

KENARTHA OIL AND GAS COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS FOR MARCH 31, 2005

The Company has three (3) natural gas wells in Arthur Township, Ontario, in the vicinity of the town of Arthur located north of the city of Guelph, in southern Ontario. The Company has a sales agreement with Union Gas for all of its natural gas production.

During the year of April 01, 2004 to March 31, 2005 only two (2) of the wells were in the production mode with the third well in intermittent production producing a combined 679,300 cubic meters of saleable natural gas.

Management are reviewing the previous drill logs of the existing three (3) wells to determine the possibility of locating future wells sites on its existing leases.