MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management discussion and analysis ("MD&A") of financial conditions and results of operations is as of November 17, 2010 and should be read in conjunction with the interim unaudited consolidated financial statements of Greenfields Petroleum Corporation for the three and nine months ended September 30, 2010 and 2009 and the audited consolidated financial statements and MD&A of Greenfields Petroleum Corporation, formerly Greenfields Petroleum, LLC ("Greenfields or the "Company" or the "Corporation") for the year ended December 31, 2009 and the unaudited consolidated financial statements for the period from inception on November 28, 2007 to December 31, 2008.

Discussion with regard to Greenfields 2010 and 2011 outlook is based on currently available information. The financial data presented below has been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Unless stated otherwise, all references to monetary values are in the United States dollar.

Corporate Overview

The Corporation was formed on November 28, 2007, as Greenfields Petroleum Inc., a corporation formed under the laws of the State of Texas. On April 4, 2008, the Corporation was converted pursuant to a Certificate of Conversion to Greenfields Petroleum, LLC, a limited liability company formed under the laws of the State of Texas. Pursuant to a resolution approved by the board of directors of Greenfields Petroleum, LLC, on January 8, 2010, the outstanding units were split on the basis of 1.5 new units for each existing unit. On February 19, 2010, pursuant to a Certificate of Conversion, Greenfields Petroleum, LLC was converted to a corporation formed under the laws of the State of Delaware and concurrently changed its name to Greenfields Petroleum Corporation.

The common share numbers and per share numbers for the comparative periods have been reclassified throughout the management discussion and analysis and consolidated financial statements as if the common shares were outstanding throughout the periods indicated.

Going Concern

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. At September 30, 2010, mainly as a result of two private placements of its common shares in February 2010 and September 2010, the Company has a working capital balance of $12,516,692. At September 30, 2010, the Corporation has an accumulated deficit of $5,714,295 and has incurred losses since inception. The Corporation has acquired and is developing the rights to oil and gas properties focused primarily in the Republic of Azerbaijan and have plans to expand its oil and gas assets through further farm-in and acquisitions focusing on previously discovered undeveloped and underdeveloped international oil and gas fields. On September 29, 2010, Bahar Energy Ltd, a subsidiary of the Company, was notified by the State Oil Company of Azerbaijan ("SOCAR") that all conditions precedent of the Exploration, Rehabilitation, Development and Production Sharing Agreement (the "ERDPSA") were satisfied and ERDPSA became effective as at October 1, 2010.

The continuing operations of the Corporation are dependent upon obtaining necessary financing to meet the Corporation's commitments as they come due and to finance development and production from the properties, the economic recovery of reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production or proceeds from disposition of the oil and gas properties. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. With the November 16, 2010 closing of a CDN$33,8 million (approximately US$33 million) initial public offering, management is of the opinion that sufficient working capital has been obtained to meet the Company's liabilities and commitments as they come due. However, there can be no certainty that such financing will be obtained.

Business of the Corporation

The Corporation is a junior oil and natural gas exploitation and development corporation focused on the development and production of proven oil and gas reserves principally in the Republic of Azerbaijan ("Azerbaijan"). The board of directors and management of the Corporation are experienced in financing, developing and operating international oil and gas fields, and possess the requisite technical skills and business acumen to operate in diverse

international environments. The Corporation plans to expand its oil and gas assets through further farm-ins and acquisitions of licenses focusing on previously discovered and undeveloped international oil and gas fields.

The Corporation's primary focus is Azerbaijan. On December 22, 2009, Bahar Energy, a 33.33% subsidiary of the Corporation, entered into an Exploration, Rehabilitation, Development and Production Sharing Agreement (the "ERDPSA") with the State Oil Company of Azerbaijan ("SOCAR") and its affiliate SOCAR Oil Affiliate ("SOA") in respect of the offshore block known as the Bahar Project, which project consists of the Bahar Gas Field and the Gum Deniz Oil Field. Bahar Energy has an 80% participating interest, and SOA has a 20% participating interest, in the ERDPSA (together the "Contractor Parties").

On April 27, 2010, the Azerbaijan Parliament, also referred to as Milli Mejlis, ratified the Exploration, Rehabilitation, Development and Production Sharing Agreement (the "ERDPSA") with the State Oil Company of Azerbaijan ("SOCAR") and its affiliate SOCAR Oil Affiliate ("SOA") in respect of the offshore block known as the Bahar Project, which project consists of the Bahar Gas Field and the Gum Deniz Oil Field. On September 29, 2010, the Company was notified by SOCAR that all conditions precedent of the ERDPSA were satisfied and the ERDPSA became effective as at October 1, 2010.

On October 1, 2010, Bahar Energy, a subsidiary of the Company, entered into a joint operating agreement (JOA) with SOA and Bahar Energy Operating Company (BEOC) for the purpose of regulating operations under the ERDPSA.

In addition, BEOC as agent on behalf of the contractors to the ERDPSA, Bahar Energy and SOA, has entered into the following agreements which became effective October 1, 2010:

1) An evergreen oil sales agreement with SOCAR for the sale of oil from the ERDPSA. Pursuant to this oil sales agreement, SOCAR will purchase the oil from the ERDPSA and will sell equivalent oil (on behalf of Bahar Energy) at the export point as part of larger lots of SOCAR's export oil. Bahar Energy will realize the same price that SOCAR receives as the sale price under its export contract, less a one percent (1%) commission and less costs, including transportation, not to exceed certain specified amounts. This oil sales agreement may be terminated by either party upon fourteen (14) days advance notice.

2) A natural gas sales agreement with SOCAR for the sale of gas from the ERDPSA. The five year take or pay Bahar Gas Sales Agreement commenced on October 1, 2010 and is renewable by mutual agreement. The agreement provides for a minimum delivered gas price of US$140 per 1000 standard cubic meters (approximately US$3.96 per Mcf) with a three year "Buildup Period" and two year "Firm Period". The gas price is not subject to escalation over the five year term. The first three years of the contract period allow the Contractor Parties to develop the Bahar Gas Field and increase the volume of gas deliveries to the Buyer. All volumes correctly nominated by the Contractor Parties are subject to a take or pay by SOCAR.

   The final two years of the Bahar Gas Sales Agreement are a "Firm Period" in which the Daily Contract Quantity ("DCQ") is fixed 180 days before the beginning of the fourth year. All volumes correctly nominated by the Seller up to the DCQ are subject to a take or pay by SOCAR. All excess gas sales requested by SOCAR above the DCQ are priced at contract gas prices.

   If in any month during the term of the agreement, the volume of gas deliveries falls below the DCQ and the Contractor Parties are unable to make up the short fall in the current month, these short fall volumes would be sold to SOCAR at a discount of twenty percent below the contract price in the following month.

The ERDPSA covers an area of approximately 76,500 acres and it is divided into a "rehabilitation area" (the "Rehabilitation Area") and an "exploration area" (the "Exploration Area"). The Rehabilitation Area includes the Bahar Gas Field and Gum Deniz Oil Field, which had approximate gross production for the month of September 2010 of 1,600 barrels of oil per day (bbl/d) and 14.3 million cubic feet of gas per day (MMcfd), or 3,983 boepd. The gross production from the Rehabilitation Area on September 29, 2010 was 2,065 bbl/d and 18.93 MMcfd, or 5,220 boepd. The development and production period in the Rehabilitation Area has a term of 25 years which may be extended by mutual agreement for an additional five years. The Exploration Area does not currently contain any commercial oil or gas fields. The exploration period in the Exploration Area will have an initial term of three years, which can be extended for one year at the request of the Contractor Parties. In the event of a commercial discovery in the Exploration Area, the development and production period for the Exploration Area will have a term of 25 years. When the ERDPSA became effective on October 1, 2010, the Corporation's estimated production net to the Corporation's 33.33% indirect ownership in Bahar Energy is approximately 533 bbl/d and 4.77 MMcfd or approximately 1,327 boepd based on average monthly production for September 2010. The working interest production from the Rehabilitation Area on September 29, 2010 was 688 bbl/d and 6.31 MMcfd, or 1,740 boepd.

The Corporation issued 4,235,000 additional shares through an initial public offering of the Corporation's common shares on November 16, 2010 for gross proceeds of CDN$35,997,500, (CDN$33,162,650 after deducting 6% for agents commissions and estimated expenses of CDN$675,000). The Company also granted an over-allotment option for the issue of up to an additional 635,250 common shares exercisable within a period of 30 days following the closing date of the public offering. If the over-allotment is exercised in full the Company will receive estimated additional net proceeds of CDN$5,075,647 net of agents commissions of CDN$323,978.

Proceeds from the offering, combined with cash balances on hand, will be used to fund an estimated $32.4 million for capital expenditures on the Bahar Project, for the 2010 and 2011 years and first six months of 2012, $4.6 million for equipment, including one drilling rig, work-over rigs and support vessels, and approximately $7.6 million for signing bonus, seismic data, and business development. The Corporation anticipates revenue receipts will cover operating expenses after two months and that the ERDPSA is cash flow positive, including capital expenditures after eighteen months from the effective date of October 1, 2010.

During the period from inception to December 31, 2009, the Corporation owned 15% of the outstanding shares in GFPI-USA, LLC, a company that owns producing and non-producing petroleum assets located in the State of Kansas, USA. As of January 1, 2010, the Corporation reduced its investment in GFPI-USA, LLC to 5%.

Due to adverse market conditions as a result of the worldwide financial crisis and the desire of the Corporation to focus management time and attention on Azerbaijan, the Corporation elected to divest its interest in Greenfields Petroleum (Lahat) Company. On April 14, 2009, Greenfields Petroleum (Indonesia) Company Ltd. entered into a sale and purchase agreement with APEC Indonesia Limited pursuant to which it sold "Lahat" to APEC Indonesia Limited for consideration of approximately $5.3 million, as well as a contingent net profits interest. The contingent net profits interest took the form of a deferred payment agreement dated April 24, 2009, pursuant to which APEC Indonesia Limited agreed to pay Greenfields Petroleum (Indonesia) Company Ltd. a deferred purchase price payment in installments equal to 4% of BMIC's share of the crude oil remaining after the deduction of operating costs (otherwise known under the Bunga Mas PSC as "Profit Oil"), reduced by the amount of certain Indonesian taxes. Payments begin with the first production of Profit Oil from the area of the Bunga Mas PSC, and will terminate when the installment payments total $8 million. To date, no production has yet been realized by BMIC from the area of the Bunga Mas PSC. Greenfields Petroleum (Indonesia) Company Ltd. has agreed to indemnify up to a maximum of $150,000 to the buyer of "Lahat" in respect of potential future reclamation efforts related to two previously established well locations, if required by the regulatory authorities. Greenfields Petroleum (Indonesia) Company Ltd. has also agreed to indemnify the buyer of "Lahat" for liabilities that might arise in the future for events that transpired during the period Greenfields Petroleum (Indonesia) Company Ltd. held its interest in "Lahat". The maximum amount of the latter indemnification cannot be reasonably estimated due to its nature nor are such events considered likely. Historically, Greenfields Petroleum (Indonesia) Company Ltd. has not made any payments relating to such indemnification.

Selected Information

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2010	**2009**	**2010**	**2009**
Revenues	$84,000	$109,998	$252,000	$323,330
Net loss from continuing operations	($1,300,945)	($544,092)	($3,273,238)	($1,025,736)
Per share, basic and diluted	($0.16)	($0.09)	($0.42)	($0.16)
Net (loss) income	($1,300,965)	($174,342)	($3,137,853)	$1,344,088
Per share, basic and diluted	($0.16)	($0.03)	($0.40)	$0.21

Selected Balance Sheet Items

	September 30, 2010	**December 31, 2009**
Total assets	$16,320,208	$1,778,271
Working capital	$12,516,392	$1,349,791
Shareholders' equity	$15,645,654	$1,678,558

	Three Months Ended March 31		Three Months Ended June 30		Three Months Ended September 30	
	2010	2009	2010	2009	2010	2009
Revenues	$84,000	$103,396	$84,000	$110,143	$84,000	$109,998
Net loss from continuing operations	($1,124,332)	($119,436)	($847,961)	($362,207)	($1,300,945)	($544,092)
Per share, basic and diluted	($0.16)	($0.02)	($0.11)	($0.06)	($0.16)	($0.09)
Net (loss) income	($986,802)	($1,205,564)	($850,086)	$2,723,994	($1,300,965)	($174,342)
Per share, basic and diluted	($0.14)	($0.19)	($0.11)	$0.42	($0.16)	($0.03)

During the quarters ended March 31, 2010 and 2009, the Corporation incurred business development expenses, primarily for projects in Azerbaijan during 2010 and in Indonesia during 2009, and corporate general and administrative expenses resulting in net losses of $986,802 and $1,205,564, respectively. In April 2009, the Corporation completed the sale of its Indonesian project for a net gain resulting in net income for the quarter ended June 30, 2009 of $2,723,994 compared to a net loss of $850,086 for the period ended June 30, 2010, which reflects the continued business development expenditures for the Azerbaijan project and comparable corporate general and administrative expenses. The Corporation experienced an increased net loss to $1,300,965 for the quarter ended September 30, 2010 as a result of escalating business development expenditures for the Azerbaijan project, which became effective October 1, 2010, and growing corporate general and administrative expenses incurred in support of the Azerbaijan project. For the quarter ended September 30, 2009, the lower net loss of $174,342 reflects the benefit of revenues received from a Consulting Services Agreement associated with transitioning the discontinued Indonesian project to the new owners.

RESULTS OF OPERATIONS

Revenues

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	2010	2009
Management service fees	$84,000	$109,998	$252,000	$323,330
Interest income	-	$378	-	$584
Total revenue	$84,000	$110,376	$252,000	$323,914

For the three months and nine months ended September 30, 2010, the Corporation recorded $84,000 and $252,000, respectively, in management service fees received under the Management Services Agreement with the Corporation's affiliate company GFPI-USA, LLC, a 24% and 22% decrease versus the same periods in 2009. The decrease in fees is a result of the renegotiation of the Management Services Agreement between the Corporation and the GFPI-USA, LLC affiliate resulting in the conversion to a fixed management fee beginning in January 1, 2010, covering all services provided by the Corporation to GFPI-USA, LLC. The management service fees going forward are to be determined each year based on the approved annual budget for GFPI-USA, LLC. Beginning January 2010, the Corporation receives a monthly management service fee of $28,000 until December 31, 2010, unless renewed, for providing all necessary management, technical, and administrative services related to the ongoing operations of the affiliate. The new fixed management fee is in lieu of the fixed monthly management fees plus allocated general and administrative expenses charged during 2009. Due to the reduced involvement by corporate personnel in running the day to day business of GFPI-USA, LLC, management believes the $28,000 per month fee is sufficient to cover the costs of providing management, technical, and administrative services to the GFPI-USA, LLC entity.

General and Administrative Expenses

G&A Expenses from Continuing Operations	Three Months Ended September 30 2010	Three Months Ended September 30 2009	Nine Months Ended September 30 2010	Nine Months Ended September 30 2009
Employee wages and benefits	$397,021	$449,143	$1,190,652	$1,321,461
Professional service costs	$590,448	$241,514	$1,519,211	$594,457
Office travel and other	$317,040	$109,682	$841,780	$282,259
	$1,304,509	$800,339	$3,551,643	$2,198,177
Recoveries	($250)	($269,270)	($800)	($1,126,046)
Net G&A expenses from continuing operations	$1,304,259	$531,069	$3,550,843	$1,072,131

G&A Expenses from Discontinued Operations	Three Months Ended September 30 2010	Three Months Ended September 30 2009	Nine Months Ended September 30 2010	Nine Months Ended September 30 2009
Allocated corporate overhead	-	$121,411	-	$511,993
Professional service costs	($250)	$1,468	$7,117	$26,003
Office travel and other	$274	$8,929	$274	$36,820
Foreign office costs	-	-	-	$376,566
G&A expenses from discontinued operations	$24	$131,808	$7,391	$951,382

Gross general and administrative expenses from continuing operations for the three and nine months ended September 30, 2010 totaled $1,304,509 and $3,551,643, respectively, compared to $800,339 and $2,198,177 for same periods in 2009, an increase of 63% and 62%, which relates to increases in professional services associated with the February 2010 private placement, work for the IPO, and higher travel costs and contractor services associated with the Bahar Energy project in Azerbaijan. Increases in G&A were slightly offset by reduced employee related expenses due to a lower staffing level in 2010. For the three and nine months ended September 30, 2009, the Corporation recovered $269,270 and $1,126,046, respectively, in general and administrative expenses from allocated G&A charged to an unconsolidated minority interest affiliate and from direct overhead charges to the Bunga Mas PSC. Due to the sale of the parent company to the Bunga Mas PSC, Greenfields Petroleum (Lahat) Company, Ltd., in April 2009 and the revision to the Management Services Agreement with the GFPI-USA, LLC affiliate eliminating the allocation of G&A, recoveries were reduced to $250 and $800 for the same periods in 2010.

As result of the divestiture of Greenfield Petroleum (Lahat) Company in April 2009, the Corporation has classified the operations of “Lahat” as discontinued operations in the statement of operation for the three and nine months ended September 30, 2010 and 2009. General and administrative expenses from discontinued operations for the three and nine months ended September 30, 2010 were $24 and $7,391, respectively, compared to $131,808 and $951,382 for the same periods in 2009, a decrease of 99% for both periods. The decrease is the result the elimination of project related G&A expenditures incurred during 2009 up to the sale of the Bunga Mas PSC in April 2009 versus only nominal G&A expenditures during 2010 related to the remaining parent entity to the assets sold in 2009. The Corporation’s general and administrative expenses previously allocated to discontinued operations during the 2009 timeframe have been offset by G&A associated with new international projects in 2010.

The Corporation did not capitalize any of its general and administrative expenses for the three and nine months ended September 30, 2010 and September 30, 2009.

Stock-based Compensation

Stock-based compensation expense for the three and nine months ended September 30, 2010 was $743,165 and $925,284, respectively, compared to nil for the same periods in 2009. During the three months ended September 30, 2010, the Corporation issued 986,000 stock options to officers, directors, employees and consultants of the Corporation in accordance with the Corporation’s stock option plan. The exercise price of the stock options is CDN$6.50 per Common Share and they expire on August 31, 2020. The stock options vest as to 25% on the date of grant and 25% on each of May 1, 2011, May 1, 2012 and May 1, 2013, except for stock options issued to a certain

executive officer, which vest as to 25% on August 31, 2010 and 25% on each of the first, second and third anniversaries of February 1, 2010.

The fair value of each stock option granted during the three moths ended September 30, 2010 was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

	2010
Risk-free interest rate range	1.33%
Expected life	4.0 years
Expected volatility	49.53%
Expected dividend	-
Fair value of option at grant date	$2.42

In addition, during the nine months ended September 30, 2010, the Corporation approved a Long Term Incentive Plan and the granting of 500,000 units to employees, officers and directors of the Corporation on February 2, 2010. Subsequent to the granting of the units, on February 24, 2010 the Corporation was converted from a Texas Limited Liability Company to a Delaware Corporation and the units were converted to shares of the Corporation. On April 7, 2010, the Corporation terminated the Long Term Incentive Plan in regards to future awards.

Depreciation and Amortization

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2010	**2009**	**2010**	**2009**
Depreciation and amortization expense	$3,550	-	$8,123	-

Depreciation and amortization for the three months and nine months ended September 30, 2010 was $3,550 and $8,123, respectively, compared to nil for the same periods in 2009. The increase is a result of the Corporation purchasing office equipment, geophysical software and hardware, and recording leasehold improvements during 2010 as compared to no depreciable assets being acquired for the same periods in 2009.

Equity Loss from Investment

The Corporation recorded equity losses of $123,399 and $262,576 for the three and nine month ended September 30, 2009, respectively, in connection with its 15% equity interest in earnings of affiliated company GFPI-USA, LLC, a private company engaged in the exploration and development of oil and gas properties primarily in the United States.

On January 1, 2010 the Corporation entered into an Amending and Assigning Agreement with RCH Energy Opportunity Fund II and RCH Energy Opportunity Fund III (collectively “RCH”). The terms of the agreement were that the Corporation transferred 100,000 Class A Units in the GFPI-USA, LLC entity and made payment of $8,650 to the RCH funds for the termination of RCH’s option to participate at 15% in international business opportunities generated by the Corporation and the requirement that certain officers and directors maintain a controlling interest in Greenfields. The impact of this agreement on the Corporation is that the ownership interest in the GFPI-USA, LLC entity was reduced from 15% to 5% effective January 1, 2010 and the Corporation was released from ownership restrictions so it can pursue various financing options for its international projects. As a result of the reduced ownership interest in the GFPI-USA, LLC affiliate, the Corporation recorded a non-cash $217,390 reduction in the carrying value of the investment and inclusive of the $8,650 cash payment to RCH, recorded a $226,040 loss on transfer of investment interest. Due to the reduced ownership interest and the resulting loss of significant influence, the Corporation changed the accounting method to account for this company from the equity method to the cost method effective January 1, 2010. Using the cost method of accounting will result in changes in investment balance only when additional equity contributions are made, distributions are received, or when there has been a loss in value of the investment that is other than a temporary decline, in which case the investment should be written down to recognize the loss. The Corporation has used estimates of the discounted value of the company’s reserves and the estimated market value of the undeveloped leasehold and geological and geophysical assets to evaluate the fair market value of the investment. At September 30, 2010, the Corporation has determined that there is no impairment in the value of this investment.

Selected Financial Information from Equity Investment in GFPI-USA, LLC

	Three Months Ended September 30, 2009		Nine Months Ended September 30, 2009	
	Gross	Net	Gross	Net
Revenues and interest income	$69,560	$10,434	$69,657	$10,449
Net operating loss	($822,662)	($123,399)	($1,750,508)	($262,576)
Total assets	$2,023,922	$303,588	$2,023,922	$303,588
Total liabilities	($406,282)	($60,942)	($406,282)	($60,942)
Working capital	($253,673)	($38,051)	($253,673)	($38,051)
Unitholders' capital funding	$540,000	$81,000	$2,902,353	$435,353
Production (total bbls)	1,095	164	1,095	164

The Corporation made contributions of $ nil and $182,127 toward its share of capital funding of GFPI-USA, LLC for the three and nine months ended September 30, 2010 versus contributions of $81,000 and $435,353 for the same periods in 2009. Due to the changes in the Corporation's ownership position in the GFPI-USA, LLC affiliate noted in the paragraph above, which resulted in the change from the equity to cost method of accounting for this investment, the Corporation has not recorded its share of net earnings or loss for the three and nine months ended September 30, 2010.

Interest

Interest expense for the three months and nine months ended September 30, 2010 was $ nil as compared to $ nil and $14,943, respectively, for the three months and nine months ended September 30, 2009. The 2009 interest expense was principally due to the related notes payable with original members of the LLC and the third party notes payable with RCH. The notes and accumulated interest payable were repaid in April 2009.

Discontinued Operations

Due to adverse market conditions as a result of the worldwide financial crisis and the desire of the Corporation to focus management time and attention on Azerbaijan, the Corporation elected to divest its interest in Greenfields Petroleum (Lahat) Company. On April 14, 2009, Greenfields Petroleum (Indonesia) Company Ltd. entered into a sale and purchase agreement with APEC Indonesia Limited pursuant to which it sold "Lahat" to APEC Indonesia Limited for consideration of approximately $5.3 million, as well as a contingent net profits interest. The contingent net profits interest took the form of a deferred payment agreement dated April 24, 2009, pursuant to which APEC Indonesia Limited agreed to pay Greenfields Petroleum (Indonesia) Company Ltd. a deferred purchase price payment in installments equal to 4% of BMIC's share of the crude oil remaining after the deduction of operating costs (otherwise known under the Bunga Mas PSC as "Profit Oil"), reduced by the amount of certain Indonesian taxes. Payments begin with the first production of Profit Oil from the area of the Bunga Mas PSC, and will terminate when the installment payments total $8 million. To date, no production has yet been realized by BMIC from the area of the Bunga Mas PSC. Greenfields Petroleum (Indonesia) Company Ltd. has agreed to indemnify up to a maximum of $150,000 to the buyer of "Lahat" in respect of potential future reclamation efforts related to two previously established well locations, if required by the regulatory authorities. Greenfields Petroleum (Indonesia) Company Ltd. has also agreed to indemnify the buyer of "Lahat" for liabilities that might arise in the future for events that transpired during the period Greenfields Petroleum (Indonesia) Company Ltd. held its interest in "Lahat". The maximum amount of the latter indemnification cannot be reasonably estimated due to its nature nor are such events considered likely. Historically, Greenfields Petroleum (Indonesia) Company Ltd. has not made any payments relating to such indemnification.

As result of the divestiture, the Corporation has classified the operations of Greenfield Petroleum (Lahat) Company as discontinued operations in the statement of operations for the three and nine months ended September 30, 2010 and 2009. The management service fee revenue received in January 2010 was the final installment of a consulting services agreement that was entered into whereby the Corporation provided administrative and technical assistance to the purchaser of the discontinued company, Greenfields Petroleum (Lahat) Company.

Net income (loss) from discontinued operations is composed of the following:

	Three Months Ended September 30		Nine Month Ended September 30	
	2010	2009	2010	2009
Management service fees	-	$500,000	$166,667	$833,333
Project expenses	-	-	-	$112,407
Exploration expenses	-	-	-	$918,640
General and administrative expenses	$24	$131,808	$7,391	$951,382
(Loss) income from discontinued operations before non-controlling interest	($24)	$368,192	$159,276	($1,149,096)
Gain on sale of discontinued operations	-	-	-	$3,828,513
Non-controlling interest	$4	$1,558	($23,891)	($309,593)
Net (loss) income from discontinued operations	($20)	$369,750	$135,385	$2,369,824

Income Taxes

The Corporation recorded an estimated future income tax recovery of $666,029 and $1,185,052, for the three months and nine months ended September 30, 2010 respectively, as compared to nil for the same periods in 2009. In addition, the Corporation has recorded a future income tax asset on the balance sheet as at September 30, 2010, of $1,185,052. The future income tax recovery booked represents the estimated future income tax recovery derived from the Corporation's operations between February 19, 2010 and September 30, 2010. Prior to February 19, 2010, when the Corporation converted from a Texas Limited Liability Company to a State of Delaware corporation, the Corporation was not subject to income tax as it had elected to be taxed as a partnership for income tax reporting purposes and the income or loss of the Corporation was included in the income tax returns of the individual members. Due to the high probability of realizing the future income tax asset as a result of future income generated from the Bahar Enegy ERDPSA in Azerbaijan, no future income tax allowance has been booked. The effective tax rate of the Bahar Energy project in Azerbaijan is 22% versus the 35% marginal rate in the United States, so the incremental tax obligation in the United States can be offset with the net operating loss ("NOL") carry-forward generated by the Corporation.

Net Loss and Comprehensive Loss

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	2010	2009
Loss from continuing operations	($1,300,945)	($544,092)	($3,273,238)	($1,025,736)
(Loss) income from discontinued operations	($20)	$369,750	$135,385	$2,369,824
Net (loss) income and comprehensive (loss) income	($1,300,965)	($174,342)	($3,137,853)	$1,344,088

For the three and nine months ended September 30, 2010, the Corporation incurred a loss of $1,300,965 and $3,137,853, respectively, compared to a loss of $174,342 and income of $1,344,088 for the corresponding periods in 2009. The loss for the three and nine months ended September 30, 2010 is primarily related to corporate expenses and business development expenditures related to new project development in Azerbaijan. During the nine months ended September 30, 2009, the Corporation completed the sale of its ownership in the shares of Greenfields Petroleum (Lahat) Company, resulting in the Corporation recording a gain on sale of $3,828,513 which significantly contributed to the Corporation recorded net income for the nine months ended September 30, 2009.

Per Share Information

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	2010	2009
Loss from continuing operations, basic and diluted	($0.16)	($0.09)	($0.42)	($0.16)
(Loss) income from discontinued operations, basic and diluted	$0.00	$0.06	$0.02	$0.37
Net (loss) income and comprehensive (loss) income, basic and diluted	($0.16)	($0.03)	($0.40)	$0.21

Cash Flow from Operating Activities

The Corporation recorded negative cash flow from continuing operations of $1,138,551 and $3,152,896 for the three and nine months ended September 30, 2010, respectively, compared to negative cash flow from continuing operations of $404,343 and $790,425, respectively, for the three and nine months ended September 30, 2009. The decrease in cash flow in 2010 is a result of several factors including reduction in revenues, significant increase in general and administrative expenses due to much of the 2009 general and administrative expenses being reported in discontinued operations partially offset by a favorable decrease in non-cash working capital balances related to continuing operations.

Equipment, Leasehold Improvements and Investments in Subsidiaries

The following table summarizes capital expenditures and investments in subsidiaries for the three and nine months ended September 30, 2010 and 2009:

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	2010	2009
Office equipment and leasehold improvements	$7,569	$8,085	$37,318	$8,085
Investment in GFPI-USA, LLC	-	$81,000	$182,127	$435,353
Total	$7,569	$89,085	$219,445	$443,438

For the three and nine months ended September 30, 2010, the Corporation invested $7,569 and $37,318, respectively, in office equipment and leasehold improvements.

During the nine months ended September 30, 2010, the Corporation made capital contributions of $182,127 toward its 5% share of capital funding provided to the affiliated company GFPI-USA, LLC, a private company engaged in the exploration and development of oil and gas properties primarily in the United States. *(See also note for "Equity Loss from Investment".)*

For the three months and nine months ended September 30, 2010 and 2009, the Corporation did not capitalize any general and administrative expenses.

Shareholders' Equity

	Three Months Ended September 30		Nine Months Ended September 30	
(Loss) Income Per Share	**2010**	**2009**	**2010**	**2009**
Weighted average common shares outstanding during the period – basic	8,376,300	6,450,000	7,865,163	6,450,000
Effect of stock options and warrants	-	-	-	-
Weighted average common shares outstanding during the period – diluted	8,376,300	6,450,000	7,865,163	6,450,000
Net (loss) income per share - basic and diluted	($0.16)	($0.03)	($0.40)	$0.21

For the three and nine months ended September 30, 2010, all outstanding warrants and options are anti-dilutive and have been excluded in calculating the diluted shares outstanding.

For the three and nine months ended September 30, 2009, the Corporation had no dilutive securities outstanding.

Outstanding Share Capital

	Outstanding at	
	September 30, 2010	**December 31, 2009**
Common Shares Outstanding	9,990,771	6,450,000
Treasury Shares	3,306	-
Stock Options	986,000	-
Share Purchase Warrants	530,000	-

The common shares and per share numbers have been adjusted to reflect the share split on the basis of one and one half (1.5) new shares for every one share previously outstanding which was completed on January 8, 2010.

On January 8, 2010, the board approved a Long Term Incentive Plan ("LTIP") for employees, officers and directors of the Corporation. A total of 500,000 units were approved on February 1, 2010 and then granted on February 2, 2010. A total of 233,750 units were granted to board members, officers, employees, and contractors of the Corporation and were fully vested when granted. The remaining 266,250 shares granted to employees, officers, and contractors of the Corporation vest one third each anniversary of the date of grant over the next three years. On April 7, 2010 the board of directors of the Corporation terminated the LTIP.

On February 2, 2010, the Corporation recorded $175,725 in "value of unvested restricted units" consisting of 266,250 restricted units of the total 500,000 units issued to officers, employees, and contractors originally as unit grants at $0.66 per share as part of the Corporation's LTIP, which was subsequently cancelled after completion of the initial grant program. Upon conversion of the Company from a Texas Limited Liability Company to a Delaware corporation on February 19, 2010, all units were converted to common shares of the Corporation, including restricted shares. Under the original Unit Grant Agreement, the grantee is restricted from trading the restricted units with third parties over the vesting period and the unvested units are subject to forfeiture if the service requirements under the agreement are not met. The majority of the restricted units vest over a three year period beginning on the first anniversary date of the original grant on February 2, 2011, and vest 25% at the grant date and 25% each anniversary date thereafter. The Corporation will amortize the balance of "unvested restricted units (converted to shares)" on a straight line basis over the vesting periods. For the three and nine months ended September 30, 2010 the Corporation amortized $16,706 and $44,550, respectively, of this balance as "stock based compensation expense" reducing the balance from $175,725 to $131,175 at September 30, 2010.

On February 19, 2010, the Corporation effected the conversion of the Corporation from a Texas Limited Liability Company to an incorporated company registered in the State of Delaware. As a result of this change, the Corporation changed its name to Greenfields Petroleum Corporation. The 6,950,000 outstanding member units of the LLC were converted to the equivalent common shares of the Corporation. The common share numbers and per share numbers for the comparative periods have been reclassified as common shares throughout the management discussion and analysis and consolidated financial statements as if the common shares were outstanding throughout the periods indicated.

On February 24, 2010, the Corporation completed a private placement of 1,000,000 units at CDN $5.00 per unit, each unit consisting of one common share and one-half of one warrant. Each whole warrant entitles the holder to acquire one common share at a price of CDN $5.00 per share until February 24, 2012. The Corporation immediately converted the CDN $5,000,000 proceeds to U.S. dollars totaling $4,733,504. An aggregate of 60,000 compensation units were issued to the brokers as commission pursuant to the private placement. Each compensation unit is comprised of one common share and one-half of one warrant.

On August 31, 2010 the Corporation granted 986,000 stock options to officers, directors, employees and consultants of the Corporation in accordance with the Company stock option plan. The exercise price of the stock options is CDN$6.50 per Common Share and they expire on August 31, 2020. The stock options vest as to 25% on the date of grant and on 25% each of May 1, 2011, May 1, 2012 and May 1, 2013, except for stock options issued to a certain

executive officer, which vest as to 25% on August 31, 2010 and 25% on each of the first, second and third anniversaries of February 1, 2010.

On September 14, 2010, the Corporation completed the September 2010 Private Placement involving the issuance of 1,984,077 Common Shares at a price of CDN$6.50 per share for gross proceeds of approximately CDN$12,896,500 (approximately CDN$12,126,610 after deduction of the agents fee). The Corporation converted the net Canadian dollar proceeds to U.S. dollars totaling $11,765,412 and after incurring cash share issue costs of $109,868, the Corporation received net proceeds of $11,655,544. Pursuant to the September 2010 Agency Agreement, the Corporation has agreed with the Agents that, if the Corporation does not list the Common Shares on a recognized Canadian stock exchange, or complete a transaction that as a result, all or substantially all of the outstanding Common Shares are exchanged for cash or securities of another issuer listed on a recognized stock exchange, by March 31, 2011, the subscribers will be entitled to receive one tenth of an additional Common Share in respect of each Common Share purchased in the September 2010 Private Placement. In addition, the Corporation also agreed that in the event that the Common Shares issued pursuant to the IPO are offered at a price which is less than $6.50 per share (the "**Share Price**"), the Corporation shall issue to each subscriber under the September 2010 Private Placement such number of additional Common Shares as is equal to the difference between the amount by which the Share Price exceeds the IPO Price, divided by the IPO Price. These liquidity entitlements are now expired with no financial effect as of the completion of the November 16, 2010 initial public offering at CDN$8.50 per common share and the commencement of Greenfields stock trading on the TSX Venture Exchange.

As of the date of this MD&A, the Corporation had issued 14,229,077 common shares, 14,225,771 common shares outstanding, 3,306 treasury shares held, 1,211,000 stock options outstanding (including 225,000 approved and granted on November 16, 2010) and 530,000 share purchase warrants outstanding.

Liquidity and Capital Resources

At September 30, 2010, the Corporation had no bank debt and working capital of $12,516,392.

The Corporation has a 33.33% indirect ownership in Bahar Energy Limited, a company incorporated in the Jebel Ali Free Zone, Dubai, UAE. On December 22, 2009, Bahar Energy entered into an Exploration, Rehabilitation, Development and Production Sharing Agreement ("ERDPSA") with the State Oil Company of Azerbaijan ("SOCAR") in respect of the offshore block known as the Bahar Project, which project consists of the Bahar Gas Field and the Gum Deniz Oil Field. On April 27, 2010, the Azerbaijan Parliament, also referred to as Milli Mejlis, ratified the Exploration, Rehabilitation, Development and Production Sharing Agreement (the "ERDPSA") with the State Oil Company of Azerbaijan ("SOCAR") and its affiliate SOCAR Oil Affiliate ("SOA"). On September 29, 2010, Bahar Energy Ltd, a subsidiary of the Company, was notified by the SOCAR that all conditions precedent of the ERDPSA were satisfied and ERDPSA became effective as at October 1, 2010.

In order for the Corporation to satisfy the minimum contractual commitments under the ERDPSA with the State Oil Company of Azerbaijan, the Corporation will not have to raise additional debt or equity capital to meet these obligations. The Corporation plans to raise additional funds to support the planned development activities for the project.

The ERDPSA became effective upon satisfaction of the following conditions:

(a) the completion by Bahar Energy of a satisfactory asset inventory. Pursuant to the ERDPSA Bahar Energy has the ability to select the assets, including offshore platforms, flowlines, wellbores, facilities, equipment and infrastructure, that Bahar Energy will accept as assets that are part of the ERDPSA. All non-selected assets remain the responsibility of SOCAR; and

(b) the entering into a Bahar Gas Sales Agreement with terms satisfactory to Bahar Energy and SOCAR.

Pursuant to the ERDPSA, Bahar Energy is obligated to:

(a) pay SOCAR a signing bonus of US$2 million (US$666,667 net to the Corporation) within 30 days after the effective date of the ERDPSA; and

(b) pay annual acreage fees in arrears for three years of US$216,000 to SOCAR (US$72,000 net to the Corporation) on the anniversary of the effective date.

The Corporation's share of the signing bonus and first two months of operating expenses was paid from cash on hand as of September 30, 2010. It is expected that revenue receipts will cover operating costs thereafter and capital expenditures will be paid from proceeds of the offering.

The Corporation's cash requirements necessary to satisfy estimated future commitments of the ERDPSA total $39,869,000, consisting of: (i) the Corporation's share of capital expenditures on the Bahar Project for the 2010 and 2011 years and first six months of 2012 of $32,359,000; (ii) Bahar Project equipment (new rigs and vessel) costs of $4,630,000; (iii) ERDPSA signing and production payments of approximately US$1,330,000; and (iv) Bahar Project Exploration Area seismic costs of $1,550,000.

Off-Balance Sheet Arrangements

The Corporation does not have any special purpose entities, nor is it party to any transactions or arrangements that would be excluded from the Corporation’s balance sheet.

Notes Payable

In February 2009, the Corporation entered into a short term bridge loan agreement in the amount of $415,000 with an unrelated third party. The bridge loan was secured by the Corporation’s unit holdings in GFPI-USA, LLC and bore interest at the six month LIBOR interest rate plus 4%, which equated to an annual interest rate of 5.75% per annum. The principal amount of the notes of $415,000 together with interest of $4,186 was repaid in April, 2009.

Related Party Transactions

In June 2008, the Corporation entered into loan agreements with two officers of the Corporation whereby the officers loaned the Corporation a total of $802,872. The loans were unsecured and bore interest at a rate of 4% per annum payable only when the notes are repaid. The principal amount of the notes of $802,872 together with interest of $29,069 was repaid to the officers in April, 2009.

Prior to January 1, 2010, GFPI-USA, LLC was considered a related party by virtue of Greenfields’s significant influence over GFPI-USA. Due to the loss of significant influence over GFPI-USA on January 1, 2010, the parties are no longer considered related for accounting purposes. For the three and nine months ended September 30, 2010, the Corporation recorded $84,000 and $252,000, respectively, in management service fees charged to GFPI-USA, a decrease over the $109,998 and $323,330 recorded for the three and nine months ended September 30, 2009, the reduction being the result of a renegotiation of a lower monthly service fee. The Corporation also recorded additional reimbursements for direct and indirect G&A charged to GFPI-USA of $147,859 and $421,640 for the three and nine months ended September 30, 2009 versus no recoveries for the same periods in 2010. During 2009, the management service fees charged to GFPI-USA under the provisions of the Management Services Agreement between GFPI-USA and the Corporation were intended to cover the costs of services provided to the affiliate by the two key executives, Alex T. Warmath and Richard E. MacDougal. Indirect G&A allocated to GFPI-USA was based on quarterly department time analysis to determine the affiliate’s prorata share of departmental expenses for the quarter for departments other than for Mr. Warmath and Mr. MacDougal. Direct expenses charged to the affiliate were based on the actual amounts invoiced to the Corporation.

As part of the revised Management Services Agreement between GFPI-USA and the Corporation effective from January 1, 2010, the management fees, time writing, and allocation of G&A charged in prior years were replaced by a single fixed management service fee approved in the annual budget of GFPI-USA, which was approved at a $28,000 monthly rate for 2010. The revised management service fee is intended to cover the cost of providing management oversight, technical and accounting services, and corporate overhead coverage associated with providing services to GFPI-USA. With a reduced level of business activity for GFPI-USA planned for 2010, management believes the fixed monthly service fee is adequate to cover the cost of providing the required services. Direct expenses incurred for the benefit of GFPI-USA will be charged at cost. (*Also see Equity Loss from Investment*)

Financial Instruments

The Corporation’s financial instruments recognized on the balance sheet include cash and cash equivalents, accounts receivable, investment in GFPI-USA, LLC and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their carrying amounts due to their short term maturity. The investment in GFPI-USA, LLC is carried at cost. The estimated fair values of recognized financial instruments have been determined based on the Corporation’s assessment of available market information.

To date, the Corporation has not used any derivative financial instruments, such as commodity price risk contracts to mitigate risk.

Contractual Commitments and Obligations

The following is a summary of the Corporation's contractual obligations and commitments as of September 30, 2010:

	2010	2011	2012	2013	2014	Thereafter
Operating leases	22,669	93,698	48,360	-	-	-
ERDPSA signing bonus	666,667	-	-	-	-	-
Annual lease retention fees	-	72,000	72,000	72,000	-	-
	689,336	165,698	120,360	72,000	-	-

As part of an operating agreement, the Corporation has contractual commitments to GFPI-USA, LLC to contribute up to $1,500,000 to a Texas Limited Liability Company which the Corporation has a 5% equity interest in. As at September 30, 2010, the Corporation had contributed a total of $1,458,980 of this committed amount.

The Company has been contacted by a former consultant claiming rights to a referral fee in the form of a small interest in Greenfields Petroleum International Company Ltd. the wholly-owned subsidiary of the Company that owns a 33.33% interest in Bahar Energy. Management of the Corporation believes the claim is without merit, but has engaged in discussions in an attempt to resolve his concerns.

Recent Accounting Pronouncements

In January 2009, the CICA issued Section 1582, "Business Combinations", which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combinations and related disclosures. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011, with earlier application permitted. The Corporation cannot, at this time, assess the impact of the adoption of this standard on the results of operations or financial position of the Corporation.

In January 2009, the CICA issued Section 1601, "Consolidated Financial Statements", and 1602, "Non-controlling Interests", which replaces existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for non-controlling interest in a subsidiary in consolidated financial statements to a business combination. These standards are effective on or after the beginning of the first annual reporting period beginning on or after January 2011, with earlier application permitted. The Corporation does not expect the adoption of this standard to have a material impact on our results of operations or financial position.

Convergence with International Financial Reporting Standards

On January 1, 2011, International Financial Reporting Standards ("IFRS") will become the generally accepted accounting principles in Canada. The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Corporation for the year ended December 31, 2010, including the opening balance sheet as at January 1, 2010. The Corporation has assessed the impact of adopting IFRS and is continuing to review plans for transition. The project is being managed by in-house accounting professionals who have experience converting Canadian GAAP to IFRS and continue to move forward with the Corporation's conversion plan. The Corporation's auditors will be involved throughout the process to ensure the Corporation's policies are in accordance with these new standards. The Corporation currently accounts for its oil and gas assets using the successful efforts method which shares basic principals with IFRS. The Corporation expects adjustments required for the conversion to be minimal. In regards to internal controls over financial reporting ("ICFR"), the Corporation will be determining which additional changes to ICFR will be required to deal with the changes in accounting policies. This will be ongoing through 2010 to ensure all changes in accounting policies include appropriate additional controls and procedures for future IFRS reporting requirements.

Financial and Liquidity Risks

The Corporation anticipates that it will make capital expenditures for the farm-in, acquisition of licenses, exploration, development and production of oil and natural gas in the future. On an ongoing basis, the Corporation will typically plan to utilize three sources of funding to finance its capital expenditure program; internally generated cash flow from operations, debt where deemed appropriate and new equity issues, if available at favourable terms. In addition, the Corporation may contemplate the sale of producing properties or the sale of other assets to fund its contractual obligations.

Funds flow is influenced by many factors, which the Corporation cannot control, such as commodity prices, interest rates and changes to existing international government regulations and tax policies. Should circumstances affect cash flow in a detrimental way, the Corporation may have limited ability to expand the capital necessary to undertake or complete future drilling programs. In such circumstances, the Corporation would be required to either reduce the level of its capital expenditures or supplement its capital expenditure program with additional debt and/or equity financing. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or, if debt or equity is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's financial condition, results of operations and prospects.

Issuance of Debt

From time to time, the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. Neither the Corporation's articles nor its by-laws limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness from time to time could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that my arise.

Supply of Service and Production Equipment

The supply of service and production equipment at competitive prices is critical to the ability to add reserves at a competitive cost and produce these reserves in an economic and timely fashion. In periods of increased activity, these supplies and services can be difficult to obtain. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities. The Corporation attempts to mitigate this risk by developing strong long-term relationships with suppliers and contractors. There can be no assurances that these relationships will increase the availability of the supplies and services.