

Western Plains Petroleum Ltd. (formerly Saha Petroleum Ltd.)

MANAGEMENT'S DISCUSSION & ANALYSIS (Amended April 7, 2010)

Six Months Ended June 30, 2009

This management discussion and analysis ("MD&A") of Western Plains Petroleum Ltd. (formerly Saha Petroleum Ltd.), (the "Corporation") for six months ended June 30, 2009 contains financial highlights but does not contain the complete financial statements of the Corporation. It should be read in conjunction with the Corporation's audited financial statements for the year ended December 31, 2008 and unaudited financial statements for the six months ended June 30, 2009. Additional information is available on SEDAR at www.sedar.com. The financial information presented herein has been prepared on the basis of Canadian generally accepted accounting principles ("GAAP"). All references to dollar amounts are in Canadian dollars.

This MD&A is amended April 7, 2010 to restate certain financial components to agree with amended financial statements also filed on April 7, 2010 and as explained in the press release dated March 10, 2010.

The restatements affect the following items:

- depletion has been restated for each of the quarters in 2009,
- a gain has been recorded on the property disposal in Q2 09, and
- general and administrative expenses have been restated for each the quarters in 2009, primarily related to how the costs are allocated among the quarters.

NON-GAAP MEASURES

The Corporation's management uses and reports certain measures not prescribed by generally accepted accounting principles (referred to as "non-GAAP measures") in the evaluation of operating and financial performance. Operating netback, which is calculated as average unit sales prices less royalties and operating expenses, and corporate netback, which further deducts administrative and interest expense, represent net cash margin calculations for every barrel of oil equivalent sold. Net debt, which is current assets less current and other financial liabilities (e.g. note payable), is used to assess efficiency and financial strength. Operating netback, corporate netback and net debt do not have any standardized meanings prescribed by GAAP and therefore may not be comparable with the calculation of a similar measure for other companies. The Corporation uses these terms as an indicator of financial performance because such terms are often utilized by investors to evaluate junior producers in the oil and natural gas sector.

Forward-Looking Statements *The matters discussed in this MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning. In addition, any statement that may be made concerning future performance, strategies or prospects and possible future corporate action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date. Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Corporation. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. The Corporation disclaims any intention or obligation to update or revise these forward-looking statements as a result of new information, future events or otherwise, except as required under applicable securities laws.*

Western Plains Petroleum Ltd. (formerly Saha Petroleum Ltd.)

MANAGEMENT'S DISCUSSION & ANALYSIS

Six Months Ended June 30, 2009

CORPORATION OVERVIEW

Western Plains Petroleum Ltd. (the "Corporation" or "Western Plains") was originally incorporated as Mises Capital Corporation under the Business Corporations Act (Alberta) on November 19, 2004 and was classified as a Tier 2 "oil and gas exploration and production" corporation under the symbol "MPP" on the TSX Venture Exchange ("TSXV") on August 11, 2006. On April 1, 2008, the Corporation changed its name to "Saha Petroleum Ltd." and began trading under the symbol "SPZ" on the TSXV on April 25, 2008. On August 24, 2009, the Corporation changed its name to "Western Plains Petroleum Ltd." and began trading under the symbol "WPP" on the TSXV on August 25, 2009.

SIGNIFICANT EVENTS AND OUTLOOK

In May 2009 a producing oil property in Saskatchewan was sold for proceeds of \$2.7 million. The proceeds consisted of cash of \$1.2 million and the assumption of notes payable of \$1.5 million, resulting in a gain on disposal of \$0.4 million. In the three months ended September 30, 2009, the Corporation made three acquisitions of oil properties from arm's length vendors for cash consideration totaling \$0.5 million. All properties are located in the Lloydminster area of eastern Alberta. Eleven (11 net) wells produced in Q4 09.

Refer to Table A in the "Quarterly Summary" on page 7 for production rates, operating results and revenue and costs on a per bbl basis. Production during the six months ended June 30, 2009 averaged 157 bbl per day. Production in Q2 09 was less than prior quarters due to the sale of Golden Lake wells.

Western Plains realized \$52.53 per bbl for its heavy oil in Q2 09 which was an increase from an average of \$36.50 per bbl in Q1 09.

The Corporation continues to strengthen its financial position with stable production volumes, higher oil prices, control over costs and the plan to raise additional equity described under the heading Liquidity and Capital Resources. The Corporation intends to participate in upcoming land sales to add to its base of developed and undeveloped properties as well as to continue to seek favourable property acquisitions consistent with its strategy.

LIQUIDITY AND CAPITAL RESOURCES

Refer to Table B in the "Quarterly Summary" on page 7 for key components of the Corporation's Balance Sheet. The sale of wells in the Golden Lake area generated cash of \$1,200,000 (\$1.5 million of debt was also assumed) and these funds were used to pay off the bank debt in full. No other financing was undertaken in the six months ended June 30, 2009. The remaining note payable was settled in July 2009 by issuing 5,680,000 common shares pursuant to a debt settlement agreement. The fair value of the common shares was \$198,800, based on the trading value of the Corporation's common shares on the settlement agreement date. The Corporation recorded \$85,200 as a gain on this debt settlement.

In December 2009, the Corporation issued 3,352,940 units at a price of \$0.085 per Unit pursuant to a private placement for gross proceeds of \$285,000. Each unit was comprised of one common share issued on a flow through basis under applicable tax law, and one common share purchase warrant, each warrant exercisable into one common share. Each of the 3,352,940 warrants has a term of 12 months from the date of issuance at an exercise price of \$0.15 per share. In January 2010 Western Plains further strengthened its financial position with the issue of 1,877,500 common shares at a price of \$0.08 per share in a private placement, for gross proceeds of \$150,200 and no finders' fees.

As at June 30, 2009, the Corporation had a deficit and had a record of operating losses (refer to “Quarterly Summary” on page 7). The Corporation’s ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds there from, and to continue to obtain new financing (equity or debt) sufficient to meet current and future needs. The financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Corporation were unable to continue as a going concern.

OPERATING RESULTS FOR 2009 (Refer to Table A in “Quarterly Summary” on page 7)

- **Production, prices, royalties and production expense**

The May 2009 disposal of all producing wells in the Golden Lake area reduced production. These wells averaged approximately 180 bbls per day in April 2009. The new wells acquired in Q3 09 were reactivated over the course of Q3 09 and Q4 09. Production by quarter is shown in Table A in the “Quarterly Summary” and the reduction in Q2 09 was explained by the property sale.

The Corporation received petroleum sales revenue of \$1,181,367 (\$41.67 per bbl) for the six months ended June 30, 2009 which was reduced by \$266,792 (\$9.41 per bbl) of royalties and production expenses of \$368,717 (\$13.00 per bbl) for operating net back of \$545,858 (\$19.25 per bbl).

The realized average prices per bbl for each of the quarters in Table A of the “Quarterly Summary” are consistent with the Hardisty heavy oil benchmark also set out in the table. Western Plains realized \$52.53 per bbl for its heavy oil in Q2 09 which was an increase from an average of \$36.50 per bbl in Q1 09. Oil prices peaked in Q2 and Q3 of 2008 which explains why the realized price for Western Plains in Q2 09 is much lower than the realized price in Q2 08 of \$97.98.

Table A in the “Quarterly Summary” shows royalty expense as a per cent of oil sales is consistent over the quarters. A reduction in the royalty burden was achieved in subsequent quarters relating to the sale of the Golden Lake properties in May 2009. Those Saskatchewan wells incurred a higher royalty burden than Alberta wells. Most production subsequent to the May 2009 property sale was from Alberta wells.

A significant portion of production costs are fixed and therefore production expense per bbl varies significantly with volume. Production costs per bbl can be expected to decline as new well start producing.

- **General and administrative expense**

General and administrative expenses of \$102,470 (\$13.10 per bbl) for the three months ended June 30, 2009 compares to \$274,522 for the three months ended June 30, 2008. General and administrative expenses of \$257,512 for the six months ended June 30, 2009 compares to \$356,832 for the six months ended June 30, 2008. The decrease was a result of expenses related to the financing in 2008 as well as active oil and gas operations at a much larger scale in 2008 as compared to the current period.

As production volumes increased from the start up in 2008 the general and administrative costs per bbl decreased. As production continues to increase as a result of development work and further acquisitions, costs per bbl will reduce.

The Corporation contracts all general and administrative services and has no employees. This includes the President and CEO position for which consulting fees are paid to a corporation with an officer and director in common with Western Plains.

- **Interest expense**

All interest bearing debt was retired by July 2, 2009. The prior interest expense related to the credit facility with the bank and the note payable. The note bore interest at 9% per annum and the credit facility bore interest at prime plus 1.25%.

The note payable was due to Brahma Resources Ltd., a corporation that is controlled by an officer and director of the Corporation.

- **Depletion and accretion**

Depletion expense measures the estimated cost of the oil produced or the reduction in the proven reserves. It is measured as a function of volume produced. The decrease in volume in Q2 09 due to the property sale in May 2009 lowered the total expense for depletion. The proceeds of the May 2009 property sale (less the portion recorded as a gain on the sale of property, plant and equipment) were credited against the accumulated capital costs in Q2 09 and thus reducing future depletion costs per bbl. The impact of the sale had an impact on depletion per bbl greater than 20% and thus the gain was recorded on this disposition.

Depletion and accretion was \$802,084 for the six months ended June 30, 2009 compared to \$306,354 for the six months ended June 30, 2008. The increase was a result of significantly higher oil and gas production as compared to prior period.

Accretion is a measure of the implicit interest on the asset retirement obligation.

- **Loss from operations**

The loss from operations (before the gain on the sale of the property, plant and equipment) for the six months ended June 30, 2009 was \$625,283 compared to a net loss of \$164,044 for the six months ended June 30, 2008. This loss from operations was substantially higher in the six months ended June 30, 2009 as compared to period six months ended June 30, 2008, mainly due to higher production being sold at comparatively much lower commodity prices, while the non-cash expenses such as depletion, depreciation, and accretion, continued at relatively higher rates.

SHARE CAPITAL

As at June 30, 2009, there were 21,226,834 common shares and 1,702,000 director and officer stock options issued and outstanding. During the six months ended June 30, 2009, the Corporation did not issue any new shares or options.

INCOME TAX

The tax provision or recovery is computed by applying the combined Canadian federal and provincial income tax statutory rates to loss before income taxes, while using tax rate differential and valuation allowances. The net future income tax asset or liability is comprised of the tax effect of temporary timing differences.

The Corporation has not recorded any future tax asset or liability and neither has recorded any tax provision or recovery for the six months ended June 30, 2009, due to the uncertainty of the Corporation's ability to fully utilize the available income tax pools against its future income

The Corporation has non-capital losses of \$533,935 as at December 31, 2008 which expires in 2027 and 2028.

CRITICAL ACCOUNTING ESTIMATES

Management is often required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that may have a significant impact on the financial results of the Corporation. The Corporation's significant accounting policies are described in notes in the audited financial statements at December 31, 2008 and are discussed in our MD&A for December 31, 2008.

NEW ACCOUNTING STANDARDS

International Financial Reporting Standards

International Financial Reporting Standards ("IFRS") are to be followed by Canadian public companies effective January 1, 2011. Comparative financial statements for 2010 will also be required to follow IFRS. The full cost accounting methods now used by the Corporation is not consistent with IFRS which will require reporting more consistent with successful efforts. The Corporation has assessed the following key elements on a preliminary basis as it plans for the changeover:

- determine appropriate changes to accounting policies and required additions and amendments to financial disclosure
- identify and implement changes in associated processes and information systems; and
- review and modify internal controls as necessary.

On July 23, 2009 the IASB adopted certain amendments and exemptions to IFRS 1 in order to make it more useful to Canadian entities adopting IFRS for the first time. One such exemption relating to full cost oil and gas accounting is expected to reduce the administrative burden in transition from the current Canadian Accounting Guideline 16 (related to the full cost method of accounting for oil and gas activities) to IFRS. The amendment permits the Company to apply IFRS prospectively to its full cost pool, rather than the retrospective assessment of capitalized exploration and development expenses, with the proviso that an impairment test, under IFRS standards, be conducted at the transition date.

Consolidated Financial Statements

The CICA has issued CICA Handbook Sections 1601 – Consolidations and 1602 – Non-controlling interests. Section 1601 carries forward the requirements of Section 1600 – Consolidated Financial Statements, other than those relating to non-controlling interests which would be covered in Section 1602. Under Section 1602, any non-controlling interest will be recognized as a separate component of shareholders' equity and net income will be calculated without deducting non-controlling interest and instead net income is allocated between the controlling and non-controlling interests

Business Combinations

In January 2009, the Canadian Accounting Standards Board issued Section 1582, Business Combinations, which replaces former guidance on business combinations. The new standard establishes principles and requirements of the acquisition method for business combinations and related disclosures. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier application permitted. The Corporation will evaluate the effects of adopting these changes at the time a business combination is pending.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments (except as disclosed) or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Corporation or engages in leasing or hedging services with the Corporation.

INDUSTRY CONDITIONS AND RISKS

The business of exploration, development and acquisition of oil and gas reserves involves a number of business risks inherent in the oil and gas industry which may impact The Corporation's results and several of which are beyond control of the Corporation. These business risks are operational, financial or regulatory in nature. These risks and the Corporation's approach to managing these issues are the same as disclosed in the Management Discussion and Analysis for the year ended December 31, 2008. The Corporation does not use derivative instruments as a means to manage risk.

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2009, the Corporation incurred costs of \$32,913 (2008 - \$70,353) for legal services from a legal firm in which a director of the Corporation is an associate. These costs were included in general and administrative expenses and / or capitalized in property, plant and equipment, as appropriate. In addition, the Corporation incurred costs of \$43,588 (2008 - \$6,490) for accounting services for the six months ended June 30, 2009, provided by a companies that are controlled by officers of the Corporation and \$50,000 (2008 - \$nil) for consulting services related to the role of president of the Corporation for the six months ended June 30, 2009 provided by a company controlled by an officer of the Corporation. These costs were included in general and administrative expenses. As at June 30, 2009, \$4,862 (2008 - \$34,141) of these amounts was included in accounts payable and accrued liabilities.

All related party transactions were in the normal course of operations and have been valued at the exchange amount that is the amount of consideration established and agreed to by the related parties.

During the six months ended June 30, 2009, the Corporation did not sell oil to a corporation that is controlled by a director of the Corporation. However, the Corporation did purchase oil from the corporation that is controlled by a director of the Corporation. As at June 30, 2009, there was \$81,606 (December 31, 2008 - \$97,082) owing from this corporation to the Corporation, included in accounts receivables, related to items in the normal course of operations.

QUARTERLY SUMMARY

Below is a summary of the Corporation's financial results for the past eight quarters. This information should be read in conjunction with the unaudited quarterly and audited annual financial statements of the Corporation available at www.sedar.com.

Table A - OPERATIONS

\$000's except for Production and per share	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Production - total barrels	7,824	20,529	20,107	12,083	10,582	1,610	-	-
Production - bbls/ day	86	228	219	131	116	18	-	-
Heavy oil revenue	411	770	859	1,110	1,036	129	-	-
Royalties	(94)	(172)	(196)	(290)	(245)	(29)	-	-
Production & transportation	(111)	(258)	(319)	(159)	(254)	(30)	-	-
Operating net back	206	340	344	661	537	70	-	-
General and administrative	(102)	(155)	(293)	(245)	(275)	(78)	(71)	(29)
Interest & financing costs	(58)	(54)	(52)	(52)	(57)	(10)	-	-
Corporate net back	46	131	(1)	364	205	(18)	(71)	(29)
Depletion & accretion	(101)	(701)	(671)	(304)	(266)	(40)	(1)	-
Other revenue (expense)	423	-	(25)	(11)	-	(45)	-	-
Income (loss) for the period	368	(570)	(697)	49	(61)	(103)	(72)	(29)
Basic and diluted income (loss) per share	0.017	(0.027)	(0.043)	0.003	(0.004)	(0.011)	(0.008)	-
Royalties as % of petroleum revenue	23	22	23	26	24	22	n/a	n/a

Netback \$ per bbl of heavy oil	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Heavy oil revenue	52.53	37.53	42.74	91.85	97.89	80.13	-	-
Royalties	(12.06)	(8.40)	(9.76)	(24.03)	(23.19)	(17.83)	-	-
Production & transportation	(14.17)	(12.56)	(15.85)	(13.13)	(23.97)	(18.44)	-	-
Operating net back	26.29	16.57	17.13	54.68	50.73	43.87	-	-

Table B - BALANCE SHEET \$000's

	Q2 2009	Q1 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2008	Q3 2008
Net cash (debt)	174	(2,575)	(2,657)	(1,898)	(2,218)	(2,424)	613	684
Total assets	2,034	4,288	4,820	4,419	4,236	4,313	674	696
Total liabilities	637	3,258	3,220	2,998	2,875	2,891	60	10
Shareholders equity	1,397	1,030	1,600	1,421	1,361	1,422	614	686

Western Plains Petroleum Ltd. (formerly Saha Petroleum Ltd.)
MANAGEMENT'S DISCUSSION & ANALYSIS
Six Months Ended June 30, 2009

Corporate Address

Western Plains Petroleum Ltd.
(Formerly Saha Petroleum Ltd.)
#202, 5004 18 Street,
Lloydminster, Alberta
T9V 1V4

Telephone (780) 205-4468
Fax (780) 808-8038

Directors

David Forrest ⁽¹⁾
Stephen H. Johnston ⁽¹⁾
Leigh D. Stewart ⁽¹⁾
Menno Wiebe ⁽¹⁾

⁽¹⁾ Member of the Audit Committee

Officers

David Forrest, President and CEO
Tariq S. Malik CA, VP Finance and CFO
Leigh Stewart, Corporate Secretary

Auditors

Meyers Norris Penny LLP
300, 622 – 5th Avenue SW
Calgary, Alberta
T2P 0M6

Telephone (403) 263-3385
Fax (403) 269-8450

Transfer Agent

Olympia Trust Company
2300, 125 – 9th Ave. SE
Calgary, Alberta
T2G 0P6

Phone (403) 261-0900
Fax (403) 265-1455

Banker

Alberta Treasury Branches
300, 239 - 8th Avenue SW
Calgary, AB T2P 1B9

Phone (403) 974-5170
Fax (403) 974-5191

Legal Counsel

DAVIS LLP
1000, 250 - 2nd Street SW
Calgary, AB T2P 0C1

Phone (403) 698-8769
Fax (403) 697-6619