

OVERVIEW AND HIGHLIGHTS

Growth

Thunderbird Energy Corp. (the “Company” or “Thunderbird”) is a Canadian based natural resource company focused on the exploration, exploitation, acquisition and production of natural gas and crude oil, primarily in the United States. The Company owns and operates a producing natural gas field in Carbon County Utah, known as the Gordon Creek field, and holds a 50% interest in a producing light oil project located in Rush County Kansas. The Company also has a pending agreement to acquire up to a 75% interest in a 20,000 acre oil exploration project in Weston County, Wyoming. Thunderbird's other holdings include an oil and gas exploration project adjacent to the Stoney Creek field in New Brunswick, Canada.

Reserves and Production

MHA Petroleum Consultants, Inc. of Denver, Colorado prepared a reserves evaluation report (the “MHA Report”) on the Company’s oil and gas interests in accordance with NI 51-101 effective January 31, 2007. Specifically, MHA’s report covers Thunderbird’s 50% interest in the Gordon Creek natural gas project, Carbon County, Utah and its 50% working interest in the Rush County, Kansas light oil project. MHA estimated the Company’s total proved and probable (2P) reserves at 10,297 MMCF of natural gas and 195,000 barrels of oil (1,170 MCFE) representing a ratio of approximately 10% oil and 90% gas. The MHA Report estimated the Net Present Value of Future Net Revenue discounted at 10% (PV10) of the Company’s combined oil and gas interests as of January 31, 2007 at US\$19.3 million, using forecasted prices and costs.

Effective June 1, 2007, the Company purchased the remaining 50% interest in the Gordon Creek natural gas project for approximately U.S. \$2,937,000. The Company now owns a 100% working interest in the Project, subject to varying royalties and participation rights. The field comprises 5,953 gross acres (4,879 net acres) with four gas wells currently producing and four wells that are shut in, as well as a gathering system and pipelines. During the quarter, Thunderbird initiated a three well development drilling program at Gordon Creek which is scheduled to conclude in the fourth quarter.

Acquisition Targets

Thunderbird has entered into an agreement to acquire, a 50% interest in an additional land position of approximately 5000 acres immediately adjacent to and North of the Gordon Creek project (“Gordon Creek North”).

Thunderbird also holds the right to acquire up to a 75% interest in a 20,000 acre, high impact, oil and gas exploration project on the north-eastern flank of the Power River Basin in Weston County, Wyoming.

It is expected that the Gordon Creek North and Weston County acquisitions will be completed in the fourth quarter. Thunderbird will be the operator of both projects.

PRODUCTION SUMMARY

	Three months ended October 31,		Nine months ended October 31,	
	2007	2006	2007	2006
Production:				
Natural gas (mcf)	21,377	26,711	81,010	77,059
Oil (bbls)	1,164	-	3,780	-
Total (mcf) (1:6)	28,362	26,711	103,692	77,059
Production volume split:				
Natural gas (%)	75%	100%	78%	100%
Oil (%)	25%	-	22%	-

This Management's Discussion and Analysis (MD&A) of the consolidated financial position and results of operations of Thunderbird Energy Corp. ("Thunderbird" or "the Company"), which includes its subsidiaries, was prepared as of December 20, 2007, and is for the three and nine months ended October 31, 2007 and 2006. For a full understanding of the financial position and results of operations of the Company, the MD&A should be read in conjunction with the documents filed on SEDAR, including historical financial statements and press releases. These documents are available at www.sedar.com. The selected financial information contained herein has been prepared in accordance with Canadian Generally Accepted Accounting Principles, and are expressed in Canadian dollars, unless otherwise noted.

The Company's natural gas production was shut down for approximately three weeks during the quarter due to pipeline quality issues experienced by Questar Corporation. The problems were un-related to Thunderbird's gas production and production resumed normally following the shut down.

Thunderbird's Board of Directors and Audit Committee have reviewed and approved the interim financial statements and MD&A.

FORWARD LOOKING STATEMENTS

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than 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 from 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.

Petroleum and natural gas reserves and volumes are converted to a common unit of measure, referred to as a mcf (thousand cubic feet equivalent), on the basis of 1 bbls of oil being equivalent to 6 thousand cubic feet of natural gas.

RESOURCE PROPERTIES

Gordon Creek, Utah

Late in the third quarter, Thunderbird commenced a three well drilling program on the Gordon Creek project. Thunderbird is the operator of the project and holds a 100% interest in the first two wells and a 50% working interest in the third well. It is expected that the drilling program will be completed in the fourth quarter

All three wells are targeting the Ferron formation and are step outs from three existing producing wells.

The Ferron is a cretaceous aged fluvial deltaic formation consisting of a sequence interbedded sands, shale, and coals. The Ferron is productive throughout Gordon Creek and has produced nearly 1 TCF of gas at the adjacent Drunkard's Wash gas field owned by Conoco Phillips.

Thunderbird has also entered into an agreement, subject to due diligence, to expand the Gordon Creek land position by acquiring a 50% working interest in approximately 5,000 acres ("Gordon Creek North") located adjacent to and immediately North of the Gordon Creek prospect, which will roughly double the overall land package.

Rush County, Kansas

During the first quarter of fiscal 2008, the Company completed a seven well drilling program whereby the Company earned a 50% working interest in five producing oil wells in Rush County, Kansas. The Company's share of production during the quarter was 1,183 barrels. Production from two of the wells was partially restricted due to delays in permitting a water disposal well connection. It is expected that the water disposal well will be online during the fourth quarter.

Weston County, Wyoming

The Company entered into an agreement to acquire a 50% interest in approximately 20,000 acres in Weston County, Wyoming. It is expected that this agreement will be completed during the fourth quarter. The Company has the further right to increase its interest to 75% by drilling three wells on the property. The purchase price for this acreage and the Gordon Creek North acreage referred to under the heading "Gordon Creek, Utah" above, is an aggregate of US\$385,000.

Having conducted a preliminary review of the project, the Company feels that these lands are prospective for large oil pools as well as shallow gas. The existing data includes approximately 200 miles of 2D seismic data and production records from an abandoned well that produced 30,000 barrels of oil. Company expects to complete a more extensive data review and analysis, in order to develop an exploration plan which will likely include 3D seismic and drilling.

RISKS AND TRENDS

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 cyclicity is the need for residential and commercial heating. 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. Accordingly, the spring and fall “shoulder seasons” are typically becoming the periods of lowest natural gas prices. The magnitude of this summer spike in natural gas prices is expected to increase in future years as natural gas continues to replace coal as a clean source of electrical power generation. In addition, issues relating to pipeline capacity constraints, pipeline maintenance and unscheduled shut downs, can temporarily impact regional pricing.

Oil and natural gas operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Thunderbird depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves Thunderbird may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Thunderbird’s reserves will depend not only of the Company’s ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by Thunderbird.

Thunderbird’s principal risks include finding and developing economic hydrocarbon reserves efficiently and being able to fund the required capital programs. The Company’s need for capital is both short-term and long-term in nature. Short-term working capital will be required to finance accounts receivable, drilling deposits and other similar short-term assets, while the acquisition and development of oil and natural gas properties require large amounts of long-term capital. Thunderbird anticipates that future capital requirements will be funded through a combination of internal cash flow, debt and/ or equity financing. There is no assurance that debt and equity financing will be available on terms acceptable to the Company to meet its capital requirements. If any components of the Company’s business plan are missing, the Company may not be able to exercise the entire business plan.

Although Thunderbird has no set policy concerning financial instruments, the management of Thunderbird may use financial instruments to reduce corporate risk in certain situations. Thunderbird currently has no hedging commitments in place although the Company will be considering various hedging and forward selling options with respect to a portion of its sales as production grows. See “Outlook” below. The Company does not foresee an immediate foreign exchange risk as the bulk of its operations are in the United States and both oil and natural gas are priced in U.S. dollars.

These risk factors should not be construed as exhaustive. There are a numerous factors, both known and unknown, that could cause results or events to differ materially from forecast results.

OUTLOOK

During fiscal 2007 Thunderbird established itself as a producer of both oil and natural gas and has assembled a significant land holding in the Rocky Mountain region of the United States. During the first half of fiscal 2008 Thunderbird has entered into agreements to expand its production and land position in Utah (see "Gordon Creek, Utah" above) and has secured the right to acquire a 20,000 acre oil exploration property in Weston County Wyoming.

The Company's objectives for fiscal 2008 are to build production, cash flow and natural gas reserves at the Gordon Creek project through workovers and drilling, following the completion of the pending acquisitions referred to above. The Company also intends to initiate an exploration program, consisting of 3D seismic and drilling, in Weston County Wyoming following the completion of that acquisition. The Company will continue to review further drilling opportunities in Kansas, but it is likely that the drilling activities for the balance of the current fiscal year will focus on the Gordon Creek Project in Utah. At the end of the third quarter the Company commenced a three well drilling program at the Gordon Creek prospect, Utah. Drilling and completion operations are expected to be completed in the fourth quarter.

North American prices for oil grew to over US\$90 per barrel during the quarter and natural gas prices remained relatively flat. The Company typically realizes a price of \$5 below Cushing spot prices for its Kansas oil sales and a price of \$1.50 to \$2.00 below NYMEX prices for natural gas. However, during the second and third quarter the negative price differential for natural gas in the Rocky Mountain region substantially widened due to short term constraints on pipeline capacity. At various times during the quarter, the negative price differential for natural gas was over \$5, resulting in a realized price to the Company of less than \$1.50 per Mcf. These supply constraints negatively impacted revenues for the second and third quarters. Additional pipeline capacity for the delivery of gas to Eastern Markets is currently being constructed and the next phase is scheduled to open during the Company's fourth quarter. This will provide a longer term delivery solution and contribute to a more favourable pricing regime. The Company is particularly impacted by these temporary supply constraints as all of its gas is currently sold into the spot market. As the Company grows its production base, it intends to investigate a variety of marketing options in order to reduce or alleviate the negative short term price fluctuations. These would include hedges and other forward sales techniques, long term sales contracts and long term firm capacity contracts.

QUARTERLY RESULTS

Income Statement:	Q3 2008	Q2 2008	Q1 2008	Year ended Jan. 31, 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Year ended Jan. 31, 2006	Q4 2006
Revenues	141,136	157,232	150,044	422,711	121,171	83,998	128,537	89,005	-	-
Direct costs	107,911	111,416	74,498	309,474	96,688	84,835	66,648	61,303	-	-
Gross operating income (loss)	33,225	45,816	75,546	113,237	24,483	(837)	61,889	27,702	-	-
Expenses:										
General and administrative	442,664	153,887	109,874	488,294	141,932	102,544	184,770	59,048	157,669	38,980
Interest charges	77,655	108,340	83,879	189,718	69,595	46,630	46,630	26,863	-	-
Convertible debenture accretion	4,896	13,160	12,347	35,300	16,749	7,261	7,049	4,241	-	-
Depletion, depreciation and amortization	173,633	127,804	18,920	234,679	164,386	31,518	25,038	13,737	5,228	1,668
Impairment loss on oil and gas properties	-	-	-	953,371	953,371	-	-	-	-	-
Impairment loss on mineral properties	-	-	-	59,562	-	-	59,562	-	131,699	131,699
Stock-based compensation	80,893	92,344	72,109	202,375	202,375	-	-	-	138,394	138,394
Interest income	(1,314)	-	-	(735)	(1)	-	-	(734)	(1,304)	(1,304)
	778,427	495,535	297,129	2,162,564	1,548,407	187,953	323,049	103,155	431,686	309,437
Loss for the period	(745,202)	(449,719)	(221,583)	(2,049,327)	(1,523,924)	(188,790)	(261,160)	(75,453)	(431,686)	(309,437)
Basic Loss per Share	(0.015)	(0.014)	(0.008)	(0.09)	(0.06)	(0.008)	(0.011)	(0.004)	(0.02)	(0.02)
Weighted average number of common shares (thousands)	49,750	31,555	27,344	22,893	24,516	24,203	22,772	19,985	18,737	18,771
Total assets	8,005,845	8,433,103	4,456,776	3,000,720	3,000,720	2,833,779	2,796,904	2,976,536	1,134,538	1,134,538
Total liabilities	4,649,569	4,502,517	3,531,498	3,299,384	3,299,384	1,876,258	1,950,143	1,868,615	412,827	412,827

QUARTERLY RESULTS (cont.)

Operations

During the third quarter of 2008 revenues increased 68% over the third quarter of 2007 due to revenues from the Rush County oil wells being reported for the entire period. There were no revenues from this property in the third quarter of the prior year. Revenues from the Rush County project represented 39% of total revenues for the quarter, while operating expenses for Rush County represented 26% of total operating expenses. Although the Company's acquisition of the remaining 50% interest in Gordon Creek was effective during the quarter, revenues from the Gordon Creek project were consistent compared to fiscal 2007 due to declining natural gas prices during the past two quarters and declining production volumes due to a production shutdown. Gordon Creek operating expenses decreased 6% in the third quarter of 2008 compared to the third quarter of 2007 primarily due to change in foreign exchange rates in the past year and less workover expenses.

General and administrative

General costs include such items as advertising and promotions, debt issue costs, investor relations, office rent, accounting fees, legal fees, professional and consulting fees, filing fees, transfer agent fees, travel costs and foreign exchange gain or loss, as well as general office expenses. During the third quarter, general costs increased 331% from the third quarter of fiscal 2007 primarily due to the increase in travel, investor relations and professional fees. A large part of this increase is due to the costs associated with the acquisition and initial operation of the remaining 50% interest in Gordon Creek project late in the second quarter.

The Company also entered into a Commitment Letter with Macquarie Bank during the quarter and incurred significant legal fees and costs associated with the agreement. An initial draw down of U.S. \$2 million was completed during the quarter.

Interest charges and convertible debenture accretion

Interest charges relate to the November 2006 issuance of \$1,325,000 of convertible debentures with an interest rate of 12%, paid quarterly, as well as interest paid on the debt assumed in the acquisition of the remaining 50% of the Gordon Creek property. Included in interest charges is also U.S. \$9,500 of interest paid to Macquarie Bank Limited related to the U.S. \$2 million draw down completed during the quarter.

Depletion, depreciation and amortization

The Company follows the full-cost method of accounting for oil and gas properties, whereby all capitalized costs relating to the acquisition, exploration and development of oil and gas activities are amortized against future income using the unit-of-production method. This method is based on production volumes before royalties in relation to total estimated proved reserves as determined by independent engineers. MHA Petroleum Consultants, a firm of independent petroleum engineers, estimated Thunderbird's reserves as of January 31, 2007 in accordance with National Instrument 51-101.

Stock-based compensation

During the period, 200,000 options were exercised at a price of \$0.30. No options were granted in the third quarter.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company's primary source of funding has been the issuance of equity securities and convertible debentures for cash. The Company has issued common share capital pursuant to private placement financings, the conversion of convertible debentures and the 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.

At October 31, 2007, the Company had unrestricted cash of \$1,217,691 and working capital deficit of approximately \$1,762,323. The working capital includes a current liability of \$159,000, representing the current portion of the convertible debenture interest due in 2008. Working capital also includes a U.S. \$2 million (Cdn \$1,956,000) bridge loan obtained from Macquarie Bank during the period that is intended to be converted into a long term debt facility. During the period, the Company also raised \$60,000 through the exercise of options priced at \$0.30.

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.

The Company had no commitments for capital expenditures as of October 31, 2007.

Subsequent to the period end, the Company was in the final due diligence stage of entering into a U.S.\$50 million credit facility with Macquarie Bank Limited, which included a U.S.\$2 million bridge loan entered into during the quarter. Under this debt facility the Company will issue 13 million warrants to Macquarie. The first tranche of warrants granted in the amount of 9 million warrants entitles the holder to purchase one common share without par value of the Company at a price of \$0.50 per share. The second tranche of warrants granted in the amount of 4 million warrants entitles the holder to purchase one common share without par value of the Company at a price of \$1.00 per share. These warrants vest over a two year period, commencing upon the close of the facility and the 4 million warrants exercisable at \$1.00 will not vest until the Company has drawn down at least \$15 million.

TRANSACTIONS WITH RELATED PARTIES

Koele Capital Corp, of which the President and CEO is a shareholder, was paid \$22,500 in consulting fees for the quarter. The Company has an ongoing contractual arrangement with Koele Capital Corp to pay consulting fees of \$7,500 per month.

Thunderbird Films Inc, a company that shares common directors with Thunderbird, was paid \$20,779 for the quarter in accounting fees, office reception, rent and supplies during the quarter, pursuant to a cost sharing arrangement between the two companies.

Black Tusk Entertainment Ltd., a partnership in which certain directors and associates have an interest in Thunderbird, was paid royalties of \$2,555 for the quarter.

DISCLOSURE OF OUTSTANDING SHARE DATA

Securities issued during the period:

	Shares	Amount
Balance as at January 31, 2006	18,771,498	\$ 11,171,592
Shares issued for cash	4,000,000	400,000
Shares issued on exercise of warrants	1,745,000	299,550
Less: Share issue costs	-	(2,500)
Balance as at January 31, 2007	24,516,498	\$ 11,868,642
Subsequent to year-end		
Shares issued for cash	3,499,832	1,049,950
Less: Share issue costs	-	(144,034)
Shares issued on exercise of warrants	11,444,184	2,000,447
Shares issued on exercise of options	215,000	63,750
Conversion of debentures	9,999,994	1,850,000
Stock based compensation	100,000	30,000
Equity component of debentures	-	8,281
Balance as at December 20, 2007	49,775,508	\$ 16,727,036

There were no options granted or cancelled during the period:

Summary of securities as at December 20, 2007:

Authorized capital:

Class	Par Value	Number
Common	No par value	Unlimited

Issued and outstanding capital:

Number	Amount
49,775,508	\$ 16,727,036

DISCLOSURE OF OUTSTANDING SHARE DATA (cont.)

Summary of options, warrants and convertible securities outstanding as of December 20, 2007:

Security	Number	Exercise Price	Expiry Date
Options	275,000	\$ 0.55	August 2008
Options	230,000	\$ 0.45	April 2009
Options	800,000	\$ 0.30	July 2009
Options	1,405,000	\$ 0.25	April 2011
Options	100,000	\$ 0.22	April 2011
Options	250,000	\$ 0.30	July 2011
Options	300,000	\$ 0.30	March 2012
Options	300,000	\$ 0.40	May 2012
Warrants	810,810	\$ 0.185	March 2008
Warrants	60,000	\$ 0.50	December 2007
Warrants	1,924,910	\$ 0.50	March 2008
Warrants	349,983	\$ 0.30	March 2008

There are no shares held in escrow.

As of December 20, 2007, there were \$1,325,000 of two year convertible debentures outstanding, convertible to common shares at a rate of \$0.50 per share for the first year and at a rate of \$0.60 for the second year.

DISCLOSURE CONTROLS AND PROCEDURES

In conformance with the Canadian Securities Administrators Multilateral Instrument 52-109, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, deal with the matter of disclosure controls and procedures.

Disclosure Control Risks

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the disclosure controls and procedures as at October 31, 2007 and, based on that evaluation, believe them to be effective given the size and nature of the Company's operations. All control systems by their nature have inherent limitations and, therefore, Thunderbird's disclosure controls and procedures are believed to provide reasonable, but not absolute, assurance that:

- (a) the communications by the Company with the public are timely, factual and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements;
- (b) non-publicly disclosed information remains confidential; and
- (c) trading of the Company's securities by directors, officers and employees remains in compliance with applicable securities laws.

DISCLOSURE CONTROLS AND PROCEDURES (cont.)

Internal controls over financial reporting

The Chief Executive Officer and the Chief Financial Officer have supervised the design of internal controls over financial reporting and these controls were in place as at October 31, 2007. The Chief Executive Officer and the Chief Financial Officer believe the internal controls, including compensating controls to overcome the lack of certain segregation of duties, and reliance on specialists for complex, non-routine transactions, are designed appropriately given the nature and size of the Company's operations, and that a material deficiency in design does not exist. While management believes the Company's internal controls and procedures provide a reasonable level of assurance that they are reliable, because of their inherent limitations, internal controls over financial reporting may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control systems are met.

"CAMERON WHITE"

Cameron White, President & Chief Executive Officer

"TIMOTHY GAMBLE"

Timothy Gamble, Director
