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, 2009 and should be read in conjunction with the December 31, 2008 audited year-end financial statements and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated November 25, 2009 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

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

Oil and Gas Industry Overview

The oil segment of the industry appears to have found a working range for the price of oil; however, natural gas prices continue to reflect a significant disconnect with oil based on BTU value. Oil prices for October 2009 averaged approximately US$75/barrel. Natural gas was priced at approximately $4/thousand cubic feet ("mcf"). The BTU conversion of gas to oil is approximately 6.00 mcf of gas equals one barrel of oil. Based on this conversion, $75/barrel oil should equal approximately $12.50/mcf gas. A more commonly accepted and conservative conversion of 10:1 would result in gas prices of $7.50/mcf. The above October 2009 average prices reflect a conversion ratio for gas to oil of near 19:1. The fact that, for environmental and cost reasons, natural gas is also the fuel of choice should result in the price of natural gas improving considerably in response to global oil prices.

Company Activity

The Company continued to pursue quality projects with experienced partners in high opportunity areas. The Company put its primary efforts into fully developing its existing properties and maintaining its representation in new projects now underway including Crossfield, Alberta.

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

The Company has sold its 10% interest in the Senex Area, Alberta properties to its joint interest partner for total consideration of approximately $240,000. Although Senex continues to be an attractive long-term project with substantial amounts of oil and natural gas in place, development costs to bring the project to production continue to increase. The Company determined that a project such as Senex would be more appropriately suited for a mid- to large size operator that has substantial discretionary cash flow. Accordingly, the Company decided to release Senex and focus on less capital-intensive projects that provide opportunities for early cash flow and better return on investment.

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

The licensing process of this sour-gas prospect is progressing. The Company and its partners have negotiated extensions to all of its freehold leases which will serve to maintain our existing drilling lease block of six sections. The Company expects to have the licensing hearing in early 2010 which would permit drilling to take place by mid-year 2010. If access to new capital continues to be tight, the Company may consider reducing its interest through farmout or otherwise, to help finance its 20% share of this project.

Summary

The Company will continue to high-grade its operations with a focus on top-quality projects such as the Crossfield area of Alberta. The Company is involved in developing additional opportunities that it intends to pursue as and when financing becomes available.

Results of Operations

Three months' ended September 30, 2009 ("Q3-2009") compared with the three months ended September 30, 2008 ("Q3-2008").

Oil and Gas

Oil and gas revenue was $149,064 for Q3-2009 compared to $528,448 for Q3-2008, a decrease of $379,384. The decrease in revenue is a result of the Company having decreased revenues from its properties due to decreased production volumes and continuing lower oil and natural gas prices, as well as a reduced interest in certain of its producing properties. Production expenses in Q3-2009 were lower at $109,186 as compared to $261,008 in Q2-2008, a decrease of $151,822, due mainly to lower production volumes. There was a net oil and gas loss of $106,167 in Q3-2009 compared to net oil and gas income of $135,240 in Q3-2008, a difference of $241,407.

Head Office - General and Administrative Expenses

General and administrative expenses totaled $119,366 for Q3-2009 compared with $132,140 in Q3-2008. The decrease of $12,774 is the result of cost decreases in administrative, office services and premises of $26,649, stock-based compensation of $13,917, and amortization of $416. Offsetting this is an increase in management fees of $10,000, consulting fees of $13,584, professional fees of $207, filing and transfer agency fees of $3,287 and shareholder information of $1,130.

Net loss for the Period

There was a net loss of $227,187 in Q3-2009 compared with net loss of $41,495 in Q2-2008. The primary difference is related to lower oil and gas revenues. Overall, the Company has seen lower general and administrative expenses due to cost cutting measures implemented throughout the quarter and reduced corporate activity.

Nine months' ended September 30, 2009 compared with the nine months ended September 30, 2008.

Oil and Gas

Oil and gas revenue was $440,640 for the nine months ended September 30, 2009 compared to $1,427,853 for the same period in 2008, a decrease of $987,213. The decrease in revenue is a result of the Company having decreased revenues from its properties due to decreased production volumes and lower oil prices, as well as a reduced interest in certain of its producing properties. Production expenses in the nine months ended September 30, 3009 were lower at $367,419 as compared to $662,486 for the same period in 2008, a decrease of $295,067, due mainly to lower production volumes. There was a net oil and gas loss of $264,908 in the nine months ended September 30, 2009 compared to net oil and gas income of $363,497 for the same period in 2008, a difference of $628,405.

Head Office - General and Administrative Expenses

General and administrative expenses totaled $311,015 for the nine months ended September 30, 2009 compared with $470,176 in the same period 2008. The decrease of $159,161 is the result of cost decreases in all categories except for consulting fees and filing and transfer agency services. The decreases included $72,309 in administrative, office services and premises, $67,585 in stock-based compensation, $32,400 in management fees, $16,244 in professional fees, $4,760 in shareholder information and $1,236 in amortization. Offsetting this is an increase in consulting fees of $35,056 and in filing and transfer agency fees of $317.

Net loss for the Period

There was a net loss of $577,341 in the nine months ended September 30, 2009 compared with a net loss of $149,284 during the same period in 2008. The primary difference is related to lower oil and gas revenues. Overall, the Company has reduced its general and administrative expenses due to cost cutting measures implemented throughout the period and has seen reduced corporate activity.

Summary of Quarterly Results

Period Ended	2009	2009	2009	2008	2008	2008	2008	2007
	Sept. 30 Q3 $	June 30 Q2 $	Mar. 31 Q1 $	Dec. 31 Q4 $	Sept. 30 Q3 $	Jun 30 Q2 $	Mar 31 Q1 $	Dec 31 Q4 $
Net oil and gas income (loss)	(106,167)	(57,902)	(100,886)	(271,356)	135,240	204,728	23,529	(4,482,642)
Discontinued operations	-	-	-	-	-	-	-	(17,913)
Income (loss) for the period	(227,187)	(147,212)	(202,942)	(529,788)	(41,495)	29,607	(137,396)	(3,786,130)
Basic and diluted income (loss) per share after discontinued operations	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)	0.01	(0.01)	(0.07)

Liquidity

At September 30, 2009 the Company had current assets of $180,345, of which $6,861 (2008 - $46,826) was comprised of cash. Current liabilities totaled $368,391 and consisted of trade payables relating to property operating costs as well as payables relating to accounting and engineering fees associated with its year-end audit.

Total working capital deficiency as at September 30, 2009 was $188,046 (2008 – $471,261). The Company continues to explore and identify other financial opportunities in order to address its ongoing financial requirements.

Capital Resources

The Company plans to continue its participation in the project discussed above. The Company expects to finance expenditures on the project by way of private placements and existing production revenue. 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

Due to related parties consists of $26,667 (2008 - $47,514) due to Directors of the Company for Directors fees, and to directors and officers for management fees; and $19,653 (2008 – $23,416) to a private company owned by public companies having common Directors that provide administrative services, office supplies and accounting services.

Management and consulting fees totalling $171,000 (2008 - $151,500) were paid to Directors and Officers and/or their private companies.

Administrative services, office supplies and accounting charges totalling $56,117 (2008 – $64,921) were paid to Oniva International Services Corporation ("Oniva"), a private company owned by public companies having common directors.

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, $102,000 (2008 – $42,000 paid to the former C.E.O.) was paid to the President and C.E.O. for services as director and officer of the Company, $22,500 (2008 - $15,000) was paid to the former V.P. Finance for services as director and officer of the Company, $90,000 (2008 - $60,000) was paid to the V.P. Operations for services as director and officer of the Company and $19,500 (2008 - $1,000 paid to the Corporate Secretary) was paid to the Corporate Secretary and Chief Financial Officer for services as an officer of the Company.

Changes in Accounting Policies

Effective January 1, 2009, the Company adopted the following new accounting standard issued by the CICA that was applied on a prospective basis with no restatement of prior period financial statements:

In February 2008, the CICA issued Handbook Section 3064, “Goodwill and intangible assets”, replacing Section 3062, “Goodwill and other intangible assets”, and Section 3450, “Research and development costs”. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises.

Outstanding Share Data

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

As at September 30, 2009 and November 25, 2009 the Company had 23,696,052 issued and outstanding common shares.

The following is a summary of stock options outstanding as at September 30, 2009 and November 25, 2009:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (September 30, 2009)	Number of Shares Remaining Subject to Options (November 25, 2009)
October 19, 2009	$0.81	200,000	-
October 29, 2009	$0.77	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	**1,577,500**

There were no share purchase warrants outstanding as at September 30, 2009 and November 25, 2009.

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, 2009 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 November 25, 2009 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 period ended September 30, 2009 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 25, 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.