The following discussion and analysis of the operations, results and financial position of Berkley Resources Inc. (the “Company” or “Berkley”) for the period ended March 31, 2008 should be read in conjunction with the March 31, 2008 year-end financial statements and the related notes.

This Management Discussion and Analysis (“MD&A”) is dated May 26, 2008 and discloses specified information up to that date. Berkley is classified as a “venture issuer” for the purposes of National Instrument 51-102. The Company’s financial statements are prepared in accordance with generally accepted accounting principles in Canada. Unless otherwise cited, references to dollar amounts are in Canadian dollars.

We recommend that readers consult the “Cautionary Statement” on the last page of this report.

Description of Business

The Company’s principal business activities are the acquisition, development, exploration and production of petroleum and natural gas reserves in Alberta and Saskatchewan. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol BKS, on the OTC as a foreign issuer under the symbol BRKDF and on the Frankfurt Stock Exchange under the symbol W80 and WKN 871666.

Overall Performance

During the year ended December 31, 2007, the Company became a pure oil and gas company after the sale of the Company’s real estate assets in Vancouver, B.C. The Company used the proceeds of the sale to pay the Company’s outstanding corporate debt and the balance was used for exploration and working capital purposes.

Oil and Gas Industry Overview

The oil and gas Industry is gradually recovering from the very difficult period following the demise of Royalty Income Trusts on October 31, 2006. This sudden event truncated the liquidity plans of many Junior oil and gas companies which resulted in the financial community turning away from oil and gas investment for an extended period of time. Current prices in excess of $130 per barrel for West Texas Intermediate (WTI) oil and a commensurate up-lift in natural gas prices to over $11.00 per thousand cubic feet (mcf) from about $6.00/mcf one year ago, have combined to renew the interest of investors in Junior oil and gas companies. This positive change should be of considerable benefit to operators like Berkley who have quality projects, like Crossfield, Alberta, in need of additional capital

Company Activity

Senex Area, Alberta (Townships. 92/93, Ranges 6/7 W5M):

Berkley (20% ±) and its operating partner Onefour Energy Ltd. (80% ±) have approximately 70 sections. These land holdings will provide the Company with a very large block on which to develop all three productive formations identified to date. The formations are: Keg River (oil), Slave Point (oil) and Blue Sky (gas).

During last fiscal year, the Company and its partner changed their focus on this program and concentrated on stabilizing production from the Keg River producing wells while the capital program was put on hold.

As of the date of this MD&A, the Company has an unresolved dispute with its partner with respect to the Senex area operations that is subject to a default notice. Several items in this account are disputed by the Company. The outcome of this dispute is undeterminable at this time.

Crossfield West Area, Alberta (Township 28, Range 1 W5M):

The licensing process of this sour-gas prospect is stalled. The Company (35%) and its partners have negotiated extensions to certain of its freehold leases which will maintain our existing drilling lease block of six sections. The Company's licensing hearing has been postponed and the Company is waiting to schedule a new hearing.

Summary

The Company has made a major commitment to the Senex Area in north-central Alberta. Large resources of oil have been identified in two Devonian formations and a significant natural gas reserve in shallow lower Cretaceous sand. As stated above, we are currently focused on stabilizing our Keg River producers. The licensing process at Crossfield has been postponed and the Company is working towards a new hearing date.

Results of Operations

Three months ended March 31, 2008 ("Q1-2008") compared with the three months ended March 31, 2007 ("Q1-2007").

Oil and Gas

Oil and gas revenue was $312,577 for Q1-2008 compared to $473,977 for Q1-2007, a decrease of $161,400. The decrease in revenue is due primarily to the Company having revenue from the Senex property forfeited until a dispute with the operator is settled. The production expenses for Q1-2008 were lower at $289,048 compared to $514,736 for Q1-2007, a decrease of $225,688. There were decreases of $37,378 in operating costs, $49,710 in interest charges and $138,600 in amortization, depletion and accretion. The demand for labour, services and equipment continues to be strong along with rising prices for such items but less operating activity has kept costs lower during the current period. Interest charges were nil in the current period as a result of the Company paying off its long-term debt in the prior year. There was a net income of $23,529 for Q1-2008 compared to a net loss of $40,759 reported for Q1-2007, a difference of $64,288. The fact that the comparative quarter has interest charges and the current quarter does not accounts for the difference.

Head Office - General and Administrative Expenses

General and administrative expenses totaled $162,702 for Q1-2008 compared with $298,268 for Q1-2007. The decrease of $135,566 is the result of cost decreases in all categories except for professional fees, which happened to increase by $5,861. This concerns legal fees in regards to the dispute with the Senex partner. The decreases were $48,329 in finance fees, $30,985 in administrative, office services and premises, $12,712 in stock based compensation, $12,677 in management fees, $25,785 in consulting fees, $3,413 in filing and transfer agent fees, and $7,505 in shareholder information.

There are several reasons for the various cost decreases. The financing fees were associated with a financing arrangement that expired in the prior year. Consulting fees are down because of two five-year consulting agreements that had expired in the prior year as well. Management fees are lower as a result of one less officer being paid. In regards to administrative, office services and premises expenses, the Company is now paying a smaller percentage of the head office cost sharing arrangement with Oniva.

Real Estate (Discontinued Operations)

The current year no longer has real real-estate operations so it is only the prior year's quarters that will have a loss or income to report. In this case, Q1-2007 had a loss of $26,730. There were interest charges on long term debt up until the time the property was sold and this was enough to turn a profit situation into a loss.

Loss for the Period

There was a loss for Q1-2008 of $137,396 compared with a loss of $377,933 for Q1-2007, a difference of $240,537. As noted above, each segment experienced a positive change over the comparative period. There were no significant other income or expense items that had an impact on the loss for the period except for a bad debts expense of $11,995 in Q1-2007 compared to no such amount in Q1-2008. Overall, the Company has seen interest charges drastically reduced along with lower general and administrative expenses.

Summary of Quarterly Results

Period Ended	2008	2007	2007	2007	2007	2006	2006	2006
	Mar 31 Q1 $	Dec 31 Q4 $	Sep 30 Q3 $	June 30 Q2 $	Mar 31 Q1 $	Dec 31 Q4 $	Sep 30 Q3 $	Jun 30 Q2 $
Net oil and gas income (loss)	(23,529)	(4,482,642)	(281,167)	(142,153)	(40,759)	(2,912,029)	19,890	(51,335)
Discontinued operations	-	(17,913)	1,941,312	(42,015)	(26,730)	(33,905)	(64,441)	(36,694)
Income (loss) for the period	(137,396)	(3,786,130)	1,228,718	(590,577)	(377,933)	(2,060,027)	(504,034)	(404,968)
Basic and diluted income (loss) per share after discontinued operations	(0.01)	(0.07)	0.06	(0.03)	(0.02)	(0.13)	(0.04)	(0.03)

Liquidity

At March 31, 2008 the Company had current assets of $161,563, of which $46,826 was comprised of cash. Current liabilities totaled $754,212, of which there is no longer bank loans included since the sale of the real estate property. Current assets were used to further investment in oil and gas properties and equipment by $74,189 in the three months ended March 31, 2008.

Total working capital deficiency at March 31, 2008 is $592,649. The Company is addressing its' working capital needs by arranging for additional equity financing. During the recently completed year, the Company raised $1,400,100 with a flow-through private placement and $264,000 with a non-flow-through private placement. The Company also continues to explore other financial opportunities.

Capital Resources

The Company plans to continue its participation in the two projects discussed above. The Company expects to finance expenditures on these projects through private placements, existing production revenue and a farm out of a portion of its property interests (if required). In addition, the Company may make further oil and gas expenditures on new properties as finances permit.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

Amounts owing to related parties consists of $47,925 (December 31, 2007 - $7,000) due to Directors of the Company for Directors fees, management fees and expense reimbursements and $12,618 (December 31, 2007 - $7,261) to Oniva International Services Corp. ("Oniva"), a private company owned by public companies having common Directors that provides administrative services, office supplies and accounting services.

Management and consulting fees totaling $45,500 were paid to Directors and their private companies in the period (2007: $58,177).

Administrative services, office supplies and accounting charges totaling $20,819 were paid to Oniva (2007: $26,624). The Company takes part in a cost sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The agreement may be terminated with one-month notice by either party.

The transactions were in the normal course of operations and agreed to by the related party and the Company and have had been measured at the exchange amount.

Disclosure of Management Compensation

During the period, $5,000 (2007: $17,677) was paid to the President for services as director and officer of the Company, $18,000 (2007: $18,000) was paid to the C.E.O. for services as director and officer of the Company, $7,500 (2007: $7,500) was paid to the V.P. Finance for services as director and officer of the Company, $15,000 (2007: $15,000) was paid to the V.P. Operations for services as director and officer of the Company, and $2,250 (2007: $2,147) was paid to the Corporate Secretary for services as an officer of the Company.

Changes in Accounting Policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"). These accounting policy changes were adopted on a retrospective basis with no restatement of prior period financial statements:

i) CICA Section 1400 *General Standards of Financial Statement Presentation* provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern.

ii) CICA Section 1535 *Capital Disclosures* establishes standards for the disclosure of the Company's objectives, policies and processes for managing capital, capital management strategies, as well as quantitative information about capital.

iii) CICA Section 3031 *Inventories* contains expanded guidance related to cost measurement and disclosure requirements. The Company expects no significant impact on the Company's interim and annual financial statements for fiscal 2008 as a result of this standard.

iv) CICA Section 3064 *Goodwill and Intangible Assets* replaces Section 3062 *Goodwill and Intangible Assets*, and Section 3450 *Research and Development Costs,* which also resulted in amendments to related guidance contained in AcG-11 *Enterprises in the Development Stage* and Section 1000 *Financial Statement Concepts.* These pronouncements and amendments affect the recognition and measurement of intangible assets that include deferred costs related to mineral property exploration. On January 1, 2009 the Company will adopt this standard, and management is currently assessing its impact on the Company's interim and annual financial statements for fiscal 2009.

v) CICA Section 3862 *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments - Presentation* replaces Section 3861 *Financial Instruments - Disclosure and Presentation*. These new sections revise and enhance current disclosure requirements for financial instruments, and place an increased emphasis on disclosure of risk exposure and risk assessments.

vi) In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Management is currently assessing the impact of adopting IFRS and it has not yet determined its affect on the Company's financial statements.

Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

As at March 31, 2008 and May 26, 2008 the Company had 21,451,608 issued and outstanding common shares.

The following is a summary of stock options outstanding as at March 31, 2008 and May 26**,** 2008:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (Mar 31/08)	Number of Shares Remaining Subject to Options (May 26/08)
September 19, 2008	$0.52	580,500	577,500
September 19, 2008	$0.57	150,000	150,000
October 19, 2009	$0.81	200,000	200,000
October 29, 2009	$0.77	37,500	37,500
December 23, 2010	$0.90	637,500	637,500
September 21, 2011	$0.56	595,000	592,500
July 4, 2012	$0.55	350,000	350,000
		2,550,500	**2,545,000**

The following is a summary of share purchase warrants outstanding as at March 31, 2008 and May 26, 2008:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares
January 12, 2009	$1.00	220,000

Commitment

As at March 31, 2008, $1,400,100 of eligible Canadian exploration expenditures had not yet been expended by the Company. The Company is expected to spend this amount on qualifying expenditures by December 31, 2008.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures and have concluded, based on our evaluation, that they are effective as at March 31, 2008 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified in those rules and regulations.

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company assessed the design of the internal controls over financial reporting as at March 31, 2008 and concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and
b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken steps to mitigate these risks by hiring additional personnel, consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary. However, these weaknesses in internal controls over financial reporting could result in a more than remote likelihood that a material misstatement would not be prevented or detected. The Company believes that it must take additional steps to further mitigate these risks by consulting outside advisors on a more regular and timely basis.

There have been no changes in the Company's internal controls over financial reporting that occurred during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of May 26, 2008. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.