

BENCHMARK ENERGY CORP.
Three Months ended September 30, 2007 and 2006
Management's Discussion and Analysis

The following management discussion and analysis is prepared as at November 29, 2007 and should be read in conjunction with the unaudited financial statements for the three months ended September 30, 2007, the audited financial statements for the year ended June 30, 2007 and the three months ended September 30, 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 www.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 three months ended September 30, 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 September 30, 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 has advanced Domoil US \$585,000 (\$607,991) to fund the manufacture of their Radial Drilling Service Unit. The Company will receive a preferential right to use the equipment. Subsequent to September 30, 2007, the Radial Drilling Service Unit has been shipped to South America for use in the near future.

Results of Operations

Results of Operations for the three months ended September 30, 2007 and 2006

General and administrative expenses consist of the following:

Three months ended September 30,	2007	2006
Expenses		
Travel and promotion	\$ 72,879	\$ 80,153
Salaries and benefits	16,073	3,216
Rent	13,324	5,850
Consulting fees	134,512	143,698
Management fees	10,500	26,837
Transfer agent and filing fees	7,399	1,263
Professional Fees	(42,955)	-
Legal Fees	164,265	-
Stock-based compensation	212,152	25,647
Office	56,149	7,440
Foreign exchange	37,623	-
	681,921	294,104

The total operating expenses for the three months ended September 30, 2007 amounted to \$681,921 compared to \$294,104 for the three months ended September 30, 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 gas prospects.

During the three months ended September 30, 2007, the Company terminated its proposed purchase of a Colombian oil and gas company. As a result of this transaction, the Company

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incurred several related costs: \$33,320 in legal fees and \$46,826 in consulting fees. Additionally, the Company advanced a US \$1 million cash deposit for the purchase during the fourth quarter of the prior fiscal year. Upon cancellation of the purchase, the Company was refunded \$754,657 with the remaining amount of \$309,243 going to acquisition and termination costs.

Stock-based compensation was \$212,152 during the three months ended September 30, 2007 compared to \$25,647 during the three months ended September 30, 2006.

The Company earned \$61,733 in interest income during the three months ended September 30, 2007 compared to \$7,500 interest income earned during the three months ended September 30, 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 September 30, 2007

The Company incurred a net loss for the three months ended September 30, 2007 of \$622,671 or \$0.03 per share compared to a net loss of \$287,475 or \$0.02 per share for the three months ended September 30, 2006.

Summary of Quarterly Results

	Sept 30 2007 \$	June 30 2006 \$	Mar 31 2006 \$	Dec 31 2006 \$	Sept 30 2006 \$	June 30 2006 \$	Mar 31 2005 \$	Dec 31 2005 \$
Total revenue	61,733	8,581	11,893	7,500	7,500	7,930	1,036	1,376
Net loss	(622,671)	(2,509,351)	(528,106)	(234,209)	(287,475)	(375,981)	(233,791)	(154,743)
Net loss per share-basic and diluted	(0.03)	(0.14)	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)

The Company's costs have increased during the three months ended September 30, 2007 compared to the three months ended September 30, 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 three months ended September 30, 2007, the Company had working Capital of \$856,314 including cash of \$795,625.

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 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.

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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 three months ended September 30, 2007. As at the date of this MD&A, the Company has no other arrangement for sources of financing.

Transactions with Related Parties

For the three months ended September 30, 2007, the Company incurred management and consulting service fees of \$69,867 (2006 - \$91,845) payable to directors, companies controlled by directors and former directors of the Company.

A director provided the Company with management services in the capacity of locating and analysing opportunities in Latin America. The director was paid fees of \$31,647 (June 30, 2007 - \$45,289) for the three months ended September 30, 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				23,291,271
Warrants	March 1, 2008	\$0.40		1,765,551
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	242,000	
	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	2,301,000

Subsequent to the three months ended September 30, 2007 an additional 276,250 warrants were exercised. At the date of this MD&A the total number of issued and outstanding shares is 23,291,271. There was also one stock option grant subsequent to September 30, 2007: 42,000 options at \$0.69. The total options outstanding at the date of this MD&A are 2,301,000.