

THIRD QUARTER 2008 HIGHLIGHTS

- The Company initiated drilling of the Camden shale gas well in order to fulfill its final obligations under the farm-out agreement on the Alton Block.
- The Company was awarded a three year right to explore for oil and gas on the Beech Hill Block.

PRESIDENT & CEO'S MESSAGE

Forent Energy Ltd. ("Forent" or the "Company") is primarily engaged in the development, exploration and production of oil and gas in Nova Scotia and in western Canada. Forent's management team individually have an average of 25 years of experience in the various aspects of oil and gas exploration, development, production and marketing and were chosen specifically to develop the Forent suite of assets. The team is committed to establishing oil and gas reserves through its exploration programs in Nova Scotia along with continued development of its low risk opportunities in Western Canada with the focus being shareholder value maximization.

The maritime assets are comprised of two large blocks of land operated by Forent at a 100% working interest in Nova Scotia. The 740,000 acre Alton Block has two world class plays consisting of i) a roughly 140,000 acre shale gas fairway and ii) a reef oil prone basin of approximately 200,000 acres. The 466,000 acre Beech Hill Block appears to have continuations of both the shale gas and reef oil plays found on the Alton Block and in addition, the Beech Hill block also has a known shale oil play.

Multi-year exploration and development programs for each of these plays have been devised and were kicked off beginning in the second quarter of 2007. Forent has shot a number of regional seismic programs, drilled several exploration wells and has extracted over 1400m of core for analysis to advance the understanding of these plays and to move closer to establishing proven reserves in both the reef oil and shale gas plays.

In contrast, the majority of our Alberta projects are low risk infill and step out gas plays offsetting existing production and close to Forent's operated infrastructure. The western Canadian opportunities are currently being evaluated in context of cash flow maximization, given the limited funds available arising from current constraints in capital markets.

The company is looking forward to more favorable market conditions to facilitate the financing of subsequent steps of our programs in the near future. To this end, the Company has initiated the reverse take-over of a public company, Seriatim Ventures Inc. that is expected to close prior to December 31, 2008.

Respectfully submitted,

(signed) "Dennis Forgeron"

Dennis Forgeron
President & CEO
November 27, 2008

**FORENT ENERGY LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
Three and nine months ended September 30, 2008 and three and eight months ended September 30, 2007**

Management's discussion and analysis (MD&A) of FORENT ENERGY LTD. (the Company or Forent) financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements for the three and nine months ended September 30, 2008 and the eleven months ended December 31, 2007 as contained in this interim report and the MD&A and audited financial statements for the eleven months ended December 31, 2007 and twelve months ended January 31, 2007 contained in the Company's December 31, 2007 Financial Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP), except that no prior year comparative financial information has been issued due to information regarding interim amounts not being sufficiently available. All amounts are presented in Canadian dollars unless otherwise indicated. The effective date of this MD&A is November 27, 2008.

Additional information relating to the Company is available on the Company's web-site at www.forentenergy.com.

Forward-Looking Statements

Certain information regarding the Company contained herein may constitute forward-looking statements. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements and information. The Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

OVERVIEW

Forent is a Canadian-based oil and gas company, focused in exploration and development of two onshore Nova Scotia oil & gas exploration blocks, as well as the continued development of the Company's oil & gas properties in Alberta. Forent's core properties in Canada include:

- Alton & Beech Hill Blocks, Nova Scotia; and
- Ferrybank, Huxley & Rumsey, Alberta.

REVERSE TAKE-OVER TO BECOME A PUBLIC ENTITY

On August 13, 2008, Seriatim Ventures Inc. (Seriatim) and Forent signed a binding letter of intent whereby Forent will effect a reverse takeover (RTO) of Seriatim. Under the contemplated arrangement, an amalgamation will occur in early December 2008 after which Forent's existing shareholders will own approximately 95% of Seriatim resulting in the shareholders of Forent acquiring control of Seriatim.

OPERATIONS UPDATE

Alton Block – Nova Scotia

Minimal exploration activity occurred on the 740,000 acre Alton Block during the 1987 . 1999 period. Two 2-D seismic lines were shot and three exploration wells were drilled. During the period of 2003 . 2004, EOG Resources Canada Inc. acquired 2-D seismic information and drilled Cloverdale #1. In 2005, an industry competitor shot 55 square kilometres of 3-D seismic and partnered with EOG to drill three wells predicated on the results of the seismic survey. On September 21, 2005, EOG Barney's Brook No. 1 was spudded and reached a total depth of 748 metres on October 28, 2005, encountering a Gays River Formation reefal build-up almost 10 metres thick. A gas show was observed at 629 metres and the well was perforated and acidized, resulting in gas flowing to surface with a 17 foot flare. During December 2005, the well was swabbed and the swabbing fluid was recovered without establishing a gas flow. Subsequent wells were drilled at Milford Station No. 1 and Hardwood Lands No. 1 both of which were unsuccessful and the wells were plugged and abandoned.

On August 22, 2007, the Company spudded earning well Forent Morgan, with the rig released on September 18, 2007, after reaching a total depth of 655 metres. The zones of interest were the Gays River and Stewiacke. The Stewiacke gas previously evidenced in Barney's Brook No. 1 was not present at Morgan, as it was of a highly compartmentalized nature with limited lateral extent. Morgan confirmed the excellent reservoir quality and superior permeability of the Gays River that was previously indicated by Barney's Brook No. 1, however, the Gays River formation was heavily invaded with barite (drilling fluid) from the previously drilled Barney's Brook well located 25 metres away and did not flow hydrocarbons.

On August 26, 2007, the Company spudded the Forent William well, with the rig released on September 15, 2007, reaching a total depth of 390 metres. The zone of interest was the Stewiacke Salt. William confirmed the Stewiacke Formation, previously encountered at Morgan, as a dolomitic bed evidenced as a series of small, unconnected gas reservoirs and did not flow gas.

On August 22, 2008, Forent spud stratigraphic test well Forent - Camden 100/G-40-A / 11-E-06+. The well was drilled to a terminal depth of 1,464 metres subsequent to the third quarter ended September 30, 2008. The well was cored and encountered Horton Bluff shale at a depth of approximately 1,000 metres. The cores and logs are in the process of being analyzed in attempt to determine the shale gas potential. In addition, the Company is conducting a two dimensional (2D+) seismic exploration survey that will see Forent acquire a total of approximately 240 km of which 33 km will be acquired in 2008, over that portion of the Alton Block that contains shale. Forent's goal is to evaluate by core and geophysical log analysis the gas bearing potential of the Horton Bluff formation and map its thickness and areal extent with the 2D seismic. Further drilling and seismic may be forthcoming over the next year to further evaluate the shale gas potential of the Horton Bluff formation.

Beech Hill Block – Nova Scotia

Forent completed a significant land acquisition when it was announced by Nova Scotia Department of Energy that the Company was the successful bidder for the 466,000 acre Beech Hill Block effective May 1, 2008. This land block enhances the company's asset base and introduces two additional plays, the Beech Hill Horton shales and Gays River Reef oil, to the existing Nova Scotia prospects. The award of this block was made on Forent's commitment to spend \$2.07 million over the next 3 years on seismic acquisition and processing, gravity assessment, drilling and various other geologic and exploratory endeavors. These activities are similar to those planned for the Alton Block that the Company is currently exploring.

Forent is currently interpreting the existing two dimensional seismic surveys previously conducted on the Beech Hill block with respect to mapping the Horton Bluff and Macumber/Gays River formations.

Alberta

Forent drilled two wells in the second quarter of 2008 and no wells were drilled in the third quarter of 2008 in Alberta. Both wells were spud, cased and perforated for gas as coal bed methane (%CBM+) wells in the Horseshoe Canyon formation. In both wells, Forent participated as a partner with an 11.813% working interest. In the first well the rig was released on September 20, 2008 and in the second well the rig was released September 22, 2008. Both wells have been completed and are tied in as CBM gas wells.

RESULTS OF OPERATIONS

Oil and Gas Production, Pricing and Revenues

| | Three months ended September 30, 2008 | Three months ended September 30, 2007 | Nine months ended September 30, 2008 | Eight months ended September 30, 2007 |
|--------------------------|--|--|---|--|
| Daily production volumes | | | | |
| Oil and NGLs (bbl/d) | 1.7 | 0.95 | 2.43 | 1.44 |
| Natural gas (mcf/d) | 170.31 | 256.07 | 237.29 | 225.38 |
| Combined (boe/d) | 30.09 | 46.63 | 41.98 | 39.00 |
| Product Pricing (\$) | | | | |
| Oil and NGLs . per bbl | 84.58 | 92.45 | 84.47 | 55.26 |
| Natural Gas - per mcf | 8.91 | 5.42 | 9.18 | 6.47 |
| Combined - per boe | 55.21 | 33.80 | 56.76 | 39.43 |
| Revenue | | | | |
| PNG Revenue . gross | 152,787 | 135,665 | 652,842 | 373,705 |
| Royalties | 26,449 | 29,066 | 100,234 | 46,935 |
| PNG revenue - net | 126,338 | 106,599 | 552,608 | 326,770 |

The Company's combined sales volumes were 30.09 per boe and 41.98 per boe in the three and nine months ended September 30, 2008, as compared to 46.63 per boe and 39.00 per boe in the three and eight months ended September 30, 2007. The increase in nine month production was due to additional compression capacity and new gas wells coming on stream during 2008. Forent's reported gas sales volume can vary from actual production as a result of inventory adjustments in the NOVA gathering system.

Production revenue of \$152,787 and \$652,842 was earned for the three and nine months ended September 30, 2008, as compared to \$135,665 and \$373,705 for the three and eight months ended September 30, 2007. The increased production revenues reflected the higher sales prices achieved for oil and NGLs and natural gas during 2008 along with new gas wells being brought on stream in 2008.

Royalties

Three months and nine months ended September 30, 2008 and three and eight months ended September 30, 2007.

| | Three months ended September 30, 2008 | Three months ended September 30, 2007 | Nine months ended September 30, 2008 | Eight months ended September 30, 2007 |
|-----------------------------------|--|--|---|--|
| Royalties | 26,449 | 29,066 | 100,234 | 46,935 |
| As a percentage of PNG revenue | 17% | 21% | 15% | 13% |

Royalties represent charges against production or revenue by governments and landowners. Royalties for the three months and nine months ended September 30, 2008 were \$26,449 and \$100,234 respectively, in comparison to \$29,066 and 46,935 for the three and eight months ended September 30, 2007. The significant increase in the nine month period ended September 30, 2008 compared to the eight month ended September 30, 2007, is due to higher production volumes and commodity prices. On a percentage basis the royalty rates increased modestly during the nine month period ended September 30, 2008, as compared to 2007.

PNG Operating Expenses and Netback

| | Three months ended September 30, 2008 | | Three months ended September 30, 2007 | | Nine months ended September 30, 2008 | | Eight months ended September 30, 2007 | |
|----------------------------------|--|--------------|--|---------|---|--------------|--|---------|
| | Total | Per boe | Total | Per boe | Total | Per boe | Total | Per boe |
| Average daily production (Boe/d) | | 30.09 | | 43.63 | | 41.98 | | 39.00 |
| Gross PNG revenue | 152,787 | 55.21 | 135,665 | 33.80 | 652,842 | 56.76 | 373,705 | 39.43 |
| Royalties | 26,449 | 9.56 | 29,066 | 7.24 | 100,234 | 8.72 | 46,935 | 4.95 |
| Net PNG revenue | 126,338 | 45.65 | 106,599 | 26.56 | 552,608 | 48.04 | 326,770 | 34.48 |
| Operating costs | 90,778 | 32.80 | 73,022 | 18.19 | 262,997 | 22.87 | 145,753 | 15.38 |
| PNG netback | 35,560 | 12.85 | 33,577 | 8.37 | 289,611 | 25.17 | 181,017 | 19.10 |

Operating costs on a per boe basis averaged \$32.80 for the three months ended September 30, 2008 and \$22.87 for the nine months ended September 30, 2008 in comparison to \$18.19 per boe and \$15.38 per boe for the three and eight months ended September 30, 2007. The increase in the operating costs is largely attributable to higher costs associated with contract operations, equipment rentals, well servicing and overhead associated with operations per boe in the three and nine months ended September 30, 2008, as compared to 2007.

General and Administrative Expenses (“G&A”)

General and administrative expenses were \$190,336 and \$582,908 in the three and nine months ended September 30, 2008, compared to \$120,179 and \$264,687 in the three and eight months ended September 30, 2007. This significant increase can be attributed primarily to higher accounting and audit expenses, engineering costs associated with completion of the Company’s 2007 year end NI 51-101 reserve report and increased staff costs due to the increased level of corporate activity. On a per unit basis, G&A was \$68.78 per boe and \$50.68 in the three and nine months ended September 30, 2008, as compared to \$29.94 per boe and \$50.68 in the three and eight months ended September 30, 2007. General and administrative costs are relatively high per boe due to the Company’s current level of production and its focus on the exploration and development of two onshore blocks in Nova Scotia where there is currently no production.

Depletion, Depreciating and Accretion (“DD&A”)

DD&A expense is \$43,030 and \$140,446 for the three and nine months ended September 30, 2008 in comparison to \$112,841 and \$118,885 for the three and eight months ended September 30, 2007. The increase in the DD&A expense is directly related to additional capital spending on oil and gas properties during 2008.

On a per boe basis the DD&A is 15.55 and 12.21 for the three and nine months ended September 30, 2008 in comparison to 28.12 and 12.54 for the three and eight months ended September 30, 2007.

Interest Expense

Interest expense for the three and nine months ended September 30, 2008 was \$14,004 and \$61,219, respectively, in comparison to \$12,610 and \$31,651 for the three and eight months ended September 30, 2007. Interest expense is attributed to the Company's corporate debt with a private lender and interest on the unspent exploration expenditures related to the flow-through shares issued in 2007. The increase between 2007 and 2008 in interest expenses to September 30th is attributable to the carry over into 2008 of Canadian Exploration Expenses renounced to investors in 2007. The Company had an average debt level of \$500,000 and an effective interest rate of 10% for the three and nine months ended September 30, 2008.

Income Taxes

A future income tax expense of \$465,237 and \$350,343 was recorded for the three and nine months ended September 30, 2008, respectively, as compared to a nil expense in both the three and eight months ended September 30, 2007. The significant increase in the future income tax expense is attributed to the Company amalgamating with a public corporation and losing its ability to use the Canadian small business deduction, thereby increasing the effective future rate.

The Company has tax pools of \$3.2 million as at September 30, 2008, as compared to \$4.5 million as at December 31, 2007. The change was related to approximately \$3.3 million being renounced to flow through investors during the first quarter of 2008 year offset by capital expenditures during the period.

Net loss

The net loss for the three and nine months ended September 30, 2008 was \$684,856 and \$877,110, respectively, as compared to a net loss of \$192,254 and \$212,053 for the three and eight months ended September 30, 2007. The significant increase in the loss is primarily related to the corporate tax status change that resulted in additional future income tax expenses of \$465,237 and \$350,343 recorded for the three and nine months ended September 30, 2008. Additionally, G&A and stock based compensation costs increased in 2008 as a result of the increased level of corporate activity and stock options being issued in the fourth quarter of 2007.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2008, the Company had excess working capital of \$3.1 million compared to excess working capital of \$1.9 million as at December 31, 2007. The increase in working capital is due to the August 19, 2008 equity financing, partially offset by 2008 capital expenditures.

Funds from operations were (\$147,913) and (\$312,880) for the three and nine months ended September 30, 2008, as compared to (\$99,212) and (\$143,413) for the three and eight months ended September 30, 2007. Funds from operations in the first nine months of 2008 decreased as a result of increased operating and G&A expenses that were partially offset by higher revenues from increased commodity prices in 2008.

The Company raised \$3.3 million, net of share issuance costs, during the three and nine months ended September 30, 2008, as compared to \$4.5 million and \$5.5 million, net of share issuance costs, during the three and eight month period ended September 30, 2007, respectively.

Net cash used in investing in property, plant and equipment was \$1.3 million and \$1.8 million for the three months ended September 30, 2008, respectively, and \$3.0 million and \$3.4 million for the three and eight months ended September 30, 2007. The Company's 2008 investing activities included exploration and development, primarily associated with the Alton Block in Nova Scotia.

In connection with the September 17, 2007 private placement of flow-through shares the Company has fully met its obligation of incurring eligible exploration expenditures as of September 30, 2008.

The Company may consider additional issuances of common shares or debt instruments to assist with financing its ongoing oil and gas exploration, development and acquisition activities to the extent that sufficient cash flow from operations is available in the future. Successfully acquiring additional equity or debt financing is not a certainty and is dependent upon the availability of funds in the capital markets and from lending institutions. In addition to equity and debt financing the Company may consider dispositions of non-core oil and gas assets or farming out interests in oil and gas properties to finance its operations. Accordingly, the Company's consolidated financial statements are presented on a going-concern basis.

During the period ended September 30, 2008 the Company completed a private placement whereby the Company issued 3,048,700 flow-through units at a price of \$1.15 per unit for total gross proceeds of \$3,506,005. Each unit consisted of one common share to be issued on a flow-through basis, one-tenth of a common share purchase warrant and one liquidity warrant that will convert into one tenth of a common share should the company not become a public company by year end. Each whole common share purchase warrant may be exercised to acquire one common share of the Company at a price of \$1.10 for a period of 12 months from the date of the listing of the Company on a recognized Canadian stock exchange.

In connection with the offering, the agents received a 5% cash commission and broker warrants equaling 5% of the transaction value for a total of 175,300 warrants. These warrants are exercisable at \$1.00 to purchase Forent common shares for a period of 12 months from the date of the listing of the Company on a recognized Canadian stock exchange.

CAPITAL EXPENDITURES

Capital expenditures for the three and nine months ended September 30, 2008 and three and eight months ended September 30, 2007 ended is as follows.

| | Three months ended September 30, 2008 | Three months ended September 30, 2007 | Nine months ended September 30, 2008 | Eight months ended September 30, 2007 |
|----------------------------|--|--|---|--|
| Land | 3,950 | 46,279 | 7,586 | 109,489 |
| Seismic | 571,491 | - | 846,360 | - |
| Drilling and completion | 673,532 | 2,959,521 | 795,264 | 3,060,883 |
| Equipment | 10,400 | 30,873 | 109,966 | 84,796 |
| Other | 44,479 | 5,000 | 46,411 | 5,000 |
| Total capital expenditures | 1,303,852 | 3,041,673 | 1,805,587 | 3,260,168 |

Overall capital expenditures were lower in the first nine months of 2008 as compared to 2007 as a result of the Company drilling two Nova Scotia wells during the third quarter of 2007 and only one well during 2008. Seismic acquisition costs of \$571,491 were incurred in the third quarter of 2008 as compared to nothing in the same quarter of 2007. Costs for seismic included not only the acquisition costs but also costs associated with permitting additional areas prior to data acquisition.

RELATED PARTY TRANSACTIONS

During the three months and nine months ended September 30, 2008, the Corporation incurred \$30,000 and \$90,000, respectively, of administrative costs from a corporation controlled by the majority shareholder. As at September 30, 2008, \$20,000 was due to the related Corporation.

During the three months and nine months ended September 30, 2008, the Company incurred \$91,978 and \$229,491, respectively, of operating costs relating to pipeline and facility rental fees. As at September 30, 2008, there was an outstanding balance of \$141,172 owed to the related company. The Company approximates that 80% of the pipeline and facility rental fees and outstanding balance are directly attributable to its joint venture partners, consisting of primarily large and well funded petroleum producers.

A corporation controlled by the majority shareholder has a working interest in some of the wells that the Corporation operates. The current balance in accounts payable is \$15,526.

In prior years, a loan was advanced to a corporation controlled by the majority shareholder. The balance in accounts receivable is \$3,000.

These transactions were undertaken in the normal course of business and were measured at the monetary exchange amount which is the amount of consideration established, agreed to and paid by the related parties based on standard commercial terms.

RISKS AND UNCERTAINTIES

The Company is exposed to a number of risks and uncertainties inherent in exploring for, developing and producing crude oil and natural gas. These risks and uncertainties include but are not limited to, the following:

- risk of finding and producing reserves economically;
- uncertainty associated with obtaining drilling licenses and other consents and approvals;
- production risk associated with sour hydrocarbons;
- marketing reserves at acceptable prices;
- cost of capital risk associated with securing the needed capital to carry out the Company's operations;
- risk of fluctuating foreign currency exchange rates;
- risk of governmental policies, social instability or other political, economic or diplomatic developments in its operations;
- market risks associated with investing the Company's cash reserves in interest bearing depository instruments; and
- environmental risks related to its oil and gas properties.

Many of the previously mentioned risks are beyond the Company's control, and it is impossible to ensure that any exploration drilling program will result in commercial operations. The company does not currently utilize derivative instruments to hedge its commodity price, foreign currency exchange or interest rate risks.

Forent strives to minimize and manage these risks in a number of ways including:

- Employing qualified professional technical staff;
- Communicating openly with members of the public regarding its activities;
- Concentrating in a limited number of areas;
- Utilizing the latest technology for finding and developing reserves;
- Constructing high-quality, environmentally sensitive, safe production facilities; and

- Maximizing operational control of drilling and producing operations;

ENVIRONMENTAL RISKS

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. In 2002, the Government of Canada ratified the Kyoto Protocol (the "Protocol"), which calls for Canada to reduce its greenhouse gas emissions to specified levels. There has been much public debate with respect to Canada's ability to meet these targets and the government's strategy or alternative strategies with respect to climate change and the control of greenhouse gases. Implementation of strategies for reducing greenhouse gases whether to meet the limits required by the Protocol or as otherwise determined could have a material impact on the nature of oil and natural gas operations, including those of the Company. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict either the nature of those requirements or the impact on the Company its operations and financial condition.

NEW ACCOUNTING STANDARDS ADOPTED

As disclosed in the December 31, 2007 annual consolidated financial statements, on January 1, 2008, the Company adopted the new CICA Handbook Sections 3862 "Financial Instruments - disclosures", 3863 "Financial Instruments - Presentation", and 1535 "Capital Disclosures". The adoption of these standards has had no material impact on the Company's net income or cash flows. Additional information on the implementation of these new standards can be found in Note 3 to the Interim Consolidated Financial Statements.

RECENT ACCOUNTING PRONOUNCEMENTS

Goodwill and Intangible Assets

As of January 1, 2009, Forent will be required to adopt Section 3064 "Goodwill and Intangible Assets", which revises the requirement for recognition, measurement, presentation and disclosure of intangible assets and replaces the existing Goodwill and Intangible Asset standard. The adoption of this standard should not have a material impact on the Company's consolidated financial statements.

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("CSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the Accounting Standards Board confirmed in February, 2008 that International Reporting Standards ("IFRS") will replace Canadian GAAP for profit-oriented Canadian publicly accountable enterprises in 2011. Forent is assessing the potential impact of this change and developing a plan accordingly.

DISCLOSURE CONTROLS AND PROCEDURES

Forent has disclosure controls and procedures to ensure that information required to be disclosed by the Company is assembled and communicated to management. The Company's CEO and CFO have concluded based on their evaluation as of September 30, 2008, that disclosure controls and procedures are effective to provide reasonable assurance that material information related to Forent is made known to them by others within the entity, except as noted below. Despite the CEO and CFO certifying that the Company's disclosure controls and procedures are effective to provide a reasonable level of assurance,

they are not able to conclude that the disclosure controls and procedures are capable of preventing all frauds and errors. Regardless of how well conceived or managed, a control system is incapable of providing absolute assurance to prevent all errors and fraud, as only reasonable assurance that the objectives of a control system can be obtained.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO of Forent are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management has assessed the design of the Company's internal control over financial reporting as of September 30, 2008 and has certified that the controls over financial reporting are effective, except for the identified material weaknesses outlined below.

- Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties.
- Due to the limited number of staff, the Company does not have a sufficient amount of technical specialists within finance to address all potential complex and non-routine accounting transactions that may transpire.

The weaknesses in the Company's internal controls over financial reporting allow for a greater than remote likelihood that a material misstatement would not be prevented or detected. Management and the Board of Directors work to mitigate the risk of material misstatement in financial reporting; however, it is not possible to provide absolute assurance that this risk can be reduced to less than a remote likelihood of a material misstatement. Management does not intend to remediate the noted weaknesses at this time due to an adequate control environment existing in the Company.

OUTLOOK

The Company plans to continue pursue the exploration and development of its two onshore blocks in Nova Scotia and to develop its existing holdings in Alberta.

BOEs

Throughout this MD&A the calculation of barrels of oil equivalent (boe) is calculated at a conversion rate of six thousand cubic feet (mcf) of natural gas for one barrel of oil and is based on an energy equivalence conversion method. BOEs may be misleading, particularly if used in isolation. A boe conversion ration of 6 mcf: 1 bbl is based on an energy equivalence conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead.

NON-GAAP MEASURES

Included in this report are references to terms commonly used in the oil and gas industry, such as, netbacks, cash flow and funds from operations which represent cash flow from operating activities expressed before change in non-cash working capital, long-term receivable and asset retirement costs incurred and are used by the Company to analyze operating performance, leverage and liquidity. These terms do not have standardized meanings prescribed by Generally Accepted Accounting Principles and therefore may not be comparable with the calculations of similar measures for other entities. Consequently, these are referred to as non-GAAP measures.