ALTIMA RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

NOVEMBER 30, 2007 AND 2006

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of
Altima Resources Ltd.

We have audited the balance sheets of Altima Resources Ltd. as at November 30, 2007 and 2006, and the statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2007 and 2006 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

March 18, 2008

ALTIMA RESOURCES LTD.
Balance Sheets
As at November 30

	2007 - $ -	2006 - $ -
ASSETS		
Current assets		
Cash	3,707	914,278
Amounts receivable	303,425	13,100
Prepaid expenses	41,983	7,974
	349,115	935,352
Petroleum and natural gas properties (Note 3)	10,829,903	4,250,104
	11,179,018	5,185,456
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Loans (Note 4)	3,450,000	-
Accounts payable (Notes 9 and 12)	2,500,320	1,358,942
	5,950,320	1,358,942
Asset retirement obligation (Note 5)	66,400	-
	6,016,720	1,358,942
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	6,958,463	4,335,296
Share subscriptions (Note 6)	35,000	-
Contributed surplus (Note 8)	1,035,674	870,250
Deficit	(2,866,839)	(1,379,032)
	5,162,298	3,826,514
	11,179,018	5,185,456

APPROVED ON BEHALF OF THE BOARD

Director **Director**

Signed "Richard Switzer" ***Signed "Joe DeVries"***

ALTIMA RESOURCES LTD.
Statements of Loss and Deficit
Years ended November 30

	2007 - $ -	2006 - $ -
EXPENSES		
Amortization	2,284	-
Consulting	156,451	108,782
Finance fees	605,306	-
Interest	148,000	-
Investor communications	5,683	2,530
Management fees	221,500	83,500
Office services and miscellaneous	174,473	88,952
Professional fees	55,799	57,297
Stock-based compensation	87,606	870,250
Transfer agent and filing fees	24,068	22,884
Travel	62,690	34,979
Interest income	(21,953)	(11,487)
	1,521,907	1,257,687
NET LOSS BEFORE FUTURE INCOME TAX RECOVERY	(1,521,907)	(1,257,687)
FUTURE INCOME TAX RECOVERY	34,100	-
NET LOSS	(1,487,807)	(1,257,687)
Deficit, beginning of year	(1,379,032)	(121,345)
Deficit, end of year	(2,866,839)	(1,379,032)
Basic and diluted loss per share	(0.05)	(0.09)
Weighted average number of shares outstanding	31,212,884	14,027,786

ALTIMA RESOURCES LTD.
Statements of Cash Flows
Years ended November 30

	2007 - $ -	2006 - $ -
Cash provided by (used for):		
OPERATING ACTIVITIES		
Net loss	(1,487,807)	(1,257,687)
Add (deduct): non-cash items:		
Amortization	2,284	-
Future income tax recovery	(34,100)	-
Finance fees	456,280	-
Stock-based compensation	87,606	870,250
Net change in non-cash working capital accounts	(1,333,364)	1,337,775
	(2,309,101)	950,338
INVESTING ACTIVITY		
Acquisition of petroleum and natural gas properties	(4,365,275)	(4,181,329)
FINANCING ACTIVITIES		
Loan proceeds	3,450,000	-
Issuance of shares, net of financing costs	2,278,805	3,803,193
Share subscriptions proceeds	35,000	-
	5,763,805	3,803,193
Increase (decrease) in cash	(910,571)	572,202
Cash, beginning of year	914,278	342,076
Cash, end of year	3,707	914,278
Supplemental cash flow information:		
- Interest paid	110,301	-
- Income tax paid	-	-

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Company Act of British Columbia on November 14, 2003 as a Capital Pool Company (“CPC”) established under the policies of the TSX Venture Exchange (“TSX-V”).

As a CPC, the Company’s principal business was the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a Qualifying Transaction (“QT”).

On April 13, 2004, the Company’s shares were listed for trading on the TSX-V.

Pursuant to a Farm-out and Participation Agreement dated March 8, 2006 the Company acquired certain interests in the Chambers Area Gas Prospect, Alberta (Note 3). This acquisition constituted the Company’s QT under Policy 2.4 of the TSX-V.

On May 9, 2006 the TSX-V accepted for filing the Company’s QT and related transactions. Accordingly, the Company is no longer considered to be a CPC, was reinstated as a Tier 2 Issuer, and the common shares of the Company commenced trading on the TSX-V.

At November 30, 2007, the Company had a working capital deficiency of $5,601,205 (2006 – $423,590) and incurred a loss of $1,487,807 (2006 - $1,257,687) for the year then ended. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The Company’s financial statements are prepared in accordance with Canadian generally accepted accounting principles and presented in Canadian dollars. To date, the Company’s activities have consisted primarily of property evaluation, acquisition and preliminary development and assessment, in addition to its ongoing financing activities and general and administrative activities. In addition, the Company has not generated significant revenues from its planned principal operations, being the production of petroleum and natural gas, and its properties are still in the development and evaluation stage. Accordingly, the Company continues to be in the development stage in accordance with the provisions of CICA Accounting Guideline 11.

Petroleum and natural gas properties – The Company follows CICA Accounting Guideline 16 in applying full cost accounting for its petroleum and natural gas properties, whereby in the pre-production stage all costs (less revenues) associated with the acquisition of, exploration for and the development of petroleum and natural gas reserves are capitalized and accumulated in one cost centre. Revenues are recognized from petroleum and natural gas properties based on the metered volume of gas and liquid shipped.

The Company assesses at the end of each accounting period whether the recovery of capitalized costs from future operations can continue to be regarded as probable. Recoverability is monitored based on factors such as current market prices, business and legal considerations, the current work program, remaining lease terms, and property and project economics. When the expected amount of recovery through future related revenue, less relevant costs, is exceeded by the unamortized balance of capitalized costs, petroleum and natural gas properties are considered to be impaired. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds their fair value based on estimated discounted future cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset retirement obligations – The Company's asset retirement obligations ("ARO") arise in the normal course of petroleum and natural gas exploration activities due to government controls and regulations relating to the closure and reclamation of petroleum and natural gas properties. The fair value of estimated ARO is recognized in the financial statements in the period in which they are identified and a reasonable estimate of fair value can be made. The ARO includes the costs of abandonment of petroleum and natural gas wells, dismantling and removing tangible equipment, and returning land to its original condition. The asset retirement cost, equal to the estimated fair value of the ARO, is capitalized as part of the cost of the petroleum and natural gas properties.

Earnings per share - The Company utilizes the treasury stock method in computing earnings per share amounts. Under this method, basic loss per share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period.

For the years ended November 30, 2007 and 2006, the existence of warrants and options affects the calculation of loss per share on a fully diluted basis. As the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

Financial instruments - The Company's financial instruments consist of cash, amounts receivable, loans and accounts payable which are short term in nature. The fair value of the financial instruments approximates their carrying values due to their short-term maturities.

Use of estimates in the preparation of financial statements - The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of expenses for the period. Significant areas requiring the use of estimates are petroleum and natural gas properties, asset retirement obligation, and stock-based compensation. Management bases its estimates on historical experience and on other assumptions considered to be reasonable under the circumstances. However, actual results may differ from the estimates.

Income taxes - Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates at the date of enactment or substantive enactment.

Flow-Through Shares – The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related exploration expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

The Company follows the recommendations of EIC-146 with respect to flow-through shares. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is a reasonable assurance the expenditures will be made.

Stock-based compensation and stock option plan - The Company recognizes compensation cost for the fair value of options granted under its stock option plan and for agents' options and warrants issued in connection with financing activities. The Company uses the Black-Scholes option pricing model to estimate fair value. Any consideration received on the exercise of options and warrants is credited to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments – Effective December 1, 2006, the Company adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial instruments - recognition and measurement (CICA Handbook Section 3855) - In accordance with this standard the Company now classifies all financial assets as either held-to-maturity, available-for-sale, held for trading or loans and receivables, and classifies all financial liabilities as held for trading or other financial liabilities. Financial assets held to maturity, loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in the statement of loss and deficit.

The Company has classified its cash as held for trading, its amounts receivable as loans and receivables, and its accounts payable and loans as other financial liabilities.

Transaction costs in respect of loans are immediately charged to operations.

Comprehensive income (CICA Handbook Section 1530) – Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. This standard includes guidance for reporting a statement of comprehensive loss and accumulated other comprehensive income in the shareholders' equity section of the balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale, foreign exchange gains and losses on self-sustaining foreign operations and the effective portion of cash flow hedges, if any.

As of November 30, 2007, the Company's accumulated comprehensive income balance is $Nil and for the year ended November 30, 2007, the Company's comprehensive income (loss) is equal to its net loss.

Hedges (CICA Handbook Section 3865) – The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not yet designated any hedging relationships.

3. PETROLEUM AND NATURAL GAS PROPERTIES AND EQUIPMENT

The Company's petroleum and natural gas properties and equipment are as follows:

	2007 - $ -	2006 - $ -
Balance – beginning	4,250,104	-
Acquisition of Golden Eagle Energy Inc. assets	3,000,000	-
Capitalized exploration and development expenditures (net)	3,508,069	4,250,104
Estimated asset retirement costs	66,400	-
Balance, ending	10,824,573	4,250,104
Equipment	7,614	-
Less: Accumulated amortization	2,284	-
	5,330	-
	10,829,903	4,250,104

Chambers Area Gas Prospect, Alberta

During the year ended November 30, 2007 the Company concluded the purchase of Golden Eagle Energy Inc.'s assets in the Chambers area. As a result, at November 30, 2007 the Company's overall interest in the Chambers area was approximately 58% in 18 sections and 1.4% in 3 sections. The Company's land base at year's end totaled 21 sections (13,440 acres).

On August 30, 2007 the Company signed a Letter Agreement with Golden Eagle Energy Inc ("GEEI") whereby it acquired the GEEI assets in the Chambers Area, Alberta for cash consideration of $3,000,000 (paid) subject to a 50% Net Overriding Royalty ("NORR") on 33.334% of the 100% interest purchased by the Company after deduction of Crown royalties and any other overriding royalties or like payments. In addition, the Company has the right and option up to and including December 31, 2008 to purchase and terminate the said NORR from GEEI for $1,500,000.

During the year ended November 30, 2007 the Company earned $90,721 in gas and liquid sales from the Chambers Prospect and deducted this amount from capitalized costs.

4. LOANS

In December 2006, the Company received $400,000 as a loan from a company related by a director pursuant to a letter agreement whereby the Company proposed to acquire the outstanding shares of the company in exchange for shares and warrants in the Company. The loan is repayable on or before December 31, 2007 and bears interest at commercial rates. Subsequent to the year end, this loan was settled pursuant to a shares-for-debt settlement. (See Note 13 (ii)).

In August 2007, the Company negotiated a bridge loan of $3,050,000. The loan is repayable on or before July 30, 2008 bearing interest at 12% per annum, compounded and payable monthly. In connection with the loan, the Company issued 2,074,000 common shares at a price of $0.22 per share for a total of $456,280 as a non-refundable bonus to the lender. Security for the loan includes a promissory note, a fixed and floating first charge debenture over the Company's present and after-acquired real property, a first priority general security agreement over all its present and after-acquired personal property, and an environmental indemnity agreement in respect of its properties. The loan is subject to a repayment requirement such that if the Company sells or disposes of any assets outside of the ordinary course of business, or closes one or more equity or debt financings, the Company will pay the lender all

4. LOANS (Continued)

proceeds from such sale, disposition or financing, net of selling or financing costs, up to the full amount of the outstanding balance of the loan.

5. ASSET RETIREMENT OBLIGATION

During 2007, the Company recorded an asset retirement obligation in connection with estimated abandonment costs on the Chambers Area Gas Prospect. The costs were estimated at the current fair value of $66,400, being $80,000 for each of the two wells on the property at the Company's working interest of 41.5% per well. Fair value is estimated based on prices for similar liabilities. The Company will evaluate these estimates on an ongoing basis and record related revisions accordingly. As at November 30, 2007, it is not determinable as to when these costs will be incurred.

The following table summarizes the asset retirement obligations in connection with the Company's Chambers Area Gas Prospect activities:

	- $ -
Balance, November 30, 2006	-
Estimated costs recorded during the year	66,400
Accretion and other adjustments	-
Balance, November 30, 2007	66,400

6. SHARE CAPITAL

Authorized: unlimited number of common shares without par value

Issued and outstanding:

	#	- $ -
Balance, November 30, 2005	6,250,000	437,931
Shares issued for private placements	13,500,000	2,375,000
Shares issued for warrants exercised	4,766,064	1,465,565
Shares issued for options exercised	590,000	59,000
Shares issued for a finder's fee	335,488	68,775
Reclassified on exercise of stock options	-	25,397
Share issue costs paid in cash	-	(96,372)
Balance, November 30, 2006	25,441,552	4,335,296
Shares issued for private placements	2,563,333	651,000
Flow-through shares issued for private placements	7,669,400	1,934,020
Shares issued for loan financing	2,074,000	456,280
Share issue costs	-	(384,033)
Future income tax benefits on expenditures renounced to shareholders	-	(34,100)
Balance, November 30, 2007	37,748,285	6,958,463

6. SHARE CAPITAL (Continued)

Year ended November 30, 2007:

In December 2006, the Company closed a private placement for the issuance of 333,400 flow-through shares at a price of $0.30 per share for proceeds of $100,020.

In January 2007, the Company closed a private placement for the issuance of 203,333 units at a price of $0.30 per unit for proceeds of $61,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share, exercisable for a period of one year from the date of issuance at a price of $0.50 per share.

In April 2007, the Company issued 1,760,000 flow-through shares pursuant to a private placement at a price of $0.25 per share for gross proceeds of $440,000. The Company also issued 1,690,000 units at a price of $0.25 per unit for gross proceeds of $422,500. Each unit consists of one common share and one half share purchase warrant, each full warrant entitling the holder to purchase one additional common share, exercisable for a period of one year from the date of issuance at a price of $0.35 per share. As a finder's fee, the Company granted an option to acquire 345,000 units at a price of $0.25 per unit up to April 26, 2008. Each unit consists of a share and a half-warrant with each whole warrant being exercisable at $0.35 to April 26, 2008.

In May 2007, the Company issued 1,776,000 flow-through shares pursuant to a private placement at a price of $0.25 per share for gross proceeds of $444,000. The Company also issued 670,000 units at a price of $0.25 per unit for gross proceeds of $167,500. Each unit consists of one common share and one half share purchase warrant, each full warrant entitling the holder to purchase one additional common share, exercisable for a period of one year from the date of issuance at a price of $0.35 per share. As a finder's fee, the Company granted an option to acquire 244,600 units at a price of $0.25 per unit up to May 31, 2008. Each unit consists of a share and a half-warrant with each whole warrant being exercisable at $0.35 up to May 31, 2008.

In connection with a bridge loan for $3,050,000, the Company issued 2,074,000 common shares at their 10-day average trading price of $0.22 per share as a non-refundable bonus to the lender (Note 4).

In July 2007, the Company issued 3,000,000 flow-through shares pursuant to a private placement at a price of $0.25 per share for gross proceeds of $750,000. As a finder's fee, the Company granted an option to acquire 300,000 shares at a price of $0.25 up to July 5, 2008.

In September 2007, the Company issued 800,000 flow-through shares pursuant to a private placement at a price of $0.25 per share for gross proceeds of $200,000. A finder's fee of 8% in cash (paid) together with 80,000 agent's warrants were granted with each warrant entitling the holder to acquire one common share at $0.25 per share for a period of twelve months.

In accordance with EIC-146 relating to accounting for flow-through shares, the Company has reduced the flow-through share proceeds and recognized a future tax liability by an amount approximating the future tax effect resulting from renouncing exploration expenditures using currently enacted tax rates.

As described in Note 2, the Company recognizes the fair value of agents' options and warrants issued in connection with financing activities as stock-based compensation. The fair value of agents' options and warrants issued in 2007 under the Black-Scholes model was $77,818 and was recorded as a share issue cost. Determining the fair value of stock options and warrants issued requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair value. For purposes of the Black-Scholes calculation, the following weighted-average assumptions were used: Risk free interest rate – 4.15%. Expected dividend yield – nil, expected stock price volatility – 101%, expected life of options and warrants – 1 year.

In connection with a negotiated private placement for the issuance of up to 1,925,000 flow-through shares at a price of $0.20 per flow-through share, the Company received subscriptions of $35,000. (See Note 13 (i)).

6. SHARE CAPITAL (Continued)

Year ended November 30, 2006:

A non-brokered private placement of 10,000,000 units was completed on May 4, 2006 at a price of $0.15 per share, with each unit comprised of one common share and one share purchase warrant having a term of one year and an exercise price of: (a) $0.3075 per share in the first four months; (b) $0.50 per share in months five through eight; and (c) $1.00 per share in the final four months.

A non-brokered private placement of 3,500,000 units was completed on November 10, 2006 at a price of $0.25 per unit with each unit comprised of one common share and one share purchase warrant having a term of one year and an exercise price of $0.50.

A finder's fee of 335,488 common shares were issued at $0.205 per share to an individual appointed a director of the Company in conjunction with the completion of the QT, but at arm's length to the Company at the time the QT and finder's fee were agreed to.

Escrow Shares

As at November 30, 2007 there were 1,230,970 (2006 – 2,051,616) escrow shares outstanding.

Warrants

The Company has share purchase warrants outstanding as follows:

	Number of warrants	Weighted average price - $ -	Weighted average remaining life
Balance, November 30, 2005	-	-	-
Granted	13,500,000	0.63	
Expired	-	-	
Exercised	(4,766,064)	(0.31)	
Balance, November 30, 2006	8,733,936	0.80	0.53
Granted	1,463,333	0.37	
Expired	(5,233,936)	(0.31)	
Exercised	-	-	-
Balance, November 30, 2007	4,963,333	0.46	0.44

7. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

On January 12, 2004 the Company established a stock-option plan for directors, officers, consultants and administrative personnel. Under the plan, the number of options granted is limited to 10% of the Company's issued shares at the time the options are granted. Options expire two years (2006 – five years) after the date of the grant. The number of options granted to any individual director or officer is limited to 5% of the issued shares of the Company and the options granted to all consultants and administrative personnel is limited to 2% of the issued shares. Options granted in respect of investor relations activities vest over one year at a rate of 25% every three months.

7. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (Continued)

Year ended November 30, 2007: The Company granted 995,000 stock options exercisable on or before March 20, 2009 at a price of $0.30 per share. In addition, the exercise price of 1,600,000 stock options granted in the prior year at $1.00 was reduced to $0.30. As described in Note 2, the Company recognizes the fair value of options granted as stock-based compensation. Determining the fair value of the options granted requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the Black-Scholes calculation, the following weighted-average assumptions were used: Risk free interest rate – 3.97% expected dividend yield – nil, expected stock price volatility – 77%, expected life of options – 2 years. The weighted average fair value of options granted during the year was $0.06.

Year ended November 30, 2006: The Company granted 1,600,000 stock options exercisable on or before June 5, 2011 at a price of $1.00 per share. For purposes of the Black-Scholes calculation, the following weighted-average assumptions were used: Risk free interest rate – 4.18%, expected dividend yield – nil, expected stock price volatility – 68%, expected life of options – 5 years. The weighted average fair value of options granted during the year was $0.59.

Details of the Company's stock options outstanding are as follows:

	Number of options	Weighted average price - $ -	Weighted average remaining life
Balance, November 30, 2005	590,000	0.10	3.11 years
Exercised	(590,000)	(0.10)	
Granted	1,600,000	1.00	
Balance, November 30, 2006	1,600,000	1.00 repriced to 0.30	4.51 years
Granted	995,000	0.30	
Balance, November 30, 2007	2,595,000	0.30	2.67 years

8. CONTRIBUTED SURPLUS

The Company's contributed surplus is comprised of the following:

	- $ -
Balance, November 30, 2005	25,397
Stock-based compensation	870,250
Reclassified to share capital on exercise of options	(25,397)
Balance, November 30, 2006	870,250
Fair value of agents' options and warrants	77,818
Stock-based compensation	87,606
Balance, November 30, 2007	1,035,674

9. RELATED PARTY TRANSACTIONS

During the years ended November 30, 2007 and 2006 the following transactions occurred with related parties:

	2007 - $ -	2006 - $ -
Management fees paid or accrued to directors or companies controlled by directors	221,500	83,500
Consulting fees paid or accrued to directors or companies controlled by directors	140,000	7,500
Stock-based compensation for options issued to directors	82,750	516,250
Legal fees paid to a law firm of which a former director is a member	-	17,109
Finder's fee (Note 6)	-	68,775
Administrative services, finance fees, share issuance and negotiation fees, and occupancy charges paid to an officer and a company controlled by a director	210,047	60,389
Occupancy charges paid to a company controlled by a former director	-	3,000

Included in accounts payable is $121,506 (2006 – $15,507) payable to directors and/or companies they control.

During the year, the Company entered into transactions with a director and two companies controlled by a director to provide management and administrative services to fulfill corporate, secretarial, administrative, occupancy and all such other day-to-day duties and responsibilities as may be imposed on the Company. As compensation, the Company agreed to pay fees of $4,500 per month to a director, fees of $4,500 per month to a company controlled by a director and to pay an administrative handling fee of 10% to a company controlled by a director on all transactions relating to the responsibilities undertaken. All agreements are on a month-to-month basis and may be terminated by all parties by giving one month's notice in writing.

These transactions were recorded at their exchange amounts which are the amounts agreed upon by the transacting parties on terms and conditions similar to non-related entities.

10. NON-CASH TRANSACTIONS

Non-cash activities for the years ended November 30, 2007 and 2006 were as follows:

	2007 - $ -	2006 - $ -
Asset retirement obligation (Note 5)	66,400	-
Finder's fees (Note 6)	77,818	68,775

11. INCOME TAXES

To November 30, 2006 the Company had not recorded in these financial statements the future income tax benefits of non-capital losses and other future tax assets which may be applied to reduce income taxes in future years as the criteria for recognition has not been met. During 2007, the Company recognized a future income tax recovery from the utilization of available tax assets of the current and prior periods to reduce the future tax liability associated with qualifying Canadian exploration expenses renounced to investors through the issuance of flow-through shares. (See Note 6).

The actual income tax recoveries differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are estimated as follows:

	2007 - $ -	2006 - $ -
Loss before income taxes	(1,521,907)	(1,257,687)
Corporate tax rate	34.12%	34.12%
Expected tax recovery	(519,275)	(429,123)
(Increase) decrease resulting from:		
Non-deductible stock-based compensation	29,891	296,929
Share issue costs and other	(24,100)	(32,060)
Valuation allowance	479,384	164,254
Future income tax recovery	(34,100)	-

The Company's tax-effected future income tax assets and liabilities are estimated as follows:

	2007 - $ -	2006 - $ -
Future income tax assets		
Non-capital losses	596,982	171,180
Share issue costs and other	93,188	26,470
Total future income tax assets	690,170	197,650
Future income tax liabilities:		
Petroleum and natural gas properties	(13,154)	-
	677,016	197,650
Valuation allowance	(677,016)	(197,650)
	-	-

At November 30, 2007, the Company has losses of approximately $1,957,200 for income tax purposes which are available to reduce future taxable income. If not utilized, the losses expire through 2027 as follows:

	- $ -
2010	4,100
2014	52,100
2015	38,700
2026	406,700
2027	1,455,600
	1,957,200

12. CONTINGENCY

Included in accounts payable is an accrual for expenditures incurred by the operator of the Company's petroleum and natural gas properties, the amount of which is disputed by the Company. In accordance with industry practice, the Company abides by the CAPL – 1990 Operating Procedures which assigns certain rights to the operator including the provision for a lien against the properties to secure payment of the costs and expenses incurred by the operator during the term of the agreement. The operator is claiming such a lien in respect of costs and expenses incurred. This claim is disputed by the Company and is in litigation. Management is not able to assess at this time the outcome of the legal proceedings in process or further quantify what, if any, additional financial impact may result from final resolution of the dispute. The resulting adjustment, if any, will be recorded in the period in which the dispute is resolved.

13. SUBSEQUENT EVENTS

(i) In December 2007, the Company issued 1,925,000 flow-through shares pursuant to a private placement at a price of $0.20 per share for gross proceeds of $385,000. The Company issued a Finder's Warrant as a finder's fee in connection with this private placement entitling the holder to acquire 175,000 common shares at a price of $0.25 per share on or before January 2, 2009.

(ii) In January 2008, the Company settled the $400,000 loan described in Note 4 by the issuance of 2,250,000 common shares.

(iii) In January and February 2008, a company controlled by a director advanced a total of $74,000 to the Company as an unsecured non-interest bearing loan with no fixed term for repayment.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current presentation. Such re-classification is for presentation purposes only and has no effect on previously reported results.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED NOVEMBER 30, 2007

Date prepared: March 28, 2008.

GENERAL

The following management discussion and analysis ("MDA") of the financial position of Altima Resources Ltd. ("Company") should be read in conjunction with the audited financial statements and accompanying notes for the year ended November 30, 2007. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com, or by requesting further information from the Company's head office in Vancouver.

FORWARD LOOKING STATEMENTS

This MDA contains certain forward looking statements, except for historical information. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward looking statements.

NATURE OF BUSINESS

The Company was incorporated under the Company Act of British Columbia on November 14, 2003 as a Capital Pool Company established under the policies of the TSX Venture Exchange ("TSX-V").

As a Capital Pool Company ("CPC), the Company's principal business was the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a Qualifying Transaction.

On April 13, 2004, the Company's shares were listed for trading on the TSX-V.

Pursuant to a Farm-out and Participation Agreement dated March 8, 2006 the Company acquired certain oil and gas interests and the right to participate in the drilling of a Mississippian Elkton test well being the Chambers Area Gas Prospect located in the West Ferrier area of west central Alberta. This acquisition constituted the Company's Qualifying Transaction ("QT") under Policy 2.4 of the TSX-V.

On May 9, 2006 the TSX-V accepted for filing the Company's QT and related transactions. Accordingly, the Company is no longer considered to be a CPC, was reinstated as a Tier 2 Issuer, and the common shares of the Company commenced trading on the TSX-V.

The Company is an exploration stage public company listed on the TSX-V and is exploring its petroleum and natural gas properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for petroleum and natural gas properties is dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the petroleum and natural gas properties, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof.

OVERVIEW

Corporate development

During the current period, the Company and its management continued with the exploration and development of its Chambers Area Gas Prospect in addition to raising funds for exploration and development costs, and working capital.

Petroleum and natural gas properties

Pursuant to various agreements entered into between March 2006 and August 2007 the Company's overall interest in the Chambers Area Gas Prospect totaled approximately 58% in 18 sections and 1.4% in 3 sections. The Company's land base at year's end totaled 21 sections (13,440 acres).

Altima's exploration program is focused on deeper multi-zone gas and gas–condensate targets. The Chambers Area lies immediately west of the multiple producing pools in the Ferrier Field which continues to see significant industry drilling activity. During the past three years, over 100 wells have been drilled in Townships with Altima land holdings or in Townships adjacent to Altima land holdings.

Altima's initial earning Well GEEL ET AL CHAMB 3-17-41-11 W5M ("3-17") was spud on March 14, 2006, and reached a depth of 3,349 meters and production casing was set. By the fiscal year end 2006, the Test Well was completed (multi-zone completion) testing commercial rates of natural gas from multiple zones. Upon completion of the 3-17 well, The Company elected to the purchase of an interest in the 7-18-41-11 W5M well which tested water free gas and associated condensate.

In 2007 Altima's capital was directed to building the Company's exploration program through acquisition of additional working interests, including interests in five wells; increasing the land base, constructing permanent access roads, production pipelining, and the drilling of a new earning exploratory well.

On August 30, 2007 the Company signed a Letter Agreement with Golden Eagle Energy Inc ("GEEI") whereby it acquired the GEEI assets in the Chambers Area, Alberta for cash consideration of $3,000,000 (paid) subject to a 50% Net Overriding Royalty ("NORR") on 33.334% of the 100% interest purchased by the Company after deduction of Crown royalties and any other overriding royalties or like payments. In addition, the Company has the right and option up to and including December 31, 2008 to purchase and terminate the said NORR from GEEI for $1,500,000.

Exploration expenditures in the year included construction of all weather access roads completed to the 3-17-41-11W5M and 16-21-41-11 W5M wells. These access routes will serve future drilling locations and pipeline right of ways for Altima. Pipelining was completed in late October from the 3-17 well into the Conoco gas gathering system at 5-8-41-11 W5M. In November Altima reached a milestone in The Company's Chambers operations by initiating natural gas and gas condensate sales from the 3-17 well. The well was brought on-line at a restricted rate of approximately 1.0 million cubic feet per day of gas and 50 barrels per day of condensate.

During the third and fourth quarter, Altima drilled and completed an option well on Conoco Phillips lands located at 16-21-41-11 W5M. The 16-21 well spud on August 26, 2007, drilled to its total depth of 3289 meters, and the rig was released on September 27, 2007. Well costs were 19 % under budget which is attributed to a well designed and executed drilling program. Open-hole logging was performed, and production liner run and cemented to total depth. The 16-21 encountered numerous gas shows and formations to test. Subsequent to year end, Altima completed and tested the well at commercial rates.

Up to the date of this MD&A, the Company and its partners have also elected to drill a second option well on lands from ConocoPhillips. The test well, located at Chambers is the new pool wildcat 5-15-41-11 W5M. This location was high-graded with the use of 3D seismic in conjunction with the results of the 16-21 and 3-17 wells. The 5-15 will spud in the summer of 2008. Plans to lay an approximate four-mile pipeline to the 16-21 well are under design with anticipated installation in the summer of 2008. This pipeline will be available for use by the 5-15 and additional projected future wells in this part of the Company's acreage.

Additions to the Company's petroleum and natural gas properties and equipment in the year totaled $6,579,799. Cumulative costs to November 30, 2007 totaled $10,829,903.

OPERATIONAL RESULTS

Annual results: During the current period, the Company recorded a net loss of $1,487,807 compared to a net loss of $1,257,687 for the comparative period in the prior year reflecting an increase of $230,120.

The primary reasons for this increase in the net loss was a major increase in financing fees of $605,306 (2006 - $nil) and interest costs in 2007 of $148,000 (2006-$Nil). Further increases occurred in the following expenses: consulting fees of $156,451 (2006 - $108,782), management fees of $221,500 (2006 - $83,500), and office and miscellaneous of $174,473 (2006 - $88,952). These increases are commensurate with the significant growth experienced by the Company in the year, particularly in relation to its petroleum and natural gas activities in the Chambers Area Gas Prospect in Alberta. These increases were offset by a large decrease in stock compensation expense in 2007 of $87,606 (2006 - $870,250).

In addition, during the current period, the Company recognized a future income tax recovery of $34,100 (2006 - $Nil) from the utilization of available tax assets of the current period to reduce the future tax liability recognized in connection with exploration expenses renounced to investors on flow-through shares.

In general, total general expenses reflect the normal corporate business cycle. Any other significant increase/decrease in expenses relate to the Company's efforts to provide efficient and cost-effective administrative support to management's ongoing efforts to seek new properties, monitor exploration expenditures, and increase shareholder value.

During the year ended November 30, 2007 the Company earned $90,721 in gas and liquid sales from the Chambers Prospect and deducted this amount from capitalized costs.

Cash used in additions to the Company's petroleum and natural gas properties and equipment in the year totaled $4,365,275.

Fourth quarter results: For the three months ended November 30, 2007 the Company recorded net loss of $195,571 (2006 – loss $163,661) reflecting an increase in losses of $31,910. The change in results is attributed primarily to increased costs related to the increased efforts applied to developing the Chambers area in Alberta, and finance costs for the loan to drill the wells in that area.

Significant revenues are expected to be generated in the first quarter of 2008 from the sale of gas and condensate from the first well completed and tied into the pipeline.

SELECTED ANNUAL INFORMATION

	Years ended November 30		
	2007 - $ -	2006 - $ -	2005 - $ -
Revenue	-	-	-
Net loss	(1,487,807)	(1,257,687)	(38,812)
Loss per share	(0.05)	(0.09)	(0.01)
Total assets	11,179,018	5,185,456	347,226

SUMMARY OF QUARTERLY RESULTS

	Nov 30/07	Aug 31/07	May 31/07	Feb 28/07
Revenue	-	-	-	-
Net loss	(195,571)	(861,816)	(328,123)	(102,297)
Loss per share	(0.01)	(0.03)	(0.01)	(0.01)
	Nov 30/06	Aug 31/06	May 31/06	Feb 28/06
Revenue	-	-	-	-
Net loss	(163,661)	(932,655)	(138,677)	(22,694)
Loss per share	(0.01)	(0.05)	(0.02)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2007 the Company had $3,707 in cash, a working capital deficiency of $5,601,205 and a cumulative deficit of $2,866,839.

To date, the Company's ongoing operations have been financed predominantly by private placements, the exercise of warrants and stock options, and loans. Additional financing will be required to conduct further development work on the Company's projects and to place any project, if feasible, into production. While the Company has been successful in raising the necessary funds in the past, there can be no assurance it can continue to do so.

In the quarter ending February 28, 2007 the Company closed a private placement for the issuance of 333,400 flow-through shares at a price of $0.30 per share for proceeds of $100,020 and negotiated a private placement for the issuance of 203,333 units at a price of $0.30 per unit for proceeds of $61,000. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share, exercisable for a period of one year from the date of issuance at a price of $0.50 per share. Proceed from share capital transactions in the first quarter totalled $161,020.

In the quarter ending May 31, 2007, the Company issued 3,536,000 flow-through shares at a price of $0.25 per unit and 2,360,000 units at a price of $0.25 per unit. Each unit consists of one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.35 per share, exercisable for a period of one year from the date of issuance. Proceeds from share capital transactions in the second quarter totalled $1,474,000.

In the quarter ending August 31, 2007, the Company issued 3,000,000 flow-through shares at a price of $0.25 per share. In addition, the Company issued 2,074,000 shares at a price of $0.22 per share as a non-refundable bonus related to the $3,050,000 loan from Quest Capital Corp. The loan was used to acquire certain interests, rights and options from Golden Eagle Energy Inc. in the Chambers Area of west central Alberta.

In the quarter ending November 30, 2007, the Company issued 800,000 flow-through shares at a price of $0.25 per share for gross proceeds of $200,000.

In connection with the private placements, the Company paid a commissions and other expenses totaling $384,033, together with an agent's option equal to 10 per cent of the number of the flow-through shares and common shares issued under the offerings, each agent's option entitling the agent to acquire one unit at $0.25 cents per unit, each unit consisting of one share and one-half warrant, each whole warrant being exercisable at $0.35 cents per share for a period of 12 months.

The Company received subscriptions of $35,000 in connection with a negotiated private placement which closed subsequent to November 30, 2007. This private placement was for the issuance of 1,925,000 flow-through shares at a price of $0.20 per flow-through share.

In addition to equity financings, during the year the Company raised $3,450,000 by way of loans.

In December 2006, the Company received $400,000 as a loan from a company related by a director pursuant to a letter agreement whereby the Company proposed to acquire the outstanding shares of the company in exchange for shares and warrants in the Company. The loan is repayable on or before December 31, 2007 and bears interest at commercial rates. Subsequent to the year end, this loan was settled pursuant to a shares-for-debt settlement.

In August 2007, the Company negotiated a bridge loan of $3,050,000. The loan is repayable on or before July 30, 2008 bearing interest at 12% per annum, compounded and payable monthly. In connection with the loan, the Company issued 2,074,000 common shares at a price of $0.22 per share for a total of $456,280 as a non-refundable bonus to the lender. Security for the loan includes a promissory note, a fixed and floating first charge debenture over the Company's present and after-acquired real property, a first priority general security agreement over all its present and after-acquired personal property, and an environmental indemnity agreement in respect of its properties.

If after the advance, the Company sells or disposes of any assets outside of the ordinary course of business, or closes one or more equity or debt financings, the Company will pay or cause to be paid to the lender all proceeds from such sale, disposition or financing, net of selling or financing costs, up to the full amount of the outstanding balance of the loan.

Stock options

The Company granted 995,000 stock options to certain eligible participants entitling them to purchase common shares of the Company at a price of $0.30 per share. These options expire on March 20, 2009. The Company reduced the exercise price of the 1,600,000 options granted on June 6, 2006 from $1.00 to $0.30 per share.

Using the Black-Scholes stock option pricing model, the fair value of the stock options granted in the year has been calculated at $0.06. The assumptions used in the model are as follows: risk free interest rate - 3.97%; expected stock price volatility - 77%; expected dividend yield - 0%; expected life - 2 years.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in the period consisted of the following:

a) Management fees of $221,500 paid to directors or accrued to companies controlled by directors;

b) Consulting fees of $ 140,000 paid or accrued to directors or companies controlled by directors;

c) Stock options granted to directors had a fair value of $ 82,750;

d) Administrative services, finance fees, share issuance and negotiation fees, and occupancy charges totaling $210,047 were paid or accrued to an officer and a company controlled by a director.

SUBSEQUENT EVENTS

(i) In December 2007, the Company issued 1,925,000 flow-through shares pursuant to a private placement at a price of $0.20 per share for gross proceeds of $385,000. The Company issued a Finder's Warrant as a finder's fee in connection with this private placement entitling the holder to acquire 175,000 common shares of the Company at a price of $0.25 per share on or before January 2, 2009.

(ii) In January 2008, the Company settled a $400,000 loan by the issuance of 2,250,000 common shares.

(iii) In January and February 2008, a company controlled by a director advanced a total of $74,000 to the Company as a non-interest bearing loan with no fixed term for repayment without security.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of November 30, 2007, that our disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company, is made known to them by others within those entities. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. We have designed controls for this process and have conducted an evaluation which has identified potential weaknesses in such controls. Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties. Weaknesses in the Company's internal controls over financial reporting allow for a greater likelihood that a material misstatement would not be prevented or detected.

Management and the Board of Directors mitigate the risk of material misstatement in financial reporting by performing a detail review of monthly operational and financial reports. It is not possible to provide absolute assurance that this risk can be eliminated.

RISKS

The Company is engaged in the exploration for and development of petroleum and natural gas properties. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any petroleum and natural gas properties depends on many factors not all of which are within the control of management. Operationally the Company faces risks that are associated with and affect the financial viability of a given petroleum and natural gas property. These include risks associated with finding, developing and producing these petroleum and natural gas reserves. In addition, Government regulations, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a petroleum and natural gas property.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying audited financial statements.

Any forward-looking information in the MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.