

GREAT PACIFIC INTERNATIONAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

The following Management Discussion and Analysis dated November 29, 2007 should be read in conjunction with the Company's consolidated financial statements for the quarter ended September 30, 2007 and the consolidated financial statements for the year ended March 31, 2007, as well as the reference to forward-looking statements within this report.

The three month periods ended September 30, 2007 and September 30, 2006 are referred to as "Q2-2008" and "Q2-2007", respectively. The period from April 1, 2007, including Q2-2008, and up to November 29, 2007 is referred to herein as "YTD 2008".

OVERVIEW OF OPERATIONS-Six Months Ended September 30, 2007

Great Pacific International Inc. (also referred to as "the Company", "Great Pacific", "our" or "we") is a development stage oil and gas company. This current fiscal year is Great Pacific's first full year of operations in the oil and gas business. We discontinued our prior operations as a development-stage loyalty points program business in the fiscal year ended March 31, 2007.

In the fourth quarter of fiscal 2007, the Company obtained its initial oil and gas assets by way of a block acquisition from Mistahiya Resources Ltd. ("Mistahiya"), comprising:

- 36% net revenue interests in 6 oil wells holding proved producing oil reserves
- 36% net revenue interest in an operating oil well with probable developed reserves
- 36% net revenue interests in 5 oil wells with no reserves assigned
- 12% – 18% net revenue interests in 3 properties with probable undeveloped oil reserves
- 9% net revenue interest in 1 property with probable undeveloped gas reserves
- 3.8% net revenue interest in 1 property with a producing gas well with no reserves assigned.

The majority of the interests acquired from Mistahiya are situated in the Peerless Lake region of north-central Alberta. The Company started participating in oil and gas production from the Mistahiya properties on April 1, 2007, the start of the first quarter of fiscal 2008 ("Q1-2008").

Gross revenue and production volume to the company's interest in the Mistahiya properties for the six months ended September 30, 2008 was approximately \$91,000, of which over 95% was in Q2-2008. This reflects production volumes from two wells re-worked in July, 2007, in addition to seasonal factors that affect our production. The Company produced at approximately 14 barrels of oil equivalent per day ("boe/d") in Q2-2008, from 5 oil wells and 2 gas wells.

The seven operating Mistahiya oil wells in which the Company holds interests are primarily located in the muskeg-bound regions of northern Alberta, and accordingly, truck access to the well-sites is generally limited to the mid-summer and winter seasons. This seasonality limits the productive capacity of our Peerless Lake wells in the months of April to June. This sensitivity to ground conditions was magnified in YTD-2008 by the unseasonably wet conditions in north-central Alberta in the first fiscal quarter ("Q1-2008"), and by a late freeze-up subsequent to Q2-2008. The seasonal factor will for the most part continue to affect the timing of the Company's oil and gas revenue from quarter to quarter.

In YTD-2008, we increased our net acreage by approximately 5,000 acres, through cash purchase of freehold and Crown lease interests, and earned acreage. This includes both 4,700 acres of undeveloped prospects, but also 300 net acres of producing oil and gas properties. Our exploration and development activities have been at a slower pace than we had contemplated at the start of the fiscal year, however, due to the cancellation of our announced private placement. We did not close on the significant private placement announced in April, 2007 (as amended in July, 2007). We have therefore relied on the exercise of previously issued warrants and related party advances to finance a significantly reduced, but diligent, programme of asset growth in the year to date.

Significant oil and gas property interest acquisitions made in YTD-2008 are as follows:

Rocky Layman farm-in

In Q1-2008 (as amended subsequent to Q2-2008) we entered into a farm-in agreement with a third party, referred to as the "Rocky Layman farm-in". Under the terms of this agreement (as amended), we acquired a right to earn working interests in 1,280 gross acres of petroleum and natural gas ("P & NG") leases (the "amended RLE test lands") by fulfilling our commitment to drill a test well in January, 2008.

The terms of this amended farm-in are summarized as follows:

By drilling a test well (the "11-89") the Company will acquire:

- a 85-95% before payout net revenue interest in the 11-89, reverting to a 51-57% net revenue interest after payout;
- a 50% working interest (44-49% net revenue interest) in the amended RLE test lands, reverting to a 27-30% net revenue interest after payout; and
- a drilling option to earn an 85% net revenue interest (100% working interest) in an option well plus 2,880 net acres of P & NG leases. This option expires in April, 2008.

These changes reflect the terms of the amended RLE agreement. The original agreement was amended in the third quarter of 2008 ("Q3-2008") based on our geophysical assessment of the farm-in lands.

We have identified a possible New Pool Wildcat ("NPW") target on the amended RLE test lands. This target is referred to as the 11-89 herein. Under the terms of the amended farm-in agreement, we are required to commence drilling this well prior to January 3, 2008.

We do not expect to spud (commence drilling) the test well 11-89 by January 3, 2008 as required by our farm-in agreement, and accordingly our interest in the Rocky Layman lands is expected to be in jeopardy. There has been no provision made in the accompanying financial statements for any losses which may be incurred in the event that the Company should not be able or willing to proceed with the commitment to drill the test well.

We estimate that the cost of drilling and casing this well to depth will be approximately \$1,100,000, with an additional \$400,000 (estimated) required to complete it to production should the well be found to be economical.

This farm-in agreement has not yet been approved by the TSX-V. We do not currently have the working capital to drill this test well as we did not complete our private placement financings.

Devon/Paramount farm-in:

The Company's major asset acquisition in YTD-2008 relates to our "Devon/Paramount farm-in". By participating in the Devon/Paramount farm-in we earned:

- a 37.5% working interest in a re-entered well;
- a 75% interest in 320 acres of P & NG leases;
- and certain option rights to participate in the development of up to 5 gross sections (3.75 net sections) of P & NG leases held by third parties.

This agreement was signed in Q1-2008, and amended in Q2-2008. The "Devon/Paramount farm-in lands", are in the Peerless Lake region, our major area of operations. This agreement is summarized as follows:

We earned our interest in this farm-in by participating to a 37.5% non-operated working interest in the re-entry of the "3-20". The 3-20 project constituted the re-entry, and subsequent completion, of an abandoned and non-operable oil well. The 3-20 re-entry successfully completed the "Granite Wash" zone, though that formation was unfortunately found to be non-economic.

We re-entered and completed the well to the bottom-hole "Granite Wash" zone; however, despite initially encouraging swabbing results, this down-hole formation proved to be non-economic due to an excessive water cut. However, subject to an affirmative geological assessment, we intend to abandon the down-hole zone in favour of an up-hole showing in the "Keg River" light oil zone. Management believes that the up-hole zone, though currently unproved, may be prospective for exploitable economic reserves. We believe it will cost approximately \$50,000 to our interest to complete this up-hole zone. We lack adequate working capital at this time to participate to our interest. As we are not the operator of this property, failure to participate in this up-hole zone may trigger a dilution of our interest in the option-rights discussed below, in the event that our joint interest partners proceed with the completion of this zone.

By participating in the 3-20 well we earned 320 gross acres (240 net acres) of P & NG leases adjoining the well ("the option lands"). Furthermore, we earned option rights to up to 3,200 gross acres, summarized as follows:

1. By participating in a 2-D seismic survey on the option lands prior to January 15, 2008 (commitment), we earn the right to drill an option well at a location of our choosing on the 5 sections of option lands, with the drilling required to begin prior to February 15, 2008.

We expect this seismic program to cost approximately \$88,500 to our working interest. We will hold a 75% before pay-out working interest (64-72% before pay-out net revenue interest), and a 37.5% after pay-out working interest (37.5% after-pay-out net revenue interest) in the option well.

Until we have completed this seismic program and interpreted the results, we cannot determine the likelihood that we will participate in an option well on this property.

2. Should we participate in the drilling of the option well, we will also earn a 37.5% working interest (37.5% net revenue interest) in 1,280 gross acres adjoining the option well.
3. Should we participate in the drilling of the first option well, we will also earn an option to participate in a second option well within 90 days of completing the first option well. Our participation rights in this well, should we earn them, will be on the same terms as the first option well. If we participate in this well to our 75% working interest, we will earn a 64-72% before pay-out net revenue interest in the well, a 37.5% after pay-out net revenue interest in the well, and a 37.5% working interest in 1,920 gross acres.

We currently have 2 lines of 2-D seismic covering portions of the option lands. However, we will require the additional geophysical data from the required seismic program before we will be able to decide whether or not to drill the option lands.

This farm-in agreement has not yet been approved by the TSX-V. We do not currently have the working capital to perform the required seismic program, as we did not complete our private placement financing.

Leases acquired by Crown Auction:

The Company acquired 1,200 net acres of petroleum and natural gas leases in Alberta in the six months ended September 30, 2007. This net acreage includes 1,080 acres of 100% owned P & NG lease interests within our core Peerless Lake operating area, in addition to a 25% interest in a 640 acre P & NG lease near Drumheller, Alberta.

Two Mistahiya wells reworked

Also in Q2-2008 the Company successfully re-worked and re-equipped two oil wells in the Peerless Lake area. Of these two re-worked wells, one has been assigned proved developed oil reserves and one has been assigned probable developed oil reserves. These wells are referred to as the Equisetum Keg River AAA and Red Earth Granite Wash wells. We had initially acquired a 36% revenue interest in these wells through the Mistahiya block acquisition in fiscal 2007.

The Company paid 100% of the cost of these reworks, totalling approximately \$175,000. In return for paying 100% of the re-work costs, the Company will receive all net operating revenue from the wells until we have recovered 125% of our re-work expenditure on these wells. After we have achieved our 125% pay-out in this manner, our interest in each well will revert to a 36% revenue interest. Net operating revenue is a non-GAAP measure calculated for the purposes of this re-work agreement as being production revenue, net of royalties and operating and marketing costs.

Production from these re-equipped wells re-commenced in July, 2007.

Mistahiya is controlled by an officer of Great Pacific.

Manitoba

We acquired 50-100% working interests (43.8 – 100% net revenue interests) in a number of freehold and Crown petroleum and natural gas leases in south-western Manitoba. This property had significant natural gas shows in the past, and management believes it may be prospective for additional natural gas targets. The property was acquired for nominal cash consideration, plus the assumption of asset retirement obligations arising from past development on the property, the present value of which management estimates to be approximately \$17,500.

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Manitou	Operated	44-100%	Crown, and 0-12.5% GORR	Exploration	4,366	3,720

We have no plans to drill this property in the immediate future.

Logan County, Arkansas, USA

We acquired a non-operated interest in a gas well in Logan County, Arkansas in May, 2007 at a cost of approximately \$36,700. The well interest was purchased by cash payment.

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Sedna-Nicko #4-4	Non-operated	3.1% BPO/ 2.8% APO	30% GORR	Producing	3,200	100

We are not aware of any material capital costs which we will have to participate in pursuant to our non-operated interest in this property. The well is currently on production.

Our production from this well has averaged 6.6 thousand cubic feet of gas net per day since acquisition through July 30, 2007, the most recent operating statement date. We do not have NI51-101 compliant reserve, depletion, well-life or production information on this property interest, and the reader should be cautioned that past performance of a well is not necessarily a reliable indicator of future performance.

Financing

In Q2-2008 we announced the cancellation of the private placement equity offering that we had first announced April 18, 2007 and revised July 25, 2007. The private placement was first announced in Q1-2008 as a fully brokered, best-efforts equity offering seeking to raise up to \$25,000,000. The terms of the offering were revised on July 25, 2007, amended to become a \$15,000,000 brokered, best-efforts financing and a \$10,000,000 non-brokered, best-efforts financing. We were offering non-flow and flow-through units at the prices of \$0.95 and \$1.05 per unit, respectively. Funds raised were to finance an aggressive drilling program on the newly acquired farm-in lands as well as targets on the Mistahiya properties.

We have significantly scaled back our exploration and development plans for the remainder of the year due to the cancellation of our private placement financings. Our exploration and development plans for fiscal 2008 now include the drilling of up to two gross wells (1.75 net wells), the participation in a 2-line 2-D seismic program, and the completion of the up-hole zone on the 3-20 project. We do not currently have the financing to carry out these capital expenditures.

We estimate that we will be required to raise a minimum of \$2,800,000 in new equity to maintain our existing property interests in good standing, and to cover corporate overhead for the remainder of the fiscal year. This estimate includes provisions for the above exploration and development expenditures.

In Q2-2008, the Company recorded a net loss of \$237,200 (Q2-2007: \$261,846).

MISTAHIYA OIL AND GAS INTERESTS ACQUIRED PREVIOUSLY

Peerless Lake Area Of Interest, Alberta Canada

Management believes that the Peerless Lake region of north-central Alberta offers promising geological potential. In the prior fiscal year we acquired working interests in several producing and non-producing P & NG leases in the Peerless Lake region, including the Equisetum, Loon Lake and Red Earth property groups, from Mistahiya Resources Ltd. We have non-operated interests in six Peerless Lake wells to which proved developed producing oil reserves have been assigned.

Details of the Peerless Lake properties acquired from Mistahiya

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Equisetum Keg River C	Non-operated	36%	Crown	Proved	160	58
Equisetum Keg River AAA	Non-operated	100% BPO/ 36% APO	Crown	Proved	160	58
Equisetum Keg River KK	Non-operated	36%	Crown	Proved	160	58
Equisetum Kidney	Non-operated	36%	Crown	Probable	160	58
Equisetum Keg River A	Non-operated	36%	Crown	Unproved	160	58
Red Earth I (2 wells)	Non-operated	36%	Crown	Proved	320	116
Red Earth Granite Wash	Non-operated	100% BPO/ 36% APO	Crown	Probable	160	58
Loon Slave Point E	Non-operated	36%	Crown	Proved	160	58
Loon Granite O	Non-operated	36%	Crown	Unproved	160	58
Loon Granite Q	Non-operated	36%	Crown	Unproved	160	58
Loon Granite N	Non-operated	36%	Crown	Unproved	160	58
Loon Granite Wash S2S	Non-operated	12%	Crown	Unproved	160	58

Equisetum Property Group (Peerless Lake)

We hold non-operated interests in several Peerless Lake P & NG leases collectively known as the "Equisetum property group". These were acquired pursuant to our block acquisition agreement in fiscal 2007. This property includes three wells to which proved developed producing reserves have been assigned (Keg River C, Keg River AAA and Keg River KK), and several suspended wells with no reserves assigned. In addition, we acquired an interest in an undrilled lease (Kidney) holding probable and possible oil reserves.

The Equisetum Keg River C, Keg River KK and Keg River AAA leases contain proved producing oil wells. The Keg River KK well has been suspended from the time of acquisition through Q2-2008 due to normal seasonal factors. Specifically, this well is located on a muskeg well-site that cannot be economically accessed when the ground is not frozen.

The Keg River AAA well was suspended at the time of acquisition due to mechanical deficiencies in the down-hole lift equipment. This well was successfully re-worked in Q2-2008 at a cost of approximately \$45,000, and production resumed thereafter, as discussed above.

Our Equisetum Kidney property has no operating wells. However, we feel that this property has considerable oil exploration potential. We intend to drill an oil well on this property in the future, subject to on-going negotiations with the other joint interest holders. Drilling this lease is also conditional on obtaining adequate financing and the continued receipt in the interim of exploration results that are consistent with our geological hypothesis for the property, and the realization of industry and market conditions supportive of such a capital expenditure. The likelihood of these outcomes is indeterminate, and there is no assurance we will be able to drill this property, and if so, whether this property will contain economic hydrocarbon reserves.

In Q1-2008, we incurred approximately \$17,250 of geological and seismic costs in relation to the Kidney property, the results of which were consistent with our geological hypothesis. The carrying value of our oil and gas properties at September 30, 2007 also includes approximately \$42,000 for our share of survey and other pre-drill planning costs incurred on this property in Q2-2008.

Loon Lake Property Group (Peerless Lake)

The Loon Lake property group within the Peerless Lake area comprises 12%-36% interests in five P & NG leases, of which one contains an active oil well, the Loon Slave Point E, to which proved and probable reserves have been assigned. The Loon property group includes four wells of marginal economics to which no reserves have been assigned.

In Q2-2008, the Company incurred lease road construction costs of approximately \$10,000 in order to improve well site access to the Slave Point E well.

Red Earth Property Group (Peerless Lake)

The Red Earth property group within the Peerless Lake area comprises an interest in two P & NG leases, the Red Earth I and the Red Earth Granite Wash.

The Red Earth I property contains two proved oil wells, the Bluesky and the Slave Point EE. At September 30, 2007 these wells were suspended due to normal seasonal factors. We hold a 36% non-operated interest in both wells.

The Red Earth Granite Wash site contains a light oil well, the Granite Wash M, which holds probable developed reserves. This well was shut-in at June 30, 2007 due to pump problems. In Q2-2008 this well was re-worked and a new motor was installed for the pump, in conjunction with the re-work of the Equisetum Keg River AAA well.

There is no available oil pipeline gathering system serving our Peerless Lake assets. As a result, all production must be stored at the wellsite, and shipped by truck to the purchaser. Accordingly, production requires regular truck access to the well site, which in the case of many wells in the Peerless Lake region, can only occur when the ground is frozen. Revenue is recorded at the time of distribution from the operating interest-holder, and thus the period when revenue is recorded may not be the period in which production occurred.

Other-Grand Forks

Pursuant to our block Mistahiya property acquisition, we acquired a 12% net revenue interest in the Sawtooth II property in southern Alberta. Our interest in this property includes 7.2% working interest and an approximately 5% gross over-riding royalty interest. Details of the property are as follows:

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Grand Forks Sawtooth II	Non-operated	12%	Crown + Surface	Exploration	120	14

There are currently six abandoned wells on this property which we do not believe are economical. However, geological inference supported by 3-D seismic data suggests that the property is prospective for probable reserves of light oil in a hypothesized structural attic to the existing pool. While we do not intend to drill this well within the next twelve months, we do expect, based on the existence of probable and possible reserves, that it may be economic to do so in the future.

Other-South/Central Alberta

Pursuant to our block Mistahiya property acquisition, we acquired a 3.8% non-operated working interest in a proved and producing natural gas well in the Empress, Alberta area. Details of this property are as follows:

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Empress/Acadia	Non-operated	3.8%	Crown	Production	640	24

This property contains two natural gas wells, of which one is suspended and one is producing. Though the producing well had no remaining proved reserves at March 31, 2007, this well has nevertheless operated on a cash-flow positive basis in YTD-2008, accounting for our nominal Canadian gas production in the quarter.

There are no additional exploration or development plans for this property at present.

Other-Rainbow Lake, Alberta

Our Rainbow Lake property is our northern-most oil asset, located in the far north-western corner of Alberta. It comprises a single property interest, as follows:

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Rainbow Lake	Non-operated	18%	Crown	Exploration	640	115

This property is a future light oil exploration target; however, there are currently no plans for exploring or developing this property in the coming drilling season.

The Rainbow Lake property contains a previously drilled oil well which is owned by the Company (as to an 18% working interest). This well had been suspended by its prior owner due to the water content in the Bluesky formation. However, the results of that well and the results of an offset well on an adjoining property may substantiate the geological inference that probable undeveloped and possible reserves exist on the property (see our Form 51-101 report). Based on our analysis of the available geological data, including the results of the earlier well, we believe that a re-entry of the well may be economical.

Other-Redwater, Alberta

The Redwater property, located in Central Alberta, is summarized as follows:

Property Interest	Interest Type	Net Revenue Interest	Royalties	Status	Gross Acres	Net Acres
Redwater	Non-operated	8.7%	Crown + 3%GORR	Exploration	560	49

Management believes that the Redwater property, which includes seven abandoned oil wells, may provide an exploitable natural gas target. This target is believed to intersect two natural-gas bearing zones, each of which has been assigned probable reserves based on existing geological data (see our NI51-101 report). We do not believe there are plans at the present to drill such a well or otherwise explore or develop this property interest in fiscal 2008.

Cautionary note regarding production disclosure

The reader is cautioned that though reserves estimates presented on a property-by-property basis are derived from proved reserves data as disclosed in our Form 51-101 report as at March 31, 2007, the estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. For reserves data please refer to our Form 51-101 report dated July 11, 2007 available on www.sedar.com.

FUTURE PLANS

Management believes that the Peerless Lake land position we are accumulating provides a number of potentially attractive Keg River drilling targets. Our hypothesized geological model indicates that within our Peerless Lake property portfolio there are several locations where the anomalous Keg River structures may present favourable "high" features where oil may be encountered above the oil/water interface.

As we have a minority interest in all of the Mistahiya properties and a non-operated interest in the Devon/Paramount farm-in lands and the 3-20 project, our ability to further develop those properties is dependant upon our ability to negotiate the participation of Mistahiya and in some cases other interest holders.

In addition, our ability to carry out the oil and gas exploration programs, as with other aspects of our business plan, is subject to a number of risk factors. These include, but are not limited to such operational risks as geological conditions, both in terms of realized hydrocarbon reserves and the amenability of lease lands to drilling; the demand for drilling rigs, and the resultant availability and cost of drilling resources; and environmental conditions, such as climate and landscape, and the effect of such factors on well site accessibility and the cost of site maintenance and reclamation. Our ability to execute our exploration and development plans are also subject to such economic risks as commodity price risk, capital market conditions and interest and inflation rates, and overall economic conditions. These factors may determine our ability to raise adequate financing and obtain adequate resources. These drilling plans are also subject to obtaining adequate licensing. *Please see our Form 51-101 report as at March 31, 2007 for a more detailed discussion of risk factors.*

OVERALL PERFORMANCE

Our business goals for Q2-2008 were developmental in nature. We were originally focused on aggressively identifying, acquiring and financing the acquisition of additional oil and gas properties in order to expand producing reserves by exploration and development drilling. Of particular interest to us were our farm-in properties in the Peerless Lake area of Alberta. However, the cancellation of the private placement has necessitated a substantially slower pace of investment in property acquisition, exploration and development.

By the latter part of Q2-2008 significant doubt arose as to our ability to close on our brokered private placement (cancelled September 21, 2007) or on the full amount of our non-brokered private placement (cancelled October 5, 2007). In light of these circumstances, our business development goals became more incremental than we had originally envisioned at the beginning of the fiscal period. Nevertheless, we managed to acquire additional interests in producing assets (Keg River AAA and Granite Wash M wells, Arkansas gas interest), carry on pre-drill exploration and survey work (Kidney property, RLE test lands, Devon/Paramount farm-in lands), and significantly increase our acreage in our main area of interest (Crown lease purchases, lease acquisition in Manitoba)

Unfortunately, Q2-2008 saw poor results in our 3-20 project, as approximately 30 days of test production indicated that our down-hole Granite Wash target was uneconomic, due to excess water volumes. The financial impact of cost over-runs of approximately \$70,000 to our interest on the completion of that well has furthermore delayed our ability to test a prospective up-hole light oil formation. Our investment to date in the 3-20 project has totalled approximately \$390,000, with a

further expenditure of approximately \$50,000 required to participate in the testing and completion (if warranted) of the up-hole zone.

Results of Operations for the 3 months ended September 30, 2007 and 2006,

	Three Months Ended September 30,		
	2007	2006	Increase (Decrease)
	\$	\$	\$
Oil and natural gas sales	91,489	-	(91,489)
Production expenses	(51,547)	-	51,547
Depletion, depreciation and accretion	(33,356)	-	33,356
Net income from oil and gas operations	6,586	-	(6,586)
General and administrative expenses			
Remuneration and staffing	77,500	123,000	(45,500)
Accounting, audit and professional fees	52,386	19,333	33,053
Finance fee	25,000	-	25,000
Regulatory and transfer agent	8,701	4,180	4,521
Corporate communications, shareholder communications and travel and entertainment	53,731	20,324	33,407
Office, rent and miscellaneous	26,468	15,974	10,494
	(243,786)	(182,811)	60,975
Net loss from continuing operations	(237,200)	(182,811)	54,389
Net loss from discontinued operations	-	(1,039)	(1,039)
Net loss for the period	(237,200)	(183,850)	53,350

Significant Changes in Operating Items (3 months ended September 30, 2007 and 2006)

Significant changes in operating items for the three months ended September 30, 2007 compared to the three months ended September 30, 2006 are as follows:

Oil and natural gas sales

The increase in oil and natural gas sales over Q2-2008 simply reflected the fact that we were not in the oil and gas business in the earlier period. The increase in oil and natural gas sales in Q2-2008 compared to Q1-2008 was primarily attributable to production volumes from the re-worked Keg River AAA and Red Earth Granite Wash wells and deliveries from the Loon Slave Point E well that were made possible by access conditions in the summer. These light oil deliveries offset declining production rates from our Empress and Arkansas gas well interests.

Remuneration and staffing

The decrease in remuneration and staffing costs in Q2-2008 compared to Q2-2007 was primarily attributable to the following expenses:

-In Q2-2008 remuneration and staffing included stock-based compensation expense of \$ nil, whereas the Q2-2007 figure included stock based compensation expense of \$87,000.

-In Q2-2008 remuneration and staffing included management fees of \$50,000, comprising \$15,000 in fees to our President, \$20,000 in fees to our Vice President Exploration and Development, and \$15,000 in fees to our Chief Financial Officer. This represents an increase of \$35,000 over Q2-2007, in which management fees totalled \$15,000.

-In Q1-2007, remuneration and staffing included \$21,000 in consulting fees for administrative, corporate office and investor relations staff. This increased to \$27,500 in Q2-2008.

Remuneration and staffing expenses are not expected to decrease from Q2-2008 levels in subsequent quarters.

Accounting, audit and professional fees

Increases in accounting, audit and professional fees reflected increases in internal accounting costs, legal fees, and reserves reporting expenses. These increased expenses arose due to the higher level of corporate activity and more complex financial reporting requirements associated with the commencement of our development stage oil and gas activities.

Our increased accounting and audit fees were attributable to an increase in staff accounting hours, reflecting a higher number of accounting hours billed by a part-time staff accountant, and the hiring of a second staff accountant on a full-time basis. The increase in accounting expenses reflected a significant increase in the volume and complexity of transactions, which necessitated more complex financial reporting and control requirements. Accounting and audit expenses are not expected to decrease in subsequent quarters.

Legal fees increased by \$19,146 due to corporate counsel fees associated with our asset acquisition activities in Q2-2008. A higher level of corporate activity, particularly in regards to our oil and gas investments and our unsuccessful financing, necessitated the increased services of our legal counsel.

Reserves reporting expenses of \$5,902 were charged in Q2-2008 in respect of the valuation of our reserves for corporate reporting purposes. As we were not in the oil and gas business in fiscal 2007, these costs were not incurred in the comparative period.

We do not expect our accounting, audit and professional fees to decrease materially in subsequent quarters.

Finance fee

The finance fee was a break-up fee payable to our investment banker upon the cancellation of our private placement in Q2-2008. As such, it is a non-recurring expense.

Corporate communications, shareholder communications and travel and entertainment

The increases in corporate communications, shareholder communications and travel and entertainment expenses related to the on-going management focus on raising capital to fund our planned drill programs. Activities related to the uncompleted non-brokered private placement conducted in Q2-2008 contributed to these expenses. Our increased capital needs as a

development stage oil and gas company necessitated a higher level of corporate communications, shareholder communications and travel and entertainment spending as part of our capital raising efforts.

Given the on-going capital-intensity of our oil and gas business model, we expect these expenses to remain above Q1-2007 levels; however, these costs are nevertheless expected to decrease in subsequent quarters relative to Q2-2008.

Office, rent and miscellaneous expenses:

Office and miscellaneous expenses increased due to the increase in staffing expenditures and corporate activity level. Significant increases in courier, telephone and fax fees and office supplies were experienced in Q2-2008, compared to Q2-2007. This reflected an increase in operational activity and staffing levels.

As of July, 2007 office services and supplies, including office rent, are now provided by a management company providing office administrative services. This is expected to reduce variation in this account from quarter to quarter, Office, rent and miscellaneous expense spending in the coming quarters is not expected to decrease significantly over Q2-2008.

Net loss from Continuing Operations

Net loss from continuing operations for the three months ended September 30, 2007 was \$237,200 (\$0.01 per share) compared with \$182,811 for the comparative period in fiscal 2007 (\$0.01 per share), an increase in net loss from continuing operations of \$54,389. The increase in net loss from continuing operations is due primarily to the reasons described above.

Loss from Discontinued Operations

No losses from discontinued operations were recorded in Q2-2008, as all operations pertaining to the discontinued loyalty points program business were suspended in fiscal 2007, and the subsidiaries related to the discontinued business component were sold in Q1-2008.

Results of Operations for the 6 months ended September 30, 2007 and 2006,

	Six Months Ended September 30,		
	2007	2006	Increase (Decrease)
	\$	\$	\$
Oil and natural gas sales	94,562	-	(94,562)
Production expenses	(55,006)	-	55,006
Depletion and depreciation	(37,392)	-	37,392
Net income from oil and gas operations	2,164	-	(2,164)
General and administrative expenses			
Remuneration and staffing	137,393	159,573	(22,180)
Accounting, audit and professional fees	81,155	24,740	56,415
Finance fee	25,000	-	25,000
Regulatory and transfer agent	18,937	5,574	13,363
Corporate communications, shareholder communications and travel and entertainment	90,825	38,622	52,203
Office, rent and miscellaneous	53,800	31,067	22,733
	(407,110)	(259,576)	147,534
Net loss from continuing operations	(404,946)	(259,576)	145,370
Net loss from discontinued operations	-	(2,270)	(2,270)
Net loss for the period	(404,946)	(261,846)	(143,100)

Significant Changes in Operating Items (6 months ended September 30, 2007 and 2006)

Significant changes in operating items in the six months ended September 30, 2007 and 2006 were largely attributable to the business factors and transactions that drove changes in those operating items in the comparative three month periods ended September 30, 2007 and 2006.

A summary of the sources of variation in net income in the six months ended September 30, 2007 compared to the six months ended September 30, 2006 are as follows:

Remuneration and staffing

The decrease in remuneration and staffing expense in the 6 months ended September 30, 2007, compared to the comparative period in fiscal 2007, reflects the decrease achieved in Q2-2008 (as discussed previously), partially offset by an increase in Q1-2008 of fees paid to administrative, office services and investor relations consultants of \$9,069, and an increase in Q1-2008 of management fees paid to our Chief Financial Officer of \$14,250 relative to the comparative period.

Accounting, audit and professional fees

The increase in accounting, audit and professional fees expense in the 6 months ended September 30, 2007, compared to the comparative period in fiscal 2007, reflects the increase incurred in Q2-2008 (as discussed previously), in addition to the effect of higher levels of spending in this cost category in Q1-2008, compared to Q1-2007.

Our increased accounting and audit fees in YTD-2008 reflected the higher levels in Q2-2008, as discussed above, as well as the an increase in staff accounting hours in Q1-2008. This reflected a higher number of accounting hours billed by a part-time staff accountant and the hiring of a second staff accountant on a full-time basis. The increase in accounting expenses reflected a significant

increase in the volume and complexity of transactions, which necessitated more complex financial reporting and control requirements.

Professional fees incurred in YTD-2008 comprised legal fees paid to our corporate counsel, and fees paid to our qualified oil and gas reserves evaluator. These included the professional fees incurred in Q2-2008, as discussed previously, in addition to legal and reserves reporting expenses incurred in Q1-2008.

Legal fees in Q1-2008 arose mainly in respect of the brokered private placement and our application for TSX-V approval for farm-in agreements, both of which commenced in Q1-2008, and general corporate counsel purposes. A higher level of corporate activity, particularly in regards to our oil and gas investments and our proposed financing, necessitated the increased services of our legal counsel. Reserves reporting expense in YTD-2008 included those expenses incurred in Q2-2008, in addition to fees paid to our qualified oil and gas reserves evaluator incurred as part of a due diligence review of a potential oil and gas acquisition in Q1-2008.

Regulatory and transfer agent fees

A significant component of our increases in regulatory and transfer agent expenses paid in YTD-2008 concerned application fees for TSX-V approval for certain oil and gas property agreements. As our business objectives include the acquisition of further oil and gas properties, these expenditures can be expected to continue on an intermittent basis.

The increase in this expense item also includes fees paid in Q1-2008 in respect of our application for securities registration in Ontario. While these application fees are by nature non-recurring transactions, registration with an additional securities commission can be expected to contribute to a sustained increase in regulatory expenses.

Corporate communications, shareholder communications and travel and entertainment

The increase in corporate communications, shareholder communications and travel and entertainment expenses in YTD-2008, compared to YTD-2007, reflected the intensified capital raising efforts undertaken in fiscal 2008 as discussed elsewhere.

Office, rent and miscellaneous

The increase in office, rent and miscellaneous expenses in YTD-2008 was a result of the growth in corporate size and activity levels. The factors that contributed to this growth are substantially as discussed in the analysis of the results of operations in Q2-2008.

EIGHT QUARTER REVIEW

	Sept. 30 2007 \$	June 30, 2007 \$	March 31, 2007 \$	Dec. 31, 2006 \$
Sales	91,489	3,072	-	-
Loss from continuing operations	237,200	167,746	227,033	82,870
Loss from discontinued operations	-	-	162,555	1,209
Net Loss for the quarter	237,200	167,746	389,588	84,079
<u>Loss per share data</u>				
Loss per share – continuing operations	\$0.01	\$0.01	\$0.02	\$0.01
Loss per share – discontinued operations	-	-	0.01	0.00
Net loss per share	\$0.01	\$0.01	\$0.03	\$0.01
	Sept. 30 2006 \$	June 30, 2006 \$	March 31, 2006 \$	Dec. 31, 2005 \$
Sales	-	-	-	-
Loss from continuing operations	182,816	76,765	362,349	12 754
Loss from discontinued operations	1,035	1,231	18,111	9,770
Net Loss	183,851	77,996	380,460	22 524
<u>Loss per share data</u>				
Loss per share – continuing operations	\$0.01	\$0.01	\$0.03	\$0.00
Loss per share – discontinued operations	0.00	0.00	0.00	0.00
Net loss per share	\$0.01	\$0.01	\$0.03	\$0.00

The trends inherent in this data reflect the economic and operational factors that drove the annual trends over the same period. Several notable transactions that substantially contributed to the variation in quarterly losses are as follows:

The increases in operating losses in the first two quarters of fiscal 2008, relative to comparative quarters, includes the remuneration and staffing costs associated with the new officers and consultants hired in respect of the development stage oil and gas activities, and costs associated with the cancelled private placement offering.

The substantial increase in loss from discontinued operations in the fourth quarter ended March 31, 2007 can be largely attributed to the effect of the write-off of deferred business development costs in that quarter.

The substantial increase in loss from continued operations in the quarter ended March 31, 2007 was significantly attributable to costs associated with our change of business, including costs of raising capital, due diligence and legal costs, regulatory compliance costs and increased office and administrative costs.

The relatively smaller loss from continuing operations in the third quarter ended December 31, 2006 reflects, among other factors, the one time gain on the settlement of the convertible debenture.

The large loss from continuing operations in the quarter ended September 30, 2006 reflects, among other factors, the effect of the stock option grant in that period.

The large increase in loss from continuing operations in the fourth quarter ended March 31, 2006 compared to immediately prior periods is largely attributable to the stock option grant and re-pricing recorded in that quarter.

By the fourth quarter of fiscal 2007 ("Q4-2007"), the company was fully engaged in its development stage oil and gas business operations, and had ceased operating a development stage loyalty points program business. With this change in industry and business model, the nature of continuing operations were significantly different after Q4-2007 as compared to earlier quarters. Comparative analysis between the current fiscal year and previous periods should be made in the context of that change of business.

The expense item "loss on discontinued operations" is in respect of the development-stage loyalty points program business we previously operated. Expenses so classified related to the development of a number of strategies connected to our loyalty program business, including the creation of our own private label program and strategies connected to enhancing the mature rewards points programs of third parties. Significant components of the losses recognized with respect to the loyalty program business model comprised website, software and database development expenses. The loyalty points program business model could not be commercialized and the Company decided to discontinue further work in late fiscal 2007. Subsequently, the Company disposed of its subsidiary companies involved in the loyalty program business, GPI Rewards (Canada) Inc. and GPI Rewards (U.S.A.) Inc., for nominal consideration in Q1-2008. The Company retains no assets related to the discontinued projects at this date.

SELECTED QUARTERLY INFORMATION

	Three months ended September 30,		
	2007	2006	2005
	\$	\$	\$
Oil and gas revenue	91,489	-	-
Loss before discontinued operations	237,200	182,811	(95,139)
Loss before discontinued operations, per share	(\$0.01)	(\$0.01)	(\$0.01)
Loss on discontinued operations	-	1,039	(4,670)
Loss on discontinued operations, per share	-	(\$0.00)	(\$0.00)
Net loss	237,200	183,850	99,809
Net loss, per share	(\$0.01)	(\$0.01)	(\$0.01)
Total assets	2,237,979	372,981	315,065
Total long-term financial liabilities	-	116,753	116,753

The comparative figures in the above table for 2006 and 2005 are based upon the interim financial statements for those years as originally filed, but have been reclassified to allocate certain of the operating expenses to discontinued operations in accordance with generally accepted accounting principles.

Overall, our major general and administrative costs have historically been variable in nature. However, given the sustained increase in the level of business operations and the increase in operational complexity due to our change of business to oil and gas, we expect an increase in most general and administrative accounts in the upcoming year.

The composition of our assets and liabilities in each of the quarters differed significantly. At September 30, 2007, \$1,524,678 of the total assets (68% of total assets) consisted of oil and gas properties, whereas in the comparative quarters, the Company held no oil and gas assets. Alternatively, at September 30, 2006, the total assets included \$160,183 of deferred business development costs and capitalized website development costs related to the discontinued loyalty points program business, whereas at September 30, 2007 the Company had no assets related to that discontinued business.

The Company had no financial liabilities related to debt issuances at September 30, 2007 (excepting trade payables). However, while the company had no long-term debt outstanding at September 30, 2007, 2006 and 2005, the Company did have \$128,728 of convertible debenture, loans interest payable classified as current liabilities at September 30, 2006 (September 30, 2005: \$179,562). Thus, while the level of long-term financial liabilities has remained constant at \$-nil at each of the three selected reporting dates, the level of overall corporate debt, both short and long term, has decreased significantly.

LIQUIDITY AND CAPITAL RESOURCES

The Company faces significant liquidity risk.

At September 30, 2007 the Company had a working capital deficiency of approximately \$20,000. At November 29, 2007, the company had working capital deficiency of approximately \$137,000 (comprising \$77,000 of current assets and \$214,000 in current liabilities). Currently, Great Pacific does not have the liquidity or capital resources to meet its financial commitments and implement its business plan over the next twelve months

The Company's cash flow from operations is expected to be negative for the balance of fiscal 2008. Our anticipated level of oil and gas production from our existing producing properties is not expected to provide sufficient cash flow to cover our general and administrative expenses or to finance our planned capital spending. Therefore, we will require external equity financing to both cover the operating shortfall, and to fund the exploration and development program we plan for the coming months. There is no assurance that we will be successful in obtaining such financing.

We anticipate that over the coming months, general and administrative expenditures will average \$65,000 per month. Expected net income from the producing Mistahiya properties will contribute approximately \$100,000 in working capital over the next 12 months.

Capital expenditures for the balance of fiscal 2008 required to maintain our current properties rights includes the Devon/Paramount seismic survey (firm commitment), and if warranted, participation in a test well prior to February 15, 2008 on those lands, and the 11-89 test well on the RLE farm-in (firm commitment). We estimate that these exploration and development expenditures will total approximately \$2,500,000 in the balance of the fiscal year ended March 31, 2008.

In the year to date, equity financing has been primarily through the exercise of previously issued share purchase warrants, in addition to trade credit advances from related parties.

Unless we are successful in obtaining new financing in a timely manner, we will not be able to carry out our normal operations, discharge our liabilities in the normal course of business, or carry out our development stage activities. There is no guarantee that we will be able to obtain adequate financing (if any) to meet our operating costs or to fund capital spending. Further, as is typical of many development stage enterprises, we do not expect to obtain significant levels of debt financing, and we expect that substantially all external financing will need to be provided by the sale of common shares.

There is also a seasonal element to our expected operating cash flows that will bear on our liquidity position going forward. As the bulk of our proved and producing oil and gas reserves are located in the muskeg landscape of north-central Alberta, exploration, development and production is largely limited to the winter months, when the ground is frozen sufficiently solid to permit truck and rig access to the well site. Therefore, we do not expect production from all proved developed producing wells until November, 2007. Similarly, the bulk of our planned drilling will occur in the winter portion of fiscal 2008.

Our interests in certain of our oil and gas interests are sensitive to our liquidity, as failing to jointly participate in the development of non-operated, jointly-owned properties (such as the 3-20 up-hole perforation discussed elsewhere) may result in a dilution or loss of interest.

Our ability to obtain financing is sensitive to economic factors beyond the control of management. Declines in the Canadian-dollar price of oil and gas, changes in interest rates and economic recession or disruption could significantly and plausibly affect our ability to obtain adequate private placement financing.

The company had no long-term debt or financial liabilities outstanding at November 29, 2007 or September 30, 2007. (September 30, 2006: \$128,728 of current convertible debentures).

The only significant non-cash financial assets that Great Pacific held at either November 29, 2007 or September 30, 2007 and 2006 were investments in 2,500,000 common shares of OG International Inc., having a book value of \$29,517. As there is no active market for the exchange of these securities, management considers them to be significantly illiquid, and their realized values may differ from their book value.

CONTRACTUAL OBLIGATIONS

Material contractual obligations are as follows:

1. The Company is required to drill a well of up to 1,430 metres pursuant to the RLE farm-in agreement (the 11-89 well). Drilling must commence on or before January 3, 2008. Management expects that our cost of drilling and casing this well will be approximately \$1,100,000. This is a performance liability - our obligation is to drill to depth. Should the market for drilling resources experience a supply shortage, or should drilling or climatic conditions encountered prove more adverse than expected, the cost of the well could materially differ from the forecasted level.

We do not expect to spud (commence drilling) the test well 11-89 by January 3, 2008 as required by our farm-in agreement, and accordingly our interest in the Rocky Layman lands is expected to be in jeopardy. There has been no provision made in the accompanying financial statements for any losses which may be incurred in the event that the Company should not be able or willing to proceed with the commitment to drill the test well.

2. The Company is obliged to undertake a seismic program on the Peerless Lake option lands pursuant to the Devon/Paramount farm-in agreement, prior to January 15, 2007. Management estimates that the cost for this seismic program will be \$88,500 to the Company's interest.
3. The Company is required to pay its proportionate share of gross asset retirement costs having a future gross value estimated by management to be approximately \$800,000. The present value of Great Pacific's share of these costs is estimated at approximately \$210,000. This is a non-financial commitment, and our obligation is performance-based (i.e. we must reclaim and remediate well sites to the satisfaction of regulatory, statutory and contractual standards).
4. The company has a consulting agreement for the services of the President paying \$5,000 per month. The contract expires in September, 2009, and is terminable on twelve months notice.

5. The company has a consulting agreement with a private company providing office services, administrative and accounting staff services, and office premises. This agreement pays \$23,000 per month for a term of 12 months, terminable on 30 days notice.
6. The Company has on-going, monthly lease payments (to both the Crown and several private leaseholders) for P & NG property rights. While these lease payments are individually immaterial, failure by the Company (or the Company's operator, in the case of non-operated property interests) to pay these fees in a timely manner would result in a loss of property rights.

Under the terms of the Company's oil and gas property interests, Great Pacific faces dilution of its interest in its oil and gas properties should it fail to pay its share of expenditures authorized by the project operator and the other joint interest participants. Great Pacific is contractually bound to make such payments as they arise if we are to maintain our oil and gas property interests.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no material off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Company's financial instruments consist of cash, accounts receivable and prepaid expenses, and accounts payable and accrued liabilities. It is management's opinion that the fair value of these financial instruments corresponds to their carrying value due to their short-term nature.

Concentration of credit risk

The Company is not subject to material credit risk with respect to the carrying value of its accounts and advances receivable.

Interest rate risk

The Company has no short or long term interest bearing debt.

Foreign exchange rate risk

Oil and gas is typically denominated in US dollars, whereas our development and operating costs are almost entirely incurred in Canadian dollars. The Company is therefore subject to risk due to fluctuations in currency exchange rates. The Company does not use derivative instruments to manage its exposure to foreign exchange rate risk.

The company has also acquired a 3.05% net revenue interest (2.8% after payout) in a natural gas well in Arkansas, U.S. This well is an additional source of foreign exchange risk, as the Canadian dollar value of the asset and the realized, Canadian dollar revenue and operating expenses of that well are exposed to Canadian/U.S. dollar exchange rate volatility.

RELATED PARTY TRANSACTIONS

In Q2-2008, consulting fees of \$4,750 (Q2-2007: \$21,000) were paid to a director and a spouse of a director. Both these individuals continue to provide services to the company; however, they are now engaged as employees of a non-related management firm retained in Q2-2008.

In Q2-2008, management fees of \$15,000 (Q2-2007: \$15,000) were for the services of our President, management fees of \$20,000 were accrued for the services of our VP – Exploration and Development (Q2-2007: \$ nil), and management fees of \$15,000 (Q2-2007: \$ nil) were paid for the services of our Chief Financial Officer.

In Q2-2008, geological consulting fees of \$4,802 were accrued for the services of a director of the Company (Q2-2007 \$ nil).

Accounts payable at September 30, 2007 include approximately \$220,000 owing to officers, directors, and companies controlled by them, for consulting fees, managerial services, expense reimbursements and amounts owing on joint interest billings.

Accounts payables owing to directors and officers reflect the frequent working capital shortages that we face, due to our reliance on external financing, and the favourable trade credit and borrowing terms which several related parties have provided, and continue to provide. Accounts payable to related parties include both billings for consulting fees, and any amounts owing for expense reimbursements and joint interest billings as may arise from time to time in the normal course of business.

Since acquiring a number of oil and gas property interests from Mistahiya pursuant to our block acquisition, we named the principal of Mistahiya as our vice-president of oil and gas operations. At the time of the block acquisition, Mistahiya and GPI were arms length parties. However, at this time Mistahiya is a related party by way of a common officer. Mistahiya is a joint interest participant and operator of our 3-20 well. Mistahiya is also the operator of the wells acquired pursuant to the block acquisition, and controls a 25% interest in 640 acres of undeveloped P & NG leased lands in which Great Pacific acquired an interest in Q2-2008.

OUTSTANDING SHARE DATA

At November 29, 2007 there are 19,954,433 common shares of Great Pacific issued and outstanding. The company is authorized to issue an unlimited number of common shares without par value.

At November 29, 2007 there are nil preferred shares of Great Pacific issued and outstanding. The company is authorized to issue an unlimited number of preferred shares without par value.

The company has no additional equity securities authorized, issued or outstanding.

At September 30, 2007 and November 29, 2007 the company had no debt securities outstanding.

The Company has not issued any shares or share purchase instruments since September 30, 2007, the last financial statement date.

At November 29, 2007 the Company has share purchase warrants and employee stock options (“ESO”) outstanding for the purchase of 3,201,000 common shares at a weighted average exercise price of \$0.51 per share, with a weighted average remaining life of 1.83 years, Details of outstanding share purchase warrants and employee stock options as at November 29, 2007 are as follows:

Instrument	Number of underlying shares	Exercise Price	Expiry Date
Warrants	1,996,000	\$0.60	March 9, 2009
ESO	280,000	\$0.35	May 21, 2009
ESO	725,000	\$0.35	October 3, 2010
ESO	200,000	\$0.45	September 8, 2011
	3,201,000		

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has neither changed any accounting policies nor adopted new policies in the quarter ended September 30, 2007 or the year-to-date period ended November 29, 2007.

RECENT CANADIAN ACCOUNTING DEVELOPMENTS

Recently issued Canadian accounting pronouncements from the Canadian Institute of Chartered Accountants ("CICA") are outlined below:

In April 2005, the CICA issued Section 1530 of the CICA Handbook on "Comprehensive Income". This Section applies to fiscal years beginning on or after October 1, 2006. It describes reporting and disclosure recommendations with respect to comprehensive income and its components. Comprehensive income is the change in shareholders' equity that results from transactions and events from sources other than the Company's shareholders. These transactions and events include changes in the currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses resulting from changes in fair value of certain financial instruments. The adoption of this section on April 1, 2007 implies that the Company will in future present comprehensive income and its components in a separate financial statement.

In April 2005, the CICA issued Section 3855 of the CICA Handbook on "Financial Instruments – Recognition and Measurement Income". This Section applies to fiscal years beginning on or after October 1, 2006. It describes the standards for recognizing and measuring financial instruments in the balance sheet and the standards for reporting gains and losses in the financial statements. Financial assets available for sale, assets and liabilities held for trading and derivative financial instruments, part of a hedging relationship or not, have to be measured at fair value. The Company does not believe that the adoption of this pronouncement on April 1, 2007 will have a material impact on its financial reporting and disclosures.

In April 2005, the CICA issued Section 3865 of the CICA Handbook on "Hedges". This Section applies to fiscal years beginning on or after October 1, 2006. The recommendations expand the guidelines exposed in Accounting Guideline 13 (AcG-13), Hedging Relationships. This Section describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from the derivative financial instruments in the same period as for those related to the hedged item. The Company does not believe that the adoption of this pronouncement on April 1, 2007 will have a material impact on its financial reporting and disclosures.

In July 2007 the CICA amended Section 1400 of the CICA Handbook on "General Standards of Financial Statement Presentation" to include the requirement to assess and disclose the entity's ability to continue as a going concern. The new requirements are effective for fiscal years beginning on or after January 1, 2008. The Company's current assessment and disclosure practices meet the requirements of new Section 1400 amendments requiring disclosure of events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, accordingly the Company does not believe that the adoption of this pronouncement on April 1, 2008 will have a material impact on its financial reporting and disclosures.

In July 2007 the CICA issued new Section 3031 “Inventories” which replaces the former Section 3030. New Section 3031 is effective for fiscal periods beginning on or after January 1, 2008, establishes standards for the measurement and disclosure of inventories, and provides the Canadian equivalent of International Financial Reporting Standard IAS 2. The main features of new Section 3031 are to provide guidelines on the allocation of overheads and other costs to inventory, specific identification of individual costs to inventories that are not ordinarily interchangeable, consistent use of the first in- first out or weighted cost formulae for other inventories, and the reversal of previous write downs to net realizable value for subsequent increases in value. The Company does not believe that the adoption of this new CICA Section 3031 on April 1, 2008 will have a material impact on its financial reporting and disclosures.

LEGAL PROCEEDINGS

Ordinary course business proceedings

The Company is subject from time to time to various legal proceedings and claims that arise in the ordinary course of business. Management is of the opinion that such claims are not likely to have a material adverse effect on the Company’s future operations or financial position. The Company is not subject to any material claims at this time.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure Control Risks

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. The Company’s management has concluded, based on their evaluation of the effectiveness of the Company’s disclosure controls and procedures as of March 31, 2007 that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company subject to the reportable weakness identified below regarding segregation of duties. However, 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 Control Risks

Management is responsible for certifying the design of the Company’s internal control over financial reporting (“ICFR”) as required by Multilateral Instrument 52-109 – “Certification of Disclosure in Issuers Annual and Interim Filings”. Our ICFR is intended 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 principals (GAAP). ICFR includes those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and disposition of our assets:
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP:
- receipts and expenditures only being made in accordance with authorizations of management and the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized collection, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate. Management carried out the design of the Company’s internal controls over financial

reporting and concluded, subject to the inherent limitations noted above, the Company has sufficient controls to meet the requirements as stated above and that one reportable weakness existed at March 31, 2007 as detailed below.

Segregation of Duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to limited resources, a complete segregation of duties within the Company's operating and accounting groups can not be fully achieved. The result is that the Company is highly reliant on the qualifications, experience and integrity of its staff and on the performance of mitigating procedures during its financial close processes in order to ensure the financial statements are presented fairly in all material respects. Any changes in the current control process will be dependant upon the growth of the Company's operations and the number of its staff to allow further segregation of duties. Management will continue to review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

OTHER MATTERS

Stock Exchange

The shares of the Company trade in Canada on the TSX-Venture Exchange under the trading symbol "GPI-V".

Corporate Governance

Management believes that quality corporate governance is essential to ensuring effective management of our Company. The Company's corporate governance policy is substantially aligned with the guidelines set out in the report of The Toronto Stock Exchange Committee on Corporate Governance in Canada.

Oil and gas production estimates

Oil and gas reserves and expected production information disclosed herein reflect the reserves attributed to particular properties as disclosed in our Form 51-101 report. This document is to be read in conjunction with that report, dated July 11, 2007, and available at www.sedar.com. The reader is cautioned that the estimates of reserves (and, by extension, estimates of well life and production rates derived from reserves estimates) and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Note Regarding Forward-Looking Statements

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements and the Company's oil and gas reserves. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of oil and gas properties, oil and gas industry conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company. Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company with the British Columbia Securities Commissions on www.sedar.com