THUNDERBIRD
ENERGY

QUARTER ENDED JULY 31, 2008
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW AND HIGHLIGHTS

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. Thunderbird also holds interests ranging from 95% - 100% in a roughly 20,000 acre exploration project in Weston County, Wyoming.

Mid-way through the second quarter the Company strengthened its management team and Board of Directors with the addition of David Evans as Chairman and Rick Ironside as Chief Operating Officer. David Evans holds a B. Sc. (Honours), (London) as well as a Ph. D. Geology (Wales). He has 30+ years of experience in the oil and gas industry, in both technical and senior management roles. Most notably, Mr. Evans has created, grown and ultimately merged or sold three very successful oil and gas public companies, namely Barrington Petroleum Ltd., Defiant Energy Corporation and Defiant Resources Corporation. Rick Ironside P. Eng. holds a B.Sc. Engineering (Calgary) and an MBA (Ivey School of Business). He has nearly thirty years of broad based, petroleum industry experience, including ten years in senior management roles. Most recently, Mr. Ironside served as President and CEO of Defiant Resources Corporation.

Immediately upon joining the Company, Messrs. Evans and Ironside implemented an overall review of the Company's Gordon Creek, Utah and Weston County, Wyoming projects, with a view to implementing a go forward plan. Late in the quarter, the Company initiated the first phase of a workover plan at Gordon Creek which involved replacing, and in some cases re-designing the downhole pumping system on certain of the producing wells. This stage of work is scheduled for completion in Q3 with the results expected in Q3 and Q4. The second phase of this program will involve re-activating two of the presently shut in wells, as well as designing a frac treatment to initially test one of the three wells drilled in late fiscal 2008.

During the second quarter of fiscal 2009, the Company completed a brokered private placement for $3,300,000 with D&D Securities Company and PowerOne Capital Markets Limited of Toronto, Ontario. The brokered private placement consisted of 16,500,000 units of the Company at a price of $0.20 per unit. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $0.25 per share for a period of one year. The brokers received cash commission of $174,650, and broker's warrants exercisable to purchase 1,247,500 additional units at a price of $0.20 per unit until June 26, 2009.

Subsequent to the end of the quarter, the Company completed the previously announced agreements to increase its interest in the Weston County Wyoming project and the Gordon Creek (North) acreage from 50% to 95%.

This Management's Discussion and Analysis ("MD&A") of the consolidated financial position and results of operations of Thunderbird, which includes its subsidiaries and partnership arrangements, was prepared as of September 26, 2008, and is for the three and six months ended July 31, 2008 and 2007. For a full understanding of the consolidated 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.

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

RESOURCE PROPERTIES

Gordon Creek, Utah
The Company is the owner and operator of the Gordon Creek natural gas field located in Price, Utah. The Gordon Creek field comprises roughly 5,000 acres and includes four producing wells and ten shut-in wells. Three of the shut in wells were drilled in the fourth quarter of fiscal 2008, two of which were completed as potential gas wells. The Gordon Creek project also includes an associated gas gathering and water disposal system consisting of ten km of pipeline, a scalable compression facility and a disposal well. These facilities service the Company's production as well as adjacent third party production for which the Company earns gathering fees and disposal fees.

Gas is marketed into a transmission pipeline operated by Questar Gas Resources that crosses the project acreage. The property is adjacent to the Drunkards Wash natural gas field which is owned by Conoco/Phillips and produces over four billion cubic feet (Bcf) of gas per month.

Production in the region is largely from the formation known as the Ferron formation. The Ferron is a member of the much larger Mancos Shale and is a cretaceous aged fluvial deltaic formation consisting of a sequence interbedded sands, shale, and coals. The Ferron is productive throughout region including the adjacent Drunkard's Wash field (Conoco/Phillips) and Clear Creek field (Marion Energy). The productive horizons in the Ferron formation are overlain and underlain by extensive shale features – the Mancos shale above and the Tununc shale below – both of which have been productive in the region. In addition to continuing development of the conventional Ferron production, Thunderbird is investigating opportunities to commercially produce gas from the Mancos Shale.

The company has recently completed two separate agreements to acquire a 95% interest in 5,000 additional acres ("Gordon Creek North") located adjacent to and immediately north of the Gordon Creek prospect.

Rush County, Kansas
Thunderbird holds a 50% working interest (45% net profit interest) in five producing light oil wells in Rush County, Kansas. All the Company's oil reserves and revenues are attributable to the Rush County, Kansas project.

Weston County, Wyoming
The Company holds interests ranging from 95% to 100% in approximately 20,000 acres located in Weston County, Wyoming.

The Weston County project is located in a prolific oil and gas producing area of the Eastern Power River Basin. The project has a number of conventional oil and natural gas targets in the Dakota and Minnelusa formations. The Cretaceous Dakota and Permo-Penn Minnelusa are both highly productive sandstone reservoirs when found in the trapping positions and have accounted for hundreds of millions of barrels of production in the Powder River Basin. Dakota and Minnelusa fields in the vicinity of the Weston county Project have cumulative production to date of one hundred million barrels of oil and forty Bcf of natural gas.

Approximately two hundred miles of 2D seismic data were shot over the subject lands in the early 1980's. Thunderbird is currently in the process of acquiring and re-processing certain of the 2D data and designing a 3D program to cover portions of the lands that appear highly prospective for both Dakota and Minnelusa production. The Company is also reviewing a number of potential development style drilling opportunities on the project.

SELECTED QUARTERLY RESULTS *(unaudited)*

Balance Sheet:	**Q2 2009**	**Q1 2009**	**Q4 2008**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**
Current assets	1,652,255	1,108,098	831,427	1,736,002	2,287,937	1,300,945	238,372	129,314
Other assets	10,068,712	8,534,891	8,926,427	6,269,843	6,145,166	3,155,831	2,762,348	2,704,465
Total assets	**11,720,937**	**9,642,989**	**9,757,854**	**8,005,845**	**8,433,103**	**4,456,776**	**3,000,720**	**2,833,779**
Current liabilities	2,291,700	3,622,450	4,236,231	3,498,325	3,356,775	696,076	536,504	239,393
Other liabilities	4,231,738	4,188,302	3,634,162	1,151,244	1,145,742	2,802,672	2,762,880	1,636,865
Shareholders' equity	5,197,499	1,832,237	1,887,461	3,356,276	3,930,586	958,028	(298,664)	957,521
Total equity and liabilities	**11,720,937**	**9,642,989**	**9,757,854**	**8,005,845**	**8,433,103**	**4,456,776**	**3,000,720**	**2,833,779**

Income Statement:	**Q2 2009**	**Q1 2009**	**Q4 2008**	**Q3 2008**	**Q2 2008**	**Q1 2008**	**Q4 2007**	**Q3 2007**
Net Revenue	305,669	391,864	393,051	146,472	164,830	159,122	127,346	90,367
Expenses:								
Operating costs	188,884	181,258	374,375	113,247	119,014	83,576	102,863	91,204
General and administrative	268,102	216,078	664,626	442,664	153,887	109,874	141,932	102,544
Interest, accretion and debt service costs	251,115	246,524	222,167	77,655	108,340	96,226	86,344	53,891
Depletion, depreciation and accretion	144,549	149,131	93,482	178,529	140,964	18,920	164,386	31,518
Impairment loss on oil and gas properties	-	-	-	-	-	-	953,371	-
Stock-based compensation	41,810	23,988	27,746	80,893	92,344	72,109	202,375	-
Interest income	(1,273)	(1,209)	(2,559)	(1,314)	-	-	(1)	-
	893,187	**815,770**	**1,379,837**	**891,674**	**614,549**	**380,705**	**1,651,270**	**279,157**
Net loss for the period	**(587,518)**	**(423,906)**	**(986,786)**	**(745,202)**	**(449,719)**	**(221,583)**	**(1,523,924)**	**(188,790)**
Basic and diluted loss per share	**(0.009)**	**(0.010)**	**(0.019)**	**(0.015)**	**(0.014)**	**(0.008)**	**(0.062)**	**(0.008)**
Weighted average number of shares outstanding (thousands)	62,738	50,227	49,769	49,750	31,555	27,344	24,516	24,203

Revenues

Revenues for the first six months of fiscal 2009 were approximately 107% higher than the first six months of fiscal 2008, as a result of higher production levels and higher commodity prices. However, second quarter revenues decreased 25% over the first quarter of 2009, due in large part to the decrease in natural gas prices during the quarter. Gordon Creek natural gas and other revenues represent 98% of total revenues, while the Rush County oil revenues represent 2% of the Company's revenues. Oil revenues decreased during the period as a result of the bankruptcy of Houston based Semcrude, the purchaser of the Company's Rush County oil production. A new oil purchaser has been contracted, but the Company's share of oil production and the resultant revenues and expenses for the months of June and July have not been included in the current quarter pending a determination by the bankruptcy court.

Production Summary

The following table summarizes the production for the second quarter of 2009 and 2008:

	Three months ended July 31		Six months ended July 31,	
	2008	**2007**	**2008**	**2007**
Production:				
Natural gas (mcf)	**47,717**	38,780	96,108	59,633
Oil (bbls)	**185***	1,183	1,098	2,616
Total (mcfe) (1:6)	**48,827**	45,876	102,696	75,329
Production split:				
Natural gas (%)	**98%**	85%	94%	79%
Oil (%)	**2%**	15%	6%	21%

* *excludes Rush, County Kansas oil production for the months of June and July*

Operating costs

To date, the Company has not capitalized any workover expenses; therefore operating expenses include all normal operating costs as well as workover costs for both the Gordon Creek and the Rush County projects. The Company is currently reviewing this policy. Workover costs for the first quarter and second quarter were approximately $42,000 and $80,000 respectively. For the three months ended July 31, 2008, Gordon Creek expenses were 94% of the total operating expenses, while Rush County operating expenses were 6% of the total operating expenses. As indicated above, expenses related to oil revenues for the months of June and July have not been included in the current quarter pending a determination by the bankruptcy court.

General and administrative

General costs include such items as office rent, accounting fees, legal fees, professional and consulting fees, filing fees, salaries and wages, transfer agent fees, travel costs, advertising and promotions, investor relations, and foreign exchange gain or loss, as well as general office expenses. G&A expenses increased 25% in the second quarter over the first quarter of fiscal 2009. The increase is mainly due to the expansion of the Company's Calgary office, the addition of new technical and management personnel and additional audit fees incurred related to the 2008 year-end audit of the Company. These increased costs were partially offset by a decrease in costs in the areas of investor relations, professional fees and filing fees.

Interest, accretion and debt service costs

Interest charges relate to the long term credit facility ($58,119) and interest accrued ($15,380) on unsecured debts owed to related parties. Interest charges also include $40,077 in interest paid on the November 2006 issuance of 12% convertible debentures. Accretion costs of $5,426 relate to the accretion on the convertible debentures. Debt service costs of $132,113 relate to the fair value of warrants issued to Macquarie. Interest, accretion and debt service costs remained consistent with the first quarter of 2009.

Depletion, depreciation and accretion

Depletion, depreciation, and accretion is consistent with first quarter of 2009. 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 estimated Thunderbird's reserves as of January 31, 2008 in accordance with NI 51-101.

Stock-based compensation

The Company granted 1,200,000 of stock options during the quarter priced at $0.20 to new directors of the Company. In accordance with CICA Handbook section 3870, the fair value of the stock options granted are expensed over their vesting period with a corresponding increase to contributed surplus. Using the Black-Scholes option pricing model for valuing shares, Thunderbird assumed a volatility rate of 104%, an expected life of 4.35 years, a risk-free rate 3.43%, and a 0% dividend yield.

OUTLOOK

As outlined in the section captioned "Overview and Highlights" above, the Company substantially strengthened its management team during the second quarter and initiated a review of the Company's operations in Utah and Wyoming. Under the guidance of Rick Ironside, the Company has designed a multi-phase development plan for the Gordon Creek, Utah project, the implementation of which commenced at the end of the second quarter. The first phase of the plan is designed to maximize the sustainable production rates from the existing producing wells on the property, and to begin to reactivate former producers. The impact of this first phase of operations should begin to be realized in the third and fourth quarters of the current fiscal year. The next phases of the development plan will include further reactivations as well as designing a fracture stimulation and production test on one of the wells drilled by the Company in late fiscal 2009. The Company is also currently reviewing existing geophysical data at Gordon Creek with a view to designing a 2D seismic program in order to identify future drilling locations.

Short-term constraints on pipeline capacity in the prior year had negative price differential for natural gas in the Rocky Mountain region. These supply constraints, combined with generally lower natural gas prices, severely impacted revenues for the second and third quarters of 2008. The basis price spread during these quarters (i.e. the negative differential price between Rockies and NYMEX prices), increased from its traditional $1 to $2 range to as high as $5. In January 2008, Phase two of the Rocky Mountain Express ("REX") pipeline was completed and the basis price spread returned to more traditional levels. The third and final phase of the REX pipeline is scheduled for completion in early 2009 and should help provide long-term price stability for natural gas produced in the Rockies.

Natural gas prices for the first two quarters of fiscal 2009 remained relatively strong; however, prices are expected to soften during the Company's third fiscal quarter due to traditional seasonal price reductions and due to scheduled pipeline maintenance. In anticipation of this, the Company entered into a fixed price contract to sell roughly forty percent of existing production through the third quarter at a price of $7.59/mcf.

During the first and second quarters of fiscal 2009, the Company expanded its land position in Wyoming so that it presently owns interest ranging from 95% to 100% in approximately 20,000 acres. The Company has conducted a substantial geological review of the region and the Company's lands and is currently re-processing portions of an extensive 2D seismic program shot in the early 1980's. The Company has identified a number of exploration opportunities within the acreage and on surrounding lands. These opportunities range from high impact exploration targets to more development style drilling opportunities offsetting existing or former producing wells. The Company is continuing its review of available geological and geophysical data in order to identify and prioritize existing drill targets, as well as designing a 3D seismic program aimed at delineating the most highly prospective exploration pools. It is expected that this review will be completed in the third quarter.

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. The primary driver for this cyclicality 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 there from 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-tem 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 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 hedges, the management of Thunderbird may use hedging contracts to reduce corporate risk in certain situations. Thunderbird currently has no hedging commitments in place and has no present intention to implement any hedging commitments.

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

LIQUIDITY AND CAPITAL RESOURCES

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 shares 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.

At July 31, 2008, the Company had cash of $1,054,186 and a working capital deficit of $639,445. The working capital deficit includes a current liability of $1,294,918, representing the current portion of the convertible debenture interest and repayment due in the third quarter. Insiders of Thunderbird are the holders of approximately 45% of the 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 July 31, 2008. The Company has no lines of credit or other sources of financing which have been arranged at this time, other than those listed below.

Long-Term Debt
The Company has a long-term credit facility agreement with Macquarie Bank Limited that provides up to a maximum commitment of U.S. $50 million, subject to an availability limit, for the development of the Company's existing oil and natural gas projects and future acquisitions. At July 31, 2008, U.S. $4,089,975 (Cdn $4,187,317) is owed under this facility.

Convertible debentures
Debentures with the face value of $1,325,000 issued in November of 2006 at 12% interest, paid quarterly, are still outstanding and due in November 2008.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Note 2 of its audited consolidated financial statements as at January 31, 2008 and 2007. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates relate primarily to the future development costs associated with proved undeveloped reserves, reserve volumes, future production and revenues, future costs associated with asset retirement obligations and stock based compensation. The Company has its oil and gas reserves, future development costs and future cash flows from those reserves evaluated and reported on by MHA Consultants, independent petroleum reserve engineering consultants. The estimation of these amounts is a subjective process based on engineering data, forecasted prices and production levels and the timing of expenditures. All of these estimates are subject to numerous uncertainties and various interpretations, and consequently will change over time to reflect updated information as it is received.

No changes have been made to the Company's critical accounting policies and estimates in the three months ended July 31, 2008.

ADOPTION OF NEW ACCOUNTING POLICIES

Effective February 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

Section 1535, "Capital Disclosures", establishes standards for disclosure of an entity's objectives, policies and processes for managing capital. In addition, this standard requires disclosure of summary of quantitative and qualitative information about what an entity manages as capital.

Sections 3862, "Financial Instruments – Disclosures" and 3863, "Financial Instruments - Presentation", replace CICA handbook section 3861 "Financial Instruments – Disclosure and Presentation" and specify a revised and enhanced disclosure on financial instruments. Increased disclosure is required on the nature and extent of risks arising from financial instruments and how the entity manages those risks.

TRANSACTIONS WITH RELATED PARTIES

During the second quarter, consulting fees paid to related parties included $22,500 paid to Koele Capital Corp., of which the President and CEO is a shareholder, $17,100 to Westrich Resources Inc, of which the Chief Operating Officer is a shareholder and $5,000 to Bar Anchor Five Ranch Ltd, of which the Chairman of the Board of Directors is a shareholder. The Company has an ongoing contractual arrangement with Koele Capital Corp to pay consulting fees of $7,500 per month.

Companies that share common directors with Thunderbird were paid $53,830 in accounting fees, office reception, rent, telephone, supplies and computer expenses and maintenance during the quarter, pursuant to a cost sharing arrangement between the companies.

During the quarter, the Company acquired the royalty interests of Black Tusk Entertainment ("BTE") in the Gordon Creek Project, as well as BTE's participation rights in further drilling, for $1 million, payable by way of $300,000 cash and the issuance of 2,000,000 shares at a deemed price of $0.35 per share. BTE is a partnership in which certain directors or their associates of Thunderbird have an interest.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at September 26, 2008 the Company had the following common shares and stock options outstanding:

Common Shares	69,079,492
Share Purchase Warrants	24,871,168
Stock Options	4,450,000

There are no shares held in escrow.

As of September 26, 2008, there was $1,325,000 of two-year convertible debentures outstanding, convertible into common shares at rates of $0.50 per share and $0.60 per share.

FORWARD LOOKING STATEMENTS

This discussion includes certain statements that may be deemed "forward-looking statement". 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 mcfe (thousand cubic feet equivalent), on the basis of 1 bbls of oil being equivalent to 6 thousand cubic feet of natural gas.

"CAMERON WHITE"
Cameron White, President & Chief Executive Officer

"STEPHEN CHEIKES"
Steven Cheikes, Director