THUNDERBIRD ENERGY CORP. (formerly MBA RESOURCES CORP.)
SIX MONTHS ENDED JULY 31, 2006
MANAGEMENT DISCUSSION AND ANALYSIS

1. REPORT DATE AND DESCRIPTION OF BUSINESS

The following Management's Discussion and Analysis ("MD&A") is prepared as of September 25, 2006 and should be read in conjunction with the unaudited financial statements for the six months ended July 31, 2006. These documents can be found on the Company's website or at www.sedar.com. All dollar figures stated herein are expressed in Canadian dollars.

Thunderbird Energy Corp. (the "Company" or "TBD") is a Canadian based natural resource company that owns a 50% interest in the Gordon Creek natural gas field in the State of Utah, USA. TBD's other holdings include an oil and gas exploration project adjacent to the Stoney Creek field in New Brunswick, Canada.

The Company's U.S. operations are carried out through Thunderbird Energy Inc., a wholly-owned, Nevada based subsidiary. The Company also has a 100% owned Canadian subsidiary MBA Energy Corp.

2. OVERALL PERFORMANCE

On March 13, 2006 the Company acquired a 50% working interest, subject to varying royalties, in a producing natural gas field in Carbon County, Utah known as the Gordon Creek Project for U.S. $1,500,000. The field comprises 5,953 gross acres (4,879 net acres) with four gas wells currently producing and four wells that are shut in. The Gordon Creek field also includes an associated gas gathering system consisting of 10 km of pipeline and a scaleable compression facility that services the project as well as adjacent production. The Project is now jointly operated by the Company and the party that holds the other 50% working interest. Gas is marketed into a transmission pipeline operated by Questar Gas Resources that crosses the project acreage.

During the quarter the Company commenced workover operations on two of the four producing wells and intends to review available data from all of the wells, with a view to potentially reworking all eight wells. The preliminary phase of the workover operations resulted in an initial increase of daily rates from approximately 600 mcf/day of natural gas to nearly 1.2 mmcf/day. Following the end of the quarter, workover operations were expanded to include one additional producing well and one shut in well. Work subsequent to the end of the quarter also included repairs to the down hole pumps on two wells, which had caused temporary production declines.

The Company intends to commence drilling additional wells on the property later this year and has commenced the permitting process.

During the first quarter of fiscal 2006 the Company drilled and tested an initial well on the Dover – Gautreau oil and gas prospect in New Brunswick, Canada as discussed below, called the Contact-MBA Gautreau F-29-2328 well (the "Gautreau #1"). The well was cased to total depth and tested in 9 intervals totaling over 27 meters of potential pay. Completion operations included perforating the above intervals and running recorders to measure pressure build-ups. Sampling of oil and gas recoveries and flow testing were also carried out. The shallowest zone, located from 356 to 364 meters, encountered light 35 API oil. Results of the completion indicated that both oil and gas are present, but current rates of recovery without further stimulation do not appear to be economic at this time. By completing the Gautreau #1 the Company earned a 50% working interest in the well and a surrounding 3 section parcel of land. The Company also holds certain rights to participate in further exploration within an adjacent area of interest covering approximately 50,000 acres until the end of 2006.

At this time the Company intends to focus its attention on the recently acquired Gordon Creek Utah project while it monitors the exploration activity of other companies in New Brunswick and Nova Scotia. These activities include a drilling program currently being undertaken by Contact Exploration Inc. on the Stoney Creek oil and gas field immediately adjacent to the Dover Gautreau project.

3. RESULTS OF OPERATIONS

During the first quarter the Company completed the acquisition of the Gordon Creek natural gas field in Utah, USA as well as completing a convertible debenture issuance and private placement financing. Accordingly, the Company began to recognize revenues from the project, but also incurred higher costs resulting from the acquisition and financing activities as well as costs associated with the transfer of operations from the previous owner to a new operating Company that is 50% owned by TBD. Revenues were negatively impacted by declining natural gas prices during the quarter.

In the second quarter, the Company initiated the first phase of a workover program on two of the producing wells on the property which was completed late in the quarter. This work resulted in an initial increase of daily rates from approximately 600 mcf/day of natural gas to nearly 1.2 mmcf/day. Following the end of the quarter, workover operations were expanded to include one additional producing well and one shut in well. Work subsequent to the end of the quarter also included maintenance and repairs to the down hole pumps which had caused temporary production decreases subsequent to the completion of the initial workover operations.

The Company earned revenues of $217,542 for the six months ended July 31, 2006 as compared to $0 revenues in the corresponding period of the prior year. The Company incurred a $336,613 loss in the six month period as compared to $98,097 loss in the prior period.

	Six Months Ended July 31, 2006	Year ended January 31, 2006	Year ended January 31, 2005	Year ended January 31, 2004
Revenues	$ 217,542	$ -	$ -	$ -
	217,542	-	-	-
Expenses				
Accounting and audit	21,000	27,425	22,983	21,377
Amortization	38,775	5,228	6,974	3,936
Foreign exchange loss	4,801	7,169	4,738	24,324
Interest on convertible debentures	84,783	-	-	-
Investor relations	18,000	778	46,638	70,605
Legal	19,441	7,315	13,565	2,116
Office	72,061	20,211	31,286	77,517
Production costs	127,951	-	-	-
Project investigation fees	-	-	109,717	-
Rent	12,418	22,580	21,851	11,499
Stock-based compensation	-	138,394	231,740	14,544
Transfer agent and filing fees	17,973	26,823	19,466	39,053
Wages, benefits and consulting	78,124	45,368	77,028	141,035
Impairment loss on mineral properties	59,562	131,699	961,407	-
Interest (income)	(734)	(1,304)	(538)	(3,258)
	554,155	431,686	1,546,855	402,748
Net Loss	**$ (336,613)**	**$ (431,686)**	**$ (1,546,855)**	**$ (402,748)**
Basic loss per share	(0.015)	(0.02)	(0.11)	(0.04)
Weighted-Average Shares Outstanding	22,772,000	18,737,000	14,379,000	9,458,000

3. RESULTS OF OPERATIONS CONT.

(a) Resource Properties

Gordon Creek Project

On March 13, 2006 the Company acquired a 50% working interest, subject to varying royalties, in a producing natural gas field in Carbon County, Utah known as the Gordon Creek Project for U.S. $1,500,000. The field comprises 5,953 gross acres (4,879 net acres) with four producing gas wells and four shut in wells. The Gordon Creek field also includes an associated gas gathering system consisting of 10 km of pipeline and a scaleable compression facility that services the project as well as adjacent production. The Project is now jointly operated by the Company and the party that holds the other 50% working interest.

Gas is marketed into a transmission pipeline operated by Questar Gas Resources that crosses the project acreage.

Dover and Gautreau Oil and Gas Project

On August 18, 2004 the Company entered into an oil and gas farm-in agreement with Contact Exploration Inc. (TSX-V: CEX) of Calgary, Alberta whereby MBA could earn a 50% working interest in the Gautreau and Dover oil and gas prospects in Eastern New Brunswick by incurring 100% of the costs of drilling and completing the well on the prospect. The Company acquired a 50% working interest in the 2550 acre Dover Prospect by drilling, testing and completing an initial test well during the period January through May 2005. Results of the completion indicated that both oil and gas are present, but initial rates of recovery did not appear to be economic without further stimulation. See Section 2 “Overall Performance”.

S310 Gold Property

On September 29, 2004 the Company, through its wholly owned subsidiary Thunderbird Energy Inc. (“TBI”) (formerly Manele Bay Goldfields Inc.) optioned a 100% interest in a group of 11 unpatented lode mining claims (the “S310 Property”) adjacent to the Sleeper Gold Mine in Humboldt County, Nevada. To date, the Company has made cash payments of U.S. $15,000 and issued 125,000 common shares in connection with the acquisition. In order to maintain the option in good standing, TBD must pay a further U.S. $7,500 and issue an additional 50,000 shares over each of the next 2 years and incur exploration expenditures of an aggregate of U.S. $400,000 by July 31, 2008. The Company did not incur any exploration expenditures on this property during the year and effective July 31, 2006, dropped its option to acquire the S310 Gold prospect in order to focus its efforts and resources on its energy related assets.

Worldbeater Project

On November 5, 2002 the Company entered into an agreement with Compass Minerals Ltd., (“Compass”), whereby the Company had the option to acquire up to a 60% interest in the Worldbeater Gold Project. During the 2004 fiscal year, TBD earned its initial 30% interest by carrying out an exploration program exceeding U.S. $500,000. The Company previously wrote down its investment in the Worldbeater property to $0, and has now relinquished its interest in the project. As of January 31, 2006, the Company had a net obligation of U.S. $100,000 relating to the reclamation requirements. This amount was accrued and charged to operations and included in accrued liabilities as at year-end. During the first quarter, this amount was paid to the underlying landowner who assumed the reclamation obligations. The U.S. $90,000 letter of credit (Cdn $103,329) that the Company had posted as security was cancelled and the short term investment held as collateral for the letter of credit was released to the Company.

3. RESULTS OF OPERATIONS CONT.

(b) Market Trend

Demand for natural gas has traditionally been highly cyclical and somewhat predictable. Demand for and pricing of natural gas has traditionally been highest during the coldest months of winter and lowest during the warmest months of summer. The primary driver for this cyclicality is the need for residential and commercial heating. As expected, heating requirements are highest during the coldest months and lowest during the warmest months. Because natural gas is increasingly being used to generate electricity increased electrical demand often means increased natural gas demand and pricing. This results in a smaller spike in natural gas demand during the warmest months of the year as electrical demand for space cooling increases. The magnitude of this summer spike in natural gas prices is expected to increase in future years.

Natural gas prices underwent considerable fluctuation during the year and, in accordance with historical cycles, have generally trended lower from highs of $9 to $10 per Mcf at the start of the fiscal year to approximately $6 per Mcf at the end of the second quarter.

4. SUMMARY OF QUARTERLY RESULTS

The interim financial statements have been prepared in accordance with generally accepted accounting principles, and are expressed in Canadian dollars.

Balance Sheet:	**July 31, 2006**	**Apr 30, 2006**	**Jan 31, 2006**	**Oct 31, 2005**	**Jul 31, 2005**	**Apr 30, 2005**	**Jan 31, 2005**	**Oct 31, 2004**
Current assets	41,520	200,959	119,753	5,851	16,855	86,189	475,788	13,643
Other assets	2,755,384	2,775,577	1,014,785	1,135,797	1,109,953	1,044,864	571,580	1,108,452
Total assets	**2,796,904**	**2,976,536**	**1,134,538**	**1,141,648**	**1,126,808**	**1,131,053**	**1,047,368**	**1,122,095**
Current liabilities	320,538	246,059	412,827	242,722	225,902	178,336	48,365	118,883
Other liabilities	1,629,605	1,622,556	-	-	-	-	-	-
Shareholders' equity	846,761	1,107,921	721,711	898,926	900,906	952,717	999,003	1,003,212
Total equity and liabilities	**2,796,904**	**2,976,536**	**1,134,538**	**1,141,648**	**1,126,808**	**1,131,053**	**1,047,368**	**1,122,095**

The Company earned revenues of $128,537 for the second quarter against production costs of $66,648 resulting in a gross profit of $61,889. This represented an approximately 123% increase over the gross profit of $27,702 obtained during the first quarter. Production costs include all royalties, taxes and normal operating costs, as well as workover costs that were expended during the quarter. Net loss for the quarter was $261,160, as compared to a net loss of $51,811 during the comparable quarter of the prior year (see Table below).

4. SUMMARY OF QUARTERLY RESULTS CONT.

	July 31, 2006	**Apr 30, 2006**	**Jan 31, 2006**	**Oct 31, 2005**	**Jul 31, 2005**	**Apr 30, 2005**	**Jan 31, 2005**	**Oct 31, 2004**
Revenues:	128,537	89,005	-	-	-	-	-	-
	128,537	**89,005**	**-**	**-**	**-**	**-**	**-**	**-**
Expenses:								
Accounting and audit	16,500	4,500	16,000	450	6,700	4,275	11,421	1,125
Amortization	25,038	13,737	1,668	1,036	1,217	1,307	1,855	1,632
Foreign exchange loss (gain)	-	4,801	8,856	-	-	(1,687)	(4,073)	8,811
Interest on convertible debt	53,679	31,104	-	-	-	-	-	-
Investor relations	18,000	-	(6,281)	-	-	7,059	11,627	3,833
Legal	8,445	10,996	2,212	3,408	1,695	-	2,145	6,423
Office	61,635	10,426	3,643	3,490	9,085	3,993	7,549	2,914
Production costs	66,648	61,303	-	-	-	-	-	-
Project investigation fees	-	-	-	-	-	-	19,277	32,303
Rent (recovery)	6,820	5,598	6,003	5,651	5,463	5,463	5,462	5,463
Transfer agent and filing fees	10,474	7,499	1,046	2,617	16,301	6,859	1,414	4,139
Stock-based compensation	-	-	138,394	-	-	-	231,740	-
Wages, benefits and consulting	62,896	15,228	7,501	7,500	11,350	19,017	8,951	20,848
Impairment loss on mineral properties	59,562	-	131,699	-	-	-	961,407	-
Interest (income)	-	(734)	(1,304)	-	-	-	(538)	-
	389,697	**164,458**	**309,437**	**24,152**	**51,811**	**46,286**	**1,258,237**	**87,491**
Loss for the period	**(261,160)**	**(75,453)**	**(309,437)**	**(24,152)**	**(51,811)**	**(46,286)**	**(1,258,237)**	**(87,491)**
Basic Loss per Share	**(0.011)**	**(0.004)**	**(0.02)**	**(0.001)**	**(0.003)**	**(0.002)**	**(0.07)**	**(0.01)**
Weighted average number of common shares (thousands)	22,772	19,985	18,771	18,721	18,721	18,721	18,721	12,867

Amortization increased this quarter due to the purchase and subsequent period amortization of assets related to the Gordon Creek project (see Section 2 "Overall Performance"). *Interest on Convertible Debentures* relates to the issuance of convertible debentures in the amount of $1,850,000. The debentures bear interest at 10%, which is payable quarterly. The increase in *Office* was due to additional costs related to advertising, promotion and travel related to the Company's listing on the Frankfurt stock exchange and the Gordon Creek project. *Production Costs* are costs incurred with the operations of the Gordon Creek project.

4. SUMMARY OF QUARTERLY RESULTS CONT.

General Trends

During the course of the eight prior quarters TBD has seen a decrease in its investment in Mineral Properties and an increase in its investment in Oil and Gas Properties reflecting a change in the Company's business focus to energy related assets and operations.

In the second quarter of fiscal 2005 the Company acquired an interest in its 2^{nd} mineral exploration property, the S310 Property in Humboldt County Nevada. No exploration expenditures have been incurred on the S310 property to date, and in the current quarter, the Company dropped its option in the project.

In the third quarter of fiscal 2005, the Company through its wholly-owned subsidiary, MBA Energy Corporation acquired an interest in the Dover and Gautreau oil and gas projects and drilled an initial exploration well.

During the first quarter of fiscal 2007, the Company acquired the Gordon Creek project.

All of the foregoing are described in more detail under the heading "Resource Properties" above. The Company intends to expand its focus on resource exploration and production, with a short to medium term emphasis on expanding cash flow by expanding and developing its Gordon Creek project.

5. LIQUIDITY

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company has issued common share capital pursuant to private placement financings and exercise of warrants and options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of the continued access to significant equity financing.

During the first quarter of 2007, TBD acquired the Gordon Creek producing gas field which has started to generate positive cash flows for the Company. It is the Company's immediate intention to increase this cash flow by re-working existing wells and drilling additional wells, but the immediate costs of these activities will exceed the available cash flow from the project. Accordingly, additional near term funding will be required. As the Company expands its cash flow from Gordon Creek and other projects, funding requirements for future acquisitions and exploration programs will be mitigated.

At July 31, 2006, the Company had cash of $5,990 and a working capital deficit of approximately $279,018. The working capital deficit includes a current liability of $166,753, representing the current portion of the convertible debenture due in 2008. Subsequent to the end of the quarter, the company raised approximately $300,000 through the exercise of outstanding warrants.

The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations, other than convertible debentures. The Company has no "Purchase Obligations" defined as any agreement to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the proximate timing of the transaction.

6. CAPITAL RESOURCES AND TRANSACTIONS

The Company had no commitments for capital expenditures as of July 31, 2006. The Company has no lines of credit or other sources of financing which have been arranged at this time.

On March 13, 2006 the Company completed a private placement of two year, 10% convertible debentures in the principal amount of $1,850,000. The debentures will have a first charge over the assets of the Company. The principal amounts of the debentures are convertible, at the option of the holders, into an aggregate of 10,000,000 common shares of the Company at a rate of one share for each $0.185 of principal converted. Holders of the debentures will also receive two year warrants to purchase an aggregate of 10,000,000 additional common shares at a purchase price of $0.185 per share. Proceeds of the placement were used to acquire the Gordon Creek Project described above.

On April 4, 2006 the Company completed a private placement of 4,000,000 units at a price of $0.10 per unit. Each unit consists of one common share and a one year share purchase warrant. Each warrant entitles the holder to purchase an additional common share at price of $0.15 per share. Proceeds of the placement are to be used for working capital.

7. TRANSACTIONS WITH RELATED PARTIES

Koele Capital Corp, of which the President and CEO is a shareholder, was paid or accrued $15,000 in consulting fees for the quarter. The Company has an ongoing contractual arrangement with Koele Capital Corp to continue monthly consulting fees at $5,000/month.

Concurrent with the acquisition of the 50% working interest in the Gordon Creek project described above, Fellows Energy, Ltd. ("Fellows") acquired the other 50% interest. Fellows is a U.S. public company that has one member of its board of directors in common with TBD. Fellows received U.S. $750,000 of its financing for the acquisition from a private British Columbia Company called Black Tusk Entertainment Ltd. ("BTE"). Thunderbird Energy Inc., a wholly-owned subsidiary of TBD, agreed to guarantee the BTE loan to Fellows and share 50% of a 5% over riding royalty payable to BTE on production from the 8 wells currently drilled on the property. BTE also has the option to participate as to a 10% working interest in future drilling on the property. Three directors of TBD provided a portion of the BTE loan.

Certain directors and officers also participated in the convertible debenture financing and in the private placement completed after the year end as described under the heading "Capital Resources and Transactions" above.

a) In April 2006 the Company completed a private placement of 4,000,000 Units at a price of $0.10 per Unit, each Unit consisting of one common share and a one year non-transferable warrant to purchase an additional common share at a price of $0.15 per share. Certain directors and associates thereof purchased 2,780,000 of these Units.

b) In March of 2006 the Company completed a private placement of $1,850,000 2 year 10% convertible debentures. The principal value of the debentures are convertible into common shares of the Company at a price of $0.185 per share and the holders received 2 year warrants to purchase a corresponding number of additional common shares at a price of $0.185 per share. Certain directors and associates thereof purchased $760,000 of these debentures.

Thunderbird Films Inc, a company that shares common directors with TBD, was paid or accrued $12,548 in accounting fees, office reception and rent during the period, pursuant to a cost sharing arrangement between the two companies.

8. PROPOSED TRANSACTIONS

The Company has no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business before the board of directors for consideration.

9. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has adopted the standard in CICA Section 3870, Stock-based Compensation and Other Stock-based Payments, for accounting for stock options, as disclosed in Note 7(d) of its annual audited financial statements.

10. OTHER MD&A REQUIREMENTS

Additional information relating to the Company is available on Sedar at www.sedar.com.

11. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

(a) Capitalized or expensed exploration and development costs;

- Disclosure is presented in the Notes to the Financial Statements – Note 4 & 5

(b) Expensed research and development costs

- There were no expensed research and development costs during the period.

(c) Deferred development costs;

- Not applicable

(d) General and administration expenses; and

- Disclosure is presented in the Consolidated Statements of Loss and Deficit

(e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) to (d);

- Not applicable

12. DISCLOSURE OF OUTSTANDING SHARE DATA

(a) Securities issued during the period:

	Shares	Amount
Opening Balance as at July 31, 2006	$ 22,771,498	$ 11,568,665
Shares issued for cash	-	-
Less: Share issue costs	-	-
Closing Balance as at July 31, 2006	$ 22,771,498	$ 11,568,665

b) Summary of options granted and cancelled during the period:

Options	Number	Exercise Price	Expiry Date
Issued	400,000	$0.30	May 2011
Issued	250,000	$0.30	July 2011

(c) Summary of securities as at the end of the period

Authorized capital:

Class	Par Value	Number
Common	No par value	Unlimited

Issued and outstanding capital:

Number	Amount
22,771,498	$11,568,665

Summary of options, warrants and convertible securities outstanding:

Security	Number	Exercise Price	Expiry Date
Options	275,000	$0.55	August 2008
Options	405,000	$0.45	April 2009
Options	1,100,000	$0.30	July 2009
Options	1,720,000	$0.25	April 2011
Options	100,000	$0.22	April 2011
Options	400,000	$0.30	May 2011
Options	250,000	$0.30	July 2011
Warrants	4,000,000	$0.15	April 2007
Warrants	10,000,000	$0.185	March 2008

There are no shares held in escrow.

13. FORWARD LOOKING STATEMENTS

This discussion includes certain statements that may be deemed “forward-looking statement”. All statements in this discussion, other that statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially form those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

“CAMERON WHITE”
Cameron White, President & Chief Executive Officer

“STEPHEN CHEIKES”
Steven Cheikes, Director

The Company’s auditor’s have not reviewed the MD&A or the unaudited quarterly financial statements to which the MD&A relates.