Parties**

For the nine months ended March 31, 2008, the Company incurred management service fees of \$212,641 (2007 - \$208,976) 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 \$90,305 (2007 - \$nil) during the nine months ended March 31, 2008.

**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				24,503,578
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 nine months ended March 31, 2008, 1,491,335 warrants were exercised at \$0.40 for total proceeds of \$596,534. Currently, there are no outstanding warrants. At the date of this MD&A, the total number of issued and outstanding shares is 24,503,578. During the nine months ended March 31, 2008 there were three stock option grants; 447,500 options at \$0.53; 275,000 options at \$0.55 and; 42,000 options at \$0.69. Also, during the nine months ended March 31, 2008 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 Events**

In reference to the pilot project in conjunction with Ecopetrol S.A, the fourth and final well of the initial pilot project utilizing the proprietary well-performance enhancement technology was completed in April 2008. The Company and Ecopetrol have expanded the pilot project, as was Ecopetrol's option. At the date of this MD&A, the Company has moved to the Tibu Field, also in the Catatumbo Basin to commence drilling on its fifth well.

In April 2008, the acquisition of CAC was terminated under its original Agreement due to the inability of the European Bank engaged to provide the bridge financing facility. Although, the Company and CAC entered into a non-binding letter of intent, which was to serve as the basis for future negotiations of a new definitive Agreement, that letter of intent was terminated on May 27, 2008.

In reference to the Company's Cosmos Concession in Tunisia, it was announced in April 2008 that the Company entered into a Sale and Purchase Agreement with Calgary-based Storm Ventures International Inc. ("SVI") to sell the Company's full 33.33% interest in the Cosmos Concession in exchange for gross proceeds of US \$6 million. At the date of this MD&A, SVI has advanced the Company US \$500,000 (\$508,200) prior to the closing of this Agreement. The Company expects to net approximately US \$5.2 million from this sale. Out of the gross sale amount, a fee of US \$450,000 will be payable to a director and a company controlled by a director.