

McLAREN RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2009

General

The following discussion of performance, financial condition and future prospects should be read in conjunction with the McLaren Resources Inc. (the "Company" or "McLaren") audited financial statements and notes thereto for the fiscal years ended September 30, 2009 and September 30, 2008, which were prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Additional information regarding the Company can be found on SEDAR at www.sedar.com. All amounts following are expressed in Canadian dollars unless otherwise stated. This discussion and analysis is dated March 1, 2010

Forward Looking Statements

Certain information in this MD&A and in other public announcements by the Company is forward-looking and is subject to important risks and uncertainties. Forward information includes information concerning the Company's future financial performance, business strategy, plans, goals and objectives.

Factors which could cause actual results to differ materially from current expectations include, among other things: the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; competitive conditions in the business in which the Company participates; general economic conditions and normal business uncertainty; fluctuations in foreign exchange rates; and changes in laws, rules and regulations applicable to the Company.

The Company does not update forward-looking statements should circumstances or management's assumptions, expectations, or estimates change.

OVERVIEW

The Company is actively engaged in the acquisition of hydrocarbon exploration properties and the sourcing of financing to fund property acquisitions and work programs.

On December 18, 2009, the Commission revoked the Cease Trade Order issued against the Company after filing, among other things, its annual audited financial statements and annual MD&A for the year ended September 30, 2008, the interim financial statements' and interim MD&As' for the three month period ended December 31, 2008, six month period ended March 31, 2009, and the nine month period ended June 30, 2009.

During the quarter, the Company agreed to reduce its net carried interest in the Indonesian concessions to 2%, capped at \$2 million in exchange for the beneficial owner of a certain portion of the Indonesian concession blocks having arranged an earn in arrangement with an arms length third party by which the third party has committed to incur exploration expenditures of up to US \$3,243,500 on these concessions.

On December 3, 2009, the Company signed a farm-out agreement with CIVC giving McLaren the right, on a well-by-well basis, to participate in a planned three-well program slated to commence as early as possible in 2010 in the Green Point formation (GPF), both onshore and near shore throughout western Newfoundland. Shoal Point Energy Ltd. (SPE) will be the designated operator of the group. The Green Point formation is a thick (500-plus metres), dominantly shale unit which is developed on a regional scale. It is well recognized in geological literature as having high total organic carbon content (locally in excess of 10 per cent) and having the maturity to generate hydrocarbons. The GPF is the probable source, based on geochemical affinities, to numerous oil and gas seeps in the region as well as early production on Shoal Point and the major exhumed oil field at Port au Choix.

SPE, CIVC and McLaren have also agreed to establish an area of mutual interest (AMI), consisting of approximately 1.5 million acres, for lands outside of EL 1070 which are potentially prospective. It is the intent of the companies to gain additional prospective acreage through land sales and farmin deals with other parties holding lands within the AMI.

McLaren will pay 32 per cent of the cost of the well to earn a 16-per-cent working interest in the block on which the well is drilled. Provided McLaren participates in all three wells, it will have the right to pre-empt and match the terms of any third party offer on remaining blocks in EL 1070.

Deferred Petroleum and Natural Gas Exploration Costs

The Company entered into a joint venture with Ascent Resources PLC (“Ascent”) in November 2005, whereby the Company acquired a 45% beneficial interest and a 62.5% paying interest in four offshore petroleum exploration blocks in the Netherlands sector of the North Sea. The exploration licenses were awarded in October 2006.

In April 2007, Energie Beheer Netherlands BV (“EBN BV”), the Dutch state-owned oil and gas company, exercised its back in right to acquire a 40% interest in the three exploration blocks, and will participate in the exploration of the licensed areas. As a result, the Company’s beneficial interest in the exploration blocks was reduced to 27% and its paying interest to 37.5%. The exploration block licenses’ term is up to August 2011. The expected total work budget for the initial two-year period, commencing October 10, 2006, was approximately \$2,000,000, primarily relating to seismic evaluation work. To September 30, 2009, McLaren’s share of total outlays was approximately \$747,000. This amount excludes the Company’s acquisition costs of approximately \$150,000. The Company plans to invest approximately \$180,000 on its share of the North Sea exploration programs, which are currently under budget consideration for calendar 2010.

The 2010 program is to perform an engineering study to evaluate the economics of drilling through to development and production of the project.

Selected Financial Information

The following table provides selected financial information that should be read in conjunction with the financial statements of the Company.

	QUARTER ENDED December 31,		YEAR ENDED September 30,	
	2009	2008	2009	2008
Interest and Other Income	\$35,371	\$13,027	\$17,124	\$88,575
Loss for the period	\$82,292	\$76,368	\$885,372	\$349,959
Loss per share	\$0.004	\$0.004	\$0.047	\$0.019
Total assets	\$2,546,108	\$3,195,713	\$2,359,276	\$3,239,298
Deferred petroleum and natural gas exploration	\$916,551	\$683,306	\$896,551	\$648,363
Total liabilities	\$111,224	\$63,533	\$36,100	\$30,750

Results of Operations

The Company incurred a net loss of \$82,292 for the quarter ended December 31, 2009, compared to a net loss of \$76,368 for the quarter ended December 31, 2008. To a large extent the increase in the loss was due to the Stock-based compensation.

Revenue

The Company is a junior exploration company with no revenue producing properties and earned no revenue for the quarter ended December 31, 2009 (December 31, 2008 - \$nil) other than interest and other income of \$35,372 (December 31, 2008 - \$13,027). This other income was a one time fee for assistance in negotiating the Indonesian asset.

Expenses

	December 31, 2009	December 31, 2008	Change %
Consulting fees	\$3,000	\$7,800	(61.5)%
Management fees	\$27,500	\$45,834	(60.0)%
Office, general and administrative	\$19,050	\$9,337	104.0%
Investor relations	\$2,582	\$8,377	(69.2)%
Professional fees	\$28,773	\$17,989	60.0%
Directors' fees	\$12,500	\$-	-
Stock-based compensation	\$70,000	\$-	-

Consulting fees decreased during the quarter ended December 31, 2009, compared to the prior year quarter, due mainly to the reduction of administrative staff. Management fees decreased due to the severance of the CEO and the hiring of a CEO at a much reduced cost. General, office and administration expenses increased for the quarter ended December 31, 2009 compared to the prior year quarter as there was a higher rent and other services with the new office. Investor relations decreased for the quarter ended December 31, 2009 compared to the prior year quarter, due to the termination of an IR contract. Professional fees were substantially similar from one quarter to another. Directors' fees of \$12,500 were charged for the first time and also stock options were granted during the quarter where none were granted the comparative quarter in 2008.

Properties

Deferred Petroleum and Natural Gas Exploration Costs

The Company incurred costs of \$20,000 during the quarter ended December 30, 2009, (2008 - \$34,943) for exploration, relating to its interest in three exploration blocks in the Netherlands North Sea. The Company plans to approximately invest a further \$180,000 on its share of the North Sea exploration programs, which are currently under budget considerations for calendar 2010.

During the quarter the Company relinquished its license for exploration in the M8A and P4 block. The Company is maintaining blocks M10/11.

Liquidity and Capital Resources

At December 31, 2009 the Company had cash and cash equivalents of \$1,343,194 compared to \$1,411,493 as at September 30, 2009. The Company's main short-term obligations as at December 31, 2009 consisted of accounts payable and accrued liabilities of \$111,224 (September 30, 2009 - \$36,100). The Company plans to invest approximately \$180,000 on its share of the North Sea exploration programs, which are currently under consideration for calendar 2010. Long-term results will depend upon the results of these exploration programs. The Company had no other long-term obligations as at December 31, 2009.

The Company's working capital at December 31, 2009 was \$1,516,860 (September 30, 2009 - \$1,425,366). Management believes that, at this level, capital is not sufficient for the activities planned for the next twelve months and further funding will be sought.

On December 31, 2009, the Company closed a non-brokered private placement of 850,000 flow-through common shares at \$0.20 per share for gross proceeds of \$170,000.

Currently, the Company does not have sufficient cash reserves to meet its financial obligations for upcoming exploration programs. However, the Company will seek to raise additional funding to finance drilling and future exploration programs. The timing and ability to take such action will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource-based junior exploration stage companies.

During the quarter ended December 31, 2009, the Company granted 1,400,000 options exercisable at \$0.20 per share, expiring December 33, 2015, to officers, directors and consultants.

Commitments

The expected total work budget over the initial two-year period, commencing October 10, 2006, with the EBN BV participation in the three North Sea exploration blocks is approximately \$2,000,000 on deferred petroleum and natural gas exploration programs, primarily seismic evaluation work. The Company has invested approximately \$746,551 (net of acquisition costs of approximately \$150,000) as its share of total expenditures in these exploration blocks, of which \$248,188 was invested during the year ended September 30, 2009. The Company has budgeted approximately \$180,000 as its share of the North Sea exploration programs, which are under budget consideration for calendar 2010. Long-term funding requirements will depend upon the results of these exploration programs.

The structure of the transaction for the recovery of its pre-acquisition costs related to its Indonesian assets does not remove the Company's potential liability in the event of obligations incurred but not paid by the company who reimbursed the Company for its pre-acquisition costs. In the event of a default by the company, the Company could remain liable for the obligations incurred. Subsequent to year end the company who reimbursed the Company for its pre-acquisition costs, reorganized the sale of the asset and removed any potential liability from the Company.

Subsequent events

McLaren Resources Inc. has agreed with Shoal Point Energy Ltd. (SPE) to acquire an option in eight blocks additional to the three blocks previously optioned of exploration license 1070 (EL 1070). For the purposes of this agreement and the agreement dated Dec. 3, 2009, EL 1070 has been divided into 15 farm-out blocks and pertains to defined shallow rights, which are currently held by SPE with a 61.5-per-cent interest and Canadian Imperial Venture Corp. (CIVC) with a 38.5-per-cent interest.

The agreement contains the following provisions:

- The Dec. 3, 2009, agreement is acknowledged by the three companies and its provisions remain unaltered. In the Dec. 3 agreement, McLaren has the right to earn shallow petroleum rights (Green Point formation) from CIVC by participating in earning wells on any three of the 15 farm-out blocks.
- Following the drilling of the above three earning wells, McLaren will have the right to farm in to shallow rights held by SPE by participating in the first well per block proposed by SPE in eight of the remaining 12 undrilled blocks. To earn a 16-per-cent interest in each block, McLaren will pay 32 per cent of the cost of the initial well on each block.
- In consideration for entering into this agreement, McLaren will pay SPE a non-refundable option fee of \$150,000, and the parties will enter into a definitive agreement which will include standard CAPL operating and accounting procedures.

In addition to the above-mentioned agreement, McLaren and SPE are in advanced discussions with respect to a possible strategic business combination, which, if successfully concluded, would significantly enhance the balance, and capabilities of the three-company group to pursue the Green Point oil-in-shale resource play in Newfoundland. Any such business combination would be subject to regulatory and shareholder approval.

Outstanding Share Data

A summary of common shares and common share options as at December 31, 2009 is tabled below:

Common shares issued	19,794,281
Common share options	1,600,000
Fully diluted common shares	21,394,281

Summary of Quarterly Results

The following table sets forth, for the quarter ended on the date indicated, information relating to the Company's revenue, net loss and loss per common prepared under Canadian GAAP:

Quarterly Financial Information (unaudited)				
	2009	2009	2009	2009
	Q1	Q4	Q3	Q2
(a) Revenue	\$-	\$-	\$-	\$-
(b) Net Income (loss)	\$(82,292)	\$(121,804)	\$(206,766)	\$(480,434)
(c) Net Income (loss) per share (basic & fully diluted)	(0.004)	(0.006)	\$(0.011)	\$(0.025)
	2008	2008	2008	2008
	Q1	Q4	Q3	Q2
(a) Revenue	\$-	\$-	\$-	\$-
(b) Net Income (loss)	\$(76,368)	\$(85,691)	\$(84,676)	\$(104,712)
(c) Net Income (loss) per share (Basic & Fully Diluted)	\$(0.004)	\$(0.005)	\$(0.004)	\$(0.006)

The Company is a junior exploration company with no revenue producing properties. Currently the Company's funding continues to be derived from issuing securities and its short-term investments.

For further quarterly financial information, please refer to the Company's financial statements that have been filed on SEDAR.

Related Parties Transactions

During the quarter ended December 31, 2009, officers and directors and companies controlled by them charged consulting fees and management fees to the Company in the amount of \$15,500 (2008 - \$37,500).

During the quarter ended December 31, 2009 directors charged directors fees to the Company in the amount of \$12,500 (2008 - \$nil). Accounts payable at December 31, 2009 includes \$12,500 (2008 - \$nil) owing to them.

During the quarter ended December 31, 2009, the Company reimbursed certain directors, officers and individuals and companies related to directors of the Company at the time of the transaction, for corporate costs paid directly by them. These reimbursements were at cost and aggregated \$3,962 (2008 - \$9,695).

During the quarter ended December 31, 2009, the Company was charged \$25,627 (2008 - \$16,201) by a law firm of which an officer of the Company is a partner. Accounts payable at December 31, 2009 includes \$41,998 (2008 - \$17,011) owing to the law firm of which an officer of the Company is a partner.

These transactions, stated above, are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

Off-Balance Sheet Arrangements

The Company does not enter into off-balance sheet arrangements with special purpose entities in the normal course of business.

Management's Responsibility for Financial Information

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of

the date of and for the periods presented by the audited financial statements; and (ii) the audited financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the audited financial statements.

In contrast to the certificate required under NI 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

General Standards on Financial Statement Presentation

CICA Section 1400, "General Standards on Financial Statement Presentation", has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The changes are effective for interim and annual financial statements beginning on or after January 1, 2008. The Company has included disclosures recommended by this new standard in note 1 to these financial statements.

Mining Exploration Costs

On March 27, 2009, the CICA approved EIC 174, "Mining Exploration Costs". This EIC provides guidance on capitalization of exploration costs related to exploration properties in particular and on impairment of long-lived assets in general. The application of this new accounting standard did not have a material impact on the Company's financial statements.

Financial Instruments and Financial Risk Factors

- a) Fair value – the Company has determined the estimated fair value of its financial instruments based on estimates and assumptions. The actual results may differ from those estimates and the use of different assumptions or methodologies may have a material effect on the estimated fair values. The fair value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are comparable to their carrying value due to the relatively short period to maturity of these instruments.
- b) Credit risk – the Company does not have any material risk exposure to any single debtor or group of debtors.
- c) Commodity price risk – The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of natural resources.

See note 13 in the audited annual financial statements for the year ended September 30, 2009 and 2008 for additional financial risk factors.

Critical Accounting Estimates

Critical accounting estimates are those estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company's results. Critical accounting estimates for the Company include property evaluations, capitalization of petroleum and natural gas exploration costs, and stock-based compensation variables.

IFRS Changeover Plan

In September 2008, the CICA's Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011. The Company will be required to report its results in accordance with IFRS beginning in 2011. The Company is going to consult external advisors to assist in the development and execution of a changeover plan to complete the transition to IFRS by

October 1, 2011, including the preparation of required comparative information. The key elements of the Company's changeover plan will include:

- Determine appropriate changes to accounting policies and required amendments to financial disclosures;
- Identify and implement changes in associated processes, and accounting, and information system;
- Comply with internal control requirements;
- Communicate collateral impacts to internal business groups; and
- Educate and train internal and external stakeholders.

The Company is going to analyzing accounting policy alternatives and identifying implementation options for the corresponding process changes. The Company will update its IFRS changeover plan to reflect new and amended accounting standards issued by the International Accounting Standards Board. As IFRS is expected to change prior to 2011, the impact of IFRS on the Company's Financial Statements is not reasonably determinable at this time.

Risk Factors and Risk Management

The Company's business is highly uncertain and risky by its very nature. Future business opportunities pursued by the Company may be in other fields, and are also likely to be risky. In addition, the ability to raise funding in the future to maintain the Company's search for new business opportunities and to carry through with the ensuing activities is dependant on financial markets that often fail to provide necessary capital.

Regulatory standards continue to change, making the process longer, more complex and more costly. Even if an apparently successful business proposal is developed, there is no assurance that it will ever be carried out or be profitable, as its potential economics are influenced by many key factors such as the general state of the economy, foreign exchange rates, equity markets and political interference, which cannot be controlled by management.

General

The oil and gas industry is very competitive and is subject to many risks. Many of these risks are outside the Company's control. Management has identified certain key risks, which are discussed below, along with their potential impact on the Company's operations. There is no assurance that commercial quantities of oil and natural gas will be discovered by the Company.

Exploration, Drilling and Operating Risks

The business of exploration for and production of oil, gas and other resources involves a high degree of risk. In particular, the operations of the Company may be disrupted, curtailed or cancelled by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to increment or hazardous weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment, compliance with governmental requirements, explosions and other accidents. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruptions, monetary losses and possible legal liability.

Titles to properties

Title to oil and gas interest is often not capable of conclusive determination, without incurring substantial expense. In accordance with industry practice, the Company will conduct such title review in connection with its principal properties as it believes is commensurate with the value of such properties. Governmental regulations and processing, approvals license and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Company must comply with known standards, existing laws and regulations, new laws and regulations, amendments to existing laws and regulations, or more

Fluctuations in the Prices of Oil and Natural Gas

Oil and natural gas prices have fluctuated widely during recent years and are determined by various factors outside the Company's control, including supply and demand factors, weather, general economic conditions, political instability, government regulation and taxes, the price and availability of alternative fuels, and conditions in oil and gas regions around the world. Such fluctuations will have a positive or negative effect on any revenue that the Company receives. If oil and natural gas prices become depressed or decline, the

Company's potential revenue and earnings and the value of its assets would be expected to decline.

Additional Financing

To the extent that external sources of capital, including the issuance of additional Common Shares, become limited or unavailable, the Company's ability to make necessary capital investments to maintain or expand its oil and gas exploration and development activities will be impaired.

Foreign Exchange Risk

To the extent that certain operations, explorations and administrative expenses are valued in Euros, there is some foreign exchange risk, but management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange.

Reserve and Resource Estimates

Information on resources and reserves are only estimates and the actual production and ultimate reserves from the properties may be greater or less than the estimates contained herein. In addition, probable reserve estimates for properties may require revision based on the actual development strategies employed to prove such reserves. Estimated reserves may also be affected by changes in oil and natural gas prices. Declines in reserves that are not offset by the acquisition or development of additional reserves may reduce the underlying value of shares to shareholders.

Dependence on Key Personnel

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Foreign Exchange Rates

The Company will be subject to normal market risks including fluctuations in foreign exchange rates. While the Company expects to manage its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Foreign Investments

The Company expects that its oil and gas exploration activities will take place principally outside Canada for the foreseeable future. As such, the Company's operations are subject to a number of risks over which it has no control. These risks may include risks related to economic, social or political instability or change, terrorism, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, petroleum and export licensing and export duties as well as government control over domestic oil and gas pricing. The Company endeavours to operate in such a manner as to minimize and mitigate its exposure to these risks. However, there can be no assurance the Company will be successful in protecting itself from the impact of all of these risks.

Environment Regulation

The oil and gas industry is subject to environmental regulation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of the Company or its properties. Such legislation may be changed to impose higher standards and potentially more costly obligations. The Company is putting policies and practices in place to ensure its operations conform to the standards and government regulations required for each jurisdiction in which it operates.

Signed

"Alex Falconer"
Chief Financial Officer
March 1, 2010