The following discussion and analysis of the operations, results and financial position of Berkley Resources Inc. (the "Company" or "Berkley") for the nine months ended September 30, 2008 should be read in conjunction with the December 31, 2007 audited year-end financial statements and the related notes.

This Management Discussion and Analysis ("MD&A") is dated November 28, 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 and on the Frankfurt Stock Exchange under the symbol W80 and WKN 871666.

Overall Performance and Outlook

Since 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. An overview analysis of the oil and gas segment is as follows:

Oil and Gas Industry Overview

The oil and gas industry followed the downward slide experienced by the financial sector throughout the third quarter of 2008. After seeing a price of US $145.29 per barrel for oil on July 3, 2008, the industry is trying to manage its way through the collapse to US $76.61/barrel average for October, 2008 to near US $50.00/barrel at mid-November, 2008. Natural gas prices were less dramatic but also significant, dropping from a July 1, 2008 price of C$11.70/per thousand cubic feet (MCF) to C$6.40/mcf average for October, 2008. Operating costs have not tracked price declines, however, this is rapidly changing as more and more oilfield equipment stands idle. The entire circumstance is further aggravated in Alberta by an intransigent government which continues on its expressed intent to implement a punishing royalty regime effective January 1, 2009. New money for junior oil and gas operators is therefore difficult to find as we move towards the end of 2008.

Company Activity

During the quarter ended September 30, 3008, the Company closed a non-brokered private placement of 2,800,000 units at a price of $0.18 per unit, each unit consisting of one common share and one non-transferable share purchase warrant. Each warrant will entitle the shareholder to purchase one additional share at a price of $0.30 until July 16, 2009. The private placement was accepted for filing by the TSX Venture Exchange on July 15, 2008. No commissions were paid on this transaction. The hold period for all securities issued under this private placement expired on November 16, 2008.

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

Berkley's original 80% partner in this project has been purchased by a large, well financed public company. Berkley is in discussions with the Purchaser to settle all joint venture billing disagreements and other issues between the parties.

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

This project is moving forward. Following the period ended June 30, 2008, the Company announced the sale of a 25% interest in its Crossfield Project to an individual, in an arm's length transaction. The Company estimates that it will cost approximately $5,000,000 to license, drill, complete and tie-in the first of four wells planned for this project. Each of the subsequent three wells is expected to cost approximately $4,000,000 for total exposure to 100% interest being $15/20,000,000. The Company now holds approximately 50% interest in this Project which is a well defined, seismically controlled, sour-gas prospect in the Crossfield member of the Wabamun formation. This is the same formation that has produced nearly 1 tcf (one trillion cubic feet) of its projected 1.8 tcf of natural gas reserves from the giant Crossfield gas field situated two to five miles east of the Berkley et al prospect which in turn is about 25 miles north of the City of Calgary.

The licensing process will include a public hearing which, if successful, would enable the parties to drill during the third/fourth quarter of 2009.

Summary

The Company has made a major commitment to the Senex Area in north-central Alberta. Large reserves of oil have been identified in two Devonian formations and a significant natural gas reserve in shallow lower Cretaceous sand. We continue to focus on stabilizing Keg River oil production and enhancing the Slave Point oil production. The farm-out agreement is a meaningful way to do this. The licensing process at Crossfield is on track and the Company is well prepared for a new hearing date.

Results of Operations

Three months ended September 30, 2008 compared with the three months ended September 30, 2007.

Oil and Gas

Oil and gas revenue was $528,448 for the three months ended September 30, 2008 as compared to $317,129 for the same period in 2007, an increase of $211,319. The increase in revenue is a result of the Company having increased revenues from the Senex & Dollard Properties due to increase production volumes and pricing. The production expenses for the third quarter of 2008 were lower at $393,208 compared to $598,296 in 2007. The decrease of $205,088 consisted of decreases of $62,896 in operating costs, $34,292 in interest on loans and $107,900 in amortization, depletion and accretion. 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 $135,240 for the third quarter of 2008 compared to a net loss of $281,167 reported for in 2007, a difference of $416,407. All production expenses have decreased in the current year.

Head Office - General and Administrative Expenses

General and administrative expenses totaled $132,140 for the third quarter of 2008 compared with $412,582 in the same period of 2007. The decrease of $280,442 is the result of cost decreases in all categories. The decreases included $37,052 in finance fees, $2,279 in administrative, office services and premises, $32,188 in stock based compensation, $85,778 in management fees, $77,172 in consulting fees, $20,725 in professional fees, $7,829 in transfer agent fees and $17,391 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. Stock based compensation expense is lower as there were no new stock options granted. 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, Q3-2007 had an operating loss of $33,399 and a gain on the sale of assets of $1,974,711. 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.

Income for the Period

There was a loss of $41,495 for the three months ended September 30, 2008 compared with a gain of $1,228,718 for the same period in 2007, a difference of $1,270,213. The primary difference is related to the gain of $1,941,312 recorded on the sale of assets in 2007. Each segment experienced a positive change over the comparative period. However the Company has incurred a higher interest expense in the third quarter due to amounts due in relation to the Company's flow-through share commitments. Overall, the Company has seen lower general and administrative expenses.

Nine months ended September 30, 2008 ("YTD-2008") compared with the nine months ended September 30, 2007 ("YTD-2007").

Oil and Gas

Oil and gas revenue was $1,427,583 for the nine months ended September 30, 2008 compared to $1,243,670 for the same period in 2007, an increase of $183,913. The production expenses for the nine months were lower at $1,064,086 compared to $1,707,749 in 2007. This decrease of $643,663 was due to decreases of $156,099 in operating costs, $134,264 in interest on loans, and $353,300 in amortization. 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 $363,497 for the nine months ended September 30, 2008 compared to a net loss of $464,079 reported for the same period in 2007, a difference of $827,576.

Head Office - General and Administrative Expenses

General and administrative expenses totaled $470,176 for the nine months ended September 30, 2008 compared with $1,077,405 for in 2007. The decrease of $607,229 is the result of cost decreases in all categories. The decreases were $134,247 in finance fees, $80,551 in administrative, office services and premises, $105,459 in stock based compensation, $89,901 in management fees, $116,284 in consulting fees, $35,876 in professional fees, $10,676 in filing and transfer agent fees, and $34,151 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. Stock based compensation expense is lower as there were no new stock options granted. 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.

Loss for the Period

Loss for the period ended September 30, 2008 was $149,284 compared with a gain of $260,208 for during the same period of 2007, a difference of $409,492. As noted above, the Company had a significant gain on the sale of assets in 2007. There were no significant other income or expense items that had an impact on the loss for the period. Overall, the Company has seen interest charges drastically reduced along with lower general and administrative expenses.

Summary of Quarterly Results

Period Ended	2008 Sept. 30 Q3 $	2008 Jun 30 Q2 $	2008 Mar 31 Q1 $	2007 Dec 31 Q4 $	2007 Sep 30 Q3 $	2007 June 30 Q2 $	2007 Mar 31 Q1 $	2006 Dec 31 Q4 $
Net oil and gas income (loss)	135,240	204,728	23,529	(4,482,642)	(281,167)	(142,153)	(40,759)	(2,912,029)
Discontinued operations		-	-	(17,913)	1,941,312	(42,015)	(26,730)	(33,905)
Income (loss) for the period	(41,495)	29,607	(137,396)	(3,786,130)	1,228,718	(590,577)	(377,933)	(2,060,027)
Basic and diluted income (loss) per share after discontinued operations	(0.00)	(0.01)	(0.01)	(0.07)	0.06	(0.03)	(0.02)	(0.13)

Liquidity

At September 30, 2008 the Company had current assets of $590,528, of which $227,447 was comprised of cash. Current liabilities totaled $352,284, of which there is no longer bank loans included since the sale of the real estate property.

Total working capital as at September 30, 2008 was $238,244. During 2008, the Company raised $504,000 by way of non-brokered private placement. The Company also continues to explore other financial opportunities in order to address its ongoing financial requirements.

Capital Resources

The Company plans to continue its participation in the two projects discussed above. The Company expects to finance expenditures on these projects by way of 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 $47,514 (December 31, 2007 - $7,000) due to directors of the Company for directors fees, management fees and expense reimbursements and $7,174 (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 $151,500 were paid or accrued to directors and their private companies in the period (2007: $115,123).

Administrative services, office supplies and accounting charges totaling $64,921 were paid to Oniva (2007: $64,522). 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, $30,000 (2007: $89,901) was paid to the President for services as director and officer of the Company, $54,000 (2007: $84,000) was paid to the C.E.O. for services as director and officer of the Company, $15,000 (2007: $22,500) was paid to the V.P. Finance for services as director and officer of the Company, $30,000 (2007: $45,000) was paid to the V.P. Operations for services as director and officer of the Company, $6,949 was paid to the C.F.O. and $7,000 (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 September 30, 2008 the Company had 24,251,598 issued and outstanding common shares and 24,251,598 at November 28, 2008.

The following is a summary of stock options outstanding as at September 30**,** 2008 and November 28, 2008:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (September 30, 2008)	Number of Shares Remaining Subject to Options (November 28, 2008)
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	590,000	590,000
July 4, 2012	$0.55	350,000	350,000
		1,815,000	**1,815,000**

The following is a summary of share purchase warrants outstanding as at September 30, 2008 and November 28, 2008:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (September 30, 2008)	Number of Shares Remaining Subject to Options (November 28, 2008)
January 12, 2009	$1.00	220,000	220,000
July 16, 2009	$0.30	2,800,000	2,800,888
		3,020,000	**3,020,000**

Commitment

As at September 30, 2008, $1,352,000 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 September 30, 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 September 30, 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 September 30, 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 November 28, 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.