



MANAGEMENT'S DISCUSSION AND ANALYSIS FORM 51-102F1

For the Period Ended December 31, 2008

The following discussion and analysis of the results of operations and financial condition ("MD&A") for PetroWorth Resources Inc. ("PetroWorth" or the "Company") should be read in conjunction with the Company's audited financial statements and accompanying notes for the period ended December 31, 2008 and 2007.

This discussion and analysis of the operating results and financial position of the Company may contain forward looking statements about the future prospects of PetroWorth, but the Company provides no assurances that actual results will meet the expectations of management. This MD&A is prepared in conformity with National Instrument 51-102 F1 and has been approved by the Board of Directors. The Company's auditors, McGovern, Hurley, Cunningham, LLP have reviewed this MD&A prior to release.

DATE

This management discussion and analysis is as at April 28, 2009

OVERALL PERFORMANCE

PetroWorth has been extremely active during the year ended December 31, 2008. The Company added another member to its board of directors and raised more than \$10 million in cash through the sale of common shares in brokered and non-brokered private placement financings. The Company also announced a normal course issuer bid whereby the Company purchased a total of 1,605,000 shares.

During the year, the Company drilled two additional exploration wells and conducted a fracture stimulation program on its W-08 well in New Brunswick property, re-negotiated its data exchange and option agreement with Corridor Resources Inc., participate and earned a 10% interest in Corridor's Green Gables liecense 04-03, and conducted preliminary work in preparation for a seismic program on its property in Cape Breton, Nova Scotia. During the year, two of Petroworth's seven farm-in wells in Alberta continued commercial production and the Company decided not the participate further in the remaining 5 wells.

Natural Gas Exploration Activities

PetroWorth was founded as an oil and gas exploration company in 2003. PetroWorth is engaged in the acquisition and exploration of natural gas properties in eastern Canada. The Company has extensive properties onshore in Eastern Canada with 100% working interests in approximately 960,000 acres Prince Edward Island, Nova Scotia and New Brunswick. The company has drilled four exploration wells on its Rosevale license in New Brunswick and carried out fracture stimulation on four zones in one of the wells. In Prince Edward Island, the Company via a farm-out agreement with Corridor Resources Inc. has had one exploration well drilled on its licensed property, and has a 10% interest in Green Gables license 04-03. The Company had 7 farm-in wells in Alberta. Two of the 7 wells commenced production in the third quarter of 2007. During the year, the Company evaluated the remaining 5 wells and determined that they do not merit further expenditure and as a result did not participate in any cash call.

Prince Edward Island

During the year 2008, Corridor completed testing operations in one zone in New Harmony #1 well pursuant to the data exchange and farm-in option agreement after the well was drilled to a total depth of 3,403 meters. The well encountered several significant gas shows in the Bradelle Formation below a depth of approximately 2,700 meters, but subsequent fracture stimulation did not result in the generation of commercial hydrocarbons. In December, one zone in New Harmony #1 underwent a fracture stimulation test, which did not result in the generation of commercial hydrocarbons. In order to earn a 50% interest on Exploration License 03-02, Corridor must drill two more wells on this property before October 1, 2008. Corridor did not exercise their option to drill the additional two wells and the option expired. During the year, PetroWorth re-negotiated the data exchange and farm-in option agreement with Corridor. Under the revised agreement PetroWorth will finance 100% of the costs of fracturing and testing the initial two zones in the Green Gables #3 well to a maximum cost of \$2 million to earn a 10% working interest in Corridor's Green Gables license 04-03.

Subsequent to the year end, the Company obtained an extension from PEI government on its Oil and Natural Gas Permit numbers 03-01 and 03-02, which are scheduled to expire in mid-2009, subject to a submission of an exploration work plan. The extension greatly enhances the Company's discussions with potential farm-in partners.

New Brunswick

During the year, Petroworth completed the petrophysical analysis of the West Stoney Creek E-08 well followed by a perforation and testing program and commenced fracture stimulation in four zones in June. Based on encouraging results at the E-08 well, PetroWorth drilled two further wells A-08 and A-63 in July and August. Petrophysical analysis at A-08 identified two primary zones of interest which are good candidates for fracture stimulation.

In October, PetroWorth commissioned Global Geoenergy Research Ltd. to conduct a geochemical analysis of the oil shale, shale gas and hybrid tight sand/shale prospects of the Albert Formation and associated sediments with the Company's leased blocks in the Moncton subbasin. The analysis concluded that there are significant conventional shale gas and shale oil opportunities on PetroWorth's properties. Moreover, an evaluation of the A-08 well on the Rosevale license indicates the presence of 500 metre shale oil and gas zone in addition to the two primary conventional gas zones. This well is expected to undergo a hydraulic frac completion program in mid 2009.

Nova Scotia

In July, PetroWorth received a one-year extension on its Lake Ainslie property in Cape Breton. The Company is required to spend a total of \$4.5 million over a period of three years on the property, of which \$1.5 million has to be expended before July 15, 2009. Subsequent to year end, PetroWorth submitted an application to conduct a 2-D seismic program on the Lake Ainslie property and expects this program to commence in June 2009.

Alberta

During the year 2008, the two wells, Bruce 15-21-46-12 and Ferrybank well 8-32-44-27 generated natural gas totaling 25,204 Mcf. In December, the Ferrybank well underwent a 20-tonne fracture stimulation that reported a post clean-up flow rate of more than 1.2 MMcf per day of natural gas at the end of a 48-hour test. The well is expected to be tied in during 2009, depending on natural gas prices.

The following is a summary of oil and gas reserves as of December 31, 2008 based on forecast prices and costs as evaluated by Sproule in their reserve evaluation report dated April 8, 2009.

Reserve Category	Natural Gas (non-associated & associated)		Natural Gas Liquids	
	Gross (Mcf)	Net (Mcf)	Gross (Mbbbl)	Net (Mbbbl)
Proved				
Developed Producing	80	56	1.1	0.7
Developed Non-Producing	0	0	0.0	0.0
Undeveloped	0	0	0.0	0.0
Total Proved	80	56	1.1	0.7
Probable	86	57	1.2	0.7
Total Proved Plus Probable	167	113	2.3	1.4

Financing Activities

During the year 2008, Petroworth has been very active in financing activities. The Company raised a total of \$10,047,427 (2007 – 16,413,821) through private placements, exercised of warrants and options.

During the year ended December 31, 2008, PetroWorth raised gross proceeds of \$10,016,427 (2007 - \$12,461,079) by completing the following private placements:

1. On June 20, 2008, the Company completed a non-brokered private placement of 779,000 common shares and 1,374,375 flow-through common shares at \$1.45 per share and \$1.60 per share, respectively, to raise a total of \$3,328,550.
2. On June 20, 2008, the Company completed at brokered private placement of 3,414,152 common shares and 1,085,848 flow-through common shares at \$1.45 per share and \$1.60 per share, respectively, to raise a total of \$6,687,877.

In addition, the Company issued 100,000 shares (2007 – 585,000 shares) for services at a deemed value of \$1.05 per share.

RESULTS OF OPERATIONS

Twelve Month Period Ended December 31, 2008

During the year, PetroWorth generated revenue from its two producing wells in Alberta. Total operating revenue for the twelve month period ending December 31, 2008 was \$209,143 (2007 - \$104,491). Net operating revenue to PetroWorth after royalty and production expense is \$4,311 (2007 - \$45,469). The Company incurred a loss in 2008 in the amount of \$2,255,797 (2007 - \$7,347,423). The decrease in net loss of \$5,091,626 compared to the same period last year was largely due to a reduction of stock-based compensation by \$4,420,541. Stock-based compensation in 2008 was \$643,947 (2007 - \$5,064,488). Salaries and management fees during 2008 were \$1,162,376 (2007 - \$1,065,816), an increase of \$96,560 compared to last year, largely because of a settlement with a previous employee of \$110,000. Professional fees during 2008 were \$286,596 (2007 - \$220,011). The Company incurred consulting fees of \$203,342 (2007 - \$726,958) which is reduced by \$523,616. The reduction is largely due to shares issued for services of \$798,875 in 2007 compared to \$105,000 in 2008. Total expenses for the year were \$3,482,513 (2007 - \$8,667,392), a decrease of \$5,184,879 largely represented by the decrease in stock-based compensation. During the year, PetroWorth commenced fracturing stimulation program on Well

E-08 in New Brunswick as well as participated in Corridor's Green Gables #3 well in PEI to earn a 10% working interest in Green Gables licence 04-03.

During year 2008 the Company recorded a total of \$11,003,867 (\$2007 - \$5,285,268) in natural gas exploration expenditures which is summarized by province as follows:

Province	2008	2007
Alberta	168,502	\$ 1,203,428
New Brunswick	8,553,928	3,662,539
Nova Scotia	232,277	207,922
Prince Edward Island	2,013,040	161,267
General Exploration	36,120	50,112
Total Exploration	11,003,867	\$ 5,285,268

During the twelve months ended December 31, 2008, no general and administrative expenses, and no travel expenses relating to general corporate purposes were capitalized. Natural gas exploration expenditure can be summarized as follows:

Exploration Expenditures	2008	2007
Drilling	\$ 4,887,187	\$ 4,249,421
Completion Test/Frac	5,372,863	469,993
Geological & Environmental Consulting	496,955	262,334
Seismic	84,005	149,750
Rental	128,393	108,178
Insurance	15,164	31,161
Surface Lease & Licence Fee	19,300	10,250
Community Relations	-	4,181
Total Natural Gas Exploration	\$ 11,003,867	\$ 5,285,268

The following summarizes the natural gas production from the two producing wells in Alberta for the year ended December 31, 2008:

	2008 First Quarter	2008 Second Quarter	2008 Third Quarter	2008 Fourth Quarter	Year-to-Date December 31, 2008
Average Daily Production					
Natural Gas (mcf/d)	48	95	53	81	69
Average Price Received					
Natural Gas (\$/mcf)	\$7.91	\$10.40	\$8.71	\$5.80	\$5.78
Royalties Paid					
Natural Gas (\$/mcf)	\$2.05	\$2.99	\$1.13	\$0.95	\$1.88
Operating Expenses					
Natural Gas (\$/mcf)	\$6.84	\$4.58	\$9.11	\$6.35	\$6.35
Netback Received					
Natural Gas (\$/mcf)	\$(0.98)	\$2.83	\$(1.53)	\$(1.51)	\$(0.65)

Selected Annual Information

	Year Ended December 31, 2008 (Audited) \$	Year Ended December 31, 2007 (Audited) \$	Year Ended December 31, 2006 (Audited) \$
Net income (loss) before taxes	(3,194,732)	(8,389,423)	(1,026,888)
Net income (loss) after taxes	(2,255,797)	(7,347,423)	(1,026,888)
Basic and diluted income (loss) per share	(0.06)	(0.22)	(0.05)
Total Assets	28,813,281	23,700,217	9,329,311
Total long-term liabilities	Nil	Nil	Nil
Dividends declared per share	Nil	Nil	Nil

The financial statements have been prepared in accordance with Canadian GAAP and amounts are reported in Canadian Dollars.

SUMMARY OF QUARTERLY RESULTS

	December 31, 2008 Audited \$	September 30, 2008 Unaudited \$	June 30, 2008 Unaudited \$	March 31, 2008 Unaudited \$
Revenue *	50,149	89,487	44,336	25,171
Net gain (loss) for the period	(384,707)	(624,148)	(850,679)	(396,263)
Net gain (loss) per share - basic	(0.01)	(0.02)	(0.02)	(0.01)
Number of shares outstanding	43,362,181	43,457,181	43,667,181	38,263,806

* Revenue includes both operating and interest income

	December 31, 2007 Audited \$	September 30, 2007 Unaudited \$	June 30, 2007 Unaudited \$	March 31, 2007 Unaudited \$
Revenue	140,788	163,293	31,833	1,077
Net gain (loss) for the period	(1,571,978)	(1,324,627)	(3,628,075)	(822,743)
Net gain (loss) per share	(0.03)	(0.04)	(0.12)	(0.03)
Number of shares outstanding	38,163,806	36,418,273	35,293,273	28,215,190

Net loss for Q4 2008 was \$384,707 (2007 - \$1,571,978) which was substantially lower than the same period last year as the Company terminated two employees and implemented an expense policy to reduce expenses after the weakening of the capital market and the economic downturn. Total cash expenses which excludes stock-based compensation, impairment of oil & gas properties, depletion, amortization and accretion for Q4 2008 was \$373,956 (2007 - \$434,459), a decrease of \$60,503. Natural gas exploration for Q4 2008 was \$1,303,513 (2007 - \$3,329,497) a decrease of \$2,025,984 as the fracturing stimulation at Well E-08 and the drilling of two wells (Well A-08 and Well A-63) in New Brunswick were completed in Q3 2008. The Company also participated in the fracturing and testing of two zones in Corridor's Green Gables #3 well to for up to \$2 million and earned a 10% working interest in Corridor's Green Gables licence 04-03. Total expenditure on Green Gables #3 well as at December 31, 2008 was \$1,873,308.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2008 PetroWorth had working capital of \$4,627,479 (2007 – \$9,642,606), a decrease of \$5,015,127 from 2007, as a result of active exploration activities in 2008. Total exploration expenditure in 2008 was \$11,003,867 (2007 - \$5,285,268). As of the date of this MD&A, the Company had approximately \$3.0 million in cash. Future exploration program will depend on Company's ongoing financing efforts. The Company has been successful in obtaining extensions on its exploration commitments in PEI as well as Nova Scotia. PetroWorth is an exploration stage company and continued to rely on continuous equity offerings and possible joint ventures and farm-outs to fund its exploration activities. There is no guarantee that the Company's exploration projects will be successful. The availability of funds is subject to market conditions and there is no guarantee that funds will be available to fund its projects, commitments and plans.

In order to maintain the Company's oil and natural gas permits in good standing, the Company must pay a yearly rental and incur certain exploration costs. Minimum annual rentals on PetroWorth's property leases are as follows:

Year	Amount
2009	\$ 114,665
2010	54,640
2011	54,640
Total	\$ 223,945

PetroWorth has satisfied all exploration working commitment under its exploration licences and agreements except for \$4,500,000 in Nova Scotia. Under the Exploration Agreements 04-07-15-01 and 04-07-15-03 in Nova Scotia, PetroWorth has to complete exploratory work commitment of a total of \$4,500,000 over a three year period of which \$1,500,000 must be completed prior to July 15, 2009. Plans to carry out seismic work on the Company's Nova Scotia properties are ongoing. The Company is actively seeking farm-in partners to advance the program.

The Company also has lease commitments for base rental payments for offices through 2013. The approximate minimum lease commitments for the next five years are as follows:

Year	Amount
2009	\$ 47,000
2010	47,000
2011	52,000
2012	52,000
2013	9,000
Total	\$ 207,000

The Company will conduct its operations in a manner consistent with environmental regulations as stipulated in applicable legislation. The Company is committed to meeting its responsibilities to protect the environment wherever it operates and anticipates making increased expenditures of both a capital and expense nature as a result of the increasingly stringent laws relating to the protection of the environment. The Company does not anticipate, however, that it will be subject to any increases in such expenditures which, as a percentage of cash flow, will be greater than those expected, on average, by other industry operators. The Company will maintain insurance coverage where available and financially desirable in light of risk versus cost factors. Unforeseen significant changes in such areas as markets, prices, royalties, interest rates and government regulations would have an impact on the Company's future operating results or financial condition.

The oil and gas industry has been subject to considerable price volatility, and while such risks can be hedged, a material decline in the price of oil or natural gas could result in a significant decrease in the Company's future anticipated revenues. The oil and gas industry has inherent business risks and there is no assurance that products can be produced at economical rates or that produced reserves will be replaced. Fluctuations in currency and exchange rates and changes in production volumes are daily risks in the oil and gas industry.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2008 the Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company had the following related party transactions during the years ending December 31, 2008 and 2007:

- a) Included in salaries and benefits was \$332,333 (2007 - \$622,284) that was paid to either a corporation that is owned by a director and officer of the Company or personally.
- b) Included in consulting fees was nil (2007 - \$41,800) that was paid to former directors for services provided which were applied to the exercising of stock options.
- c) Included in accounts payable was \$26,118 (2007 - \$25,805) owed to directors and officers of the Company. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.
- d) On April 11, 2007 the Company issued a total of 450,000 shares valued at \$1.152 per share to directors, officers and management for services provided.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

PetroWorth has no critical accounting estimates other than the carrying value of deferred natural gas exploration expenditures, determination of reserves, depletion expenses, impairment test calculation and the estimated value of stock-based compensation.

Reserves

All Petroworth's reserves are evaluated and reported by independent petroleum consultants in accordance with National Instrument 51-101. Sproule Associates Limited ("Sproule") evaluated and reported on PetroWorth's natural gas reserves in all seven farm-in wells in Alberta.

Reserve estimates have a material impact on depletion expenses and impairment test calculation, all of which could have a material impact on net earnings and deferred natural gas exploration expenditures.

Depletion

Deferred natural gas exploration expenditures are depleted based on the proportion of estimated proved natural gas reserves produced during the year compared to total proved natural gas reserves produced during the year compared to total proved reserves. Changes in proved reserve estimates could materially impact depletion expense.

Impairment

Impairment assessments are based on fair value assessments. Impairment exists if the undiscounted future net cash flows from proved reserves at future commodity prices plus the cost of unproved

properties are less than the carrying value. If an impairment is identified a write-down to fair value is required. The fair value is calculated based on future net cash flows from proved plus probable reserves, discounted at a risk-free interest rate using future commodity prices, plus the cost of unproved properties. There is a significant uncertainty regarding future commodity prices and reserves. Impairment could result in a material loss for a particular period, however future depletion expense would also be reduced.

Stock based compensation

Stock based compensations are calculated based on fair value using the Black-Scholes option pricing model. The model is based on assumptions such as volatility of the Company's historical stock price, risk free discount rate and the expected average term of the option. Historical stock price may not reflect future volatility of the stock and the expected average term of the option is only an estimation of best effort. Any changes in these assumptions will affect the fair value of the options.

CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The following accounting policy changes were adopted effective January 1, 2008:

(i) Capital Disclosures

CICA Handbook Section 1535 specifies the disclosure of: (i) an entity's objectives, policies and processes for managing capital; (ii) summary quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any externally imposed capital requirements; and (iv) if it has not complied with such requirements, the consequences of such non-compliance.

(ii) Financial Instruments - Disclosures

CICA Handbook Section 3862 and 3863 replace Handbook Section 3861, "Financial Instruments – Disclosure and Presentation", increased emphasis on disclosures that enable the user to evaluate: (i) the significance of financial instruments or the entity's financial position and performance and (ii) the nature and extent of risks arising from financial instruments the entity is exposed to during the period and at the balance sheet date, and how the entity manages those risks.

(iii) Financial Statement Presentation

CICA Handbook modified Section 1400, "General Standards of Financial Statement Presentation", in order to require that management make an assessment of the Company's ability to continue as a going concern over a period which is at least, but is not limited to, twelve months from the balance sheet date. The new requirements only address disclosures and will have no impact on the Company's financial results.

Future Accounting Changes

(i) Goodwill and Intangible Assets

CICA Handbook Section 3064 "Goodwill and Intangible Assets" will replace the existing Goodwill and Intangible Asset standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. This standard is effective for years beginning on or after January 1, 2009. The Company is currently in the process of evaluating the impact of this standard.

(ii) International Financial Reporting Standards (“IFRS”)

In January 2006, the Canadian Accounting Standard Board (“AcSB”) announced its decision to replace Canadian GAAP with IFRS. On February 13, 2008 the AcSB confirmed January 1, 2011 as the mandatory changeover date to IFRS for all Canadian public accountable enterprises. This means that PetroWorth will be required to prepare IFRS financial statements for the interim period and fiscal years ending in 2011. The Company has commenced training and will be creating an implementation plan consisting of internal and external resources and consultants. A changeover plan is being established to convert to the new standards within the allotted timeline. The impact of this transition on the Company's financial statements has not yet been determined.

OUTSTANDING SHARE DATA

As of the year ending December 31, 2008 the Company had 43,362,181 common shares issued and outstanding and 49,274,610 shares on a fully-diluted basis. As of the date of this MD&A, the Company's shares issued and outstanding remained unchanged from the year end.

During the year, the Company issued 298,355 common shares purchase warrants to brokers for the private placements completed in June. As of December 31, 2008 the Company had 1,548,355 common share purchase warrants issued and outstanding of which 1,000,000 are exercisable at \$1.00 and 250,000 are exercisable at \$2.50 per share and 298,355 are exercisable at \$1.45 per share.

During the year, the Company granted a total of 600,000 stock options to directors, officers, employees and consultants all at exercise price of \$1.55 per share. During the year, 50,000 options were exercised. As of December 31, 2008, the Company had 4,364,074 stock options outstanding exercisable at prices ranging between \$0.50 and \$2.65 per share. As of the date of this MD&A, the Company the total stock options outstanding remained unchanged from the year end.

As of the date of this MD&A, the Company has 49,274,610 shares on a fully-diluted basis.

CERTIFICATION – INTERNAL CONTROLS

The Company has concluded that its disclosure controls and procedures for the period ended December 31, 2008 were adequate given the Company's small size. The President and Chief Financial Officer are responsible for certifying that they have internal controls to a standard which provides reasonable assurance on the reliability of financial reporting and the preparation of financial statements.

The Company's objective is to continue to work towards best practice. During the twelve months ended December 31, 2008 both the Company's Audit Committee and Corporate Governance and Compensation Committee are comprised of all independent directors. The independent committees held regular meetings during the year and reviewed and updated the Company's Code of Business Conduct and Ethics, Disclosure Policy, Insider Trading Policy and Whistleblower Policy.

Additional Information on the Company is available on the Company's website at www.petroworth.com and on SEDAR at www.sedar.com.

Forward Looking Statements

This discussion and analysis of the operating results and financial position of the Company may contain forward looking statements that involve a number of risks and uncertainties including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, the ability to commence and complete exploration programs on a timely and cost effective basis, the opportunity to acquire other exploration properties or valuable assets, competition for technical resources and equipment, capital and operating costs varying significantly from estimates, delays in or failure to obtain governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factors which affect this information, except as required by law. The reader is cautioned not to place undue reliance on this forward-looking information.