International Frontier Resources Corporation
Management's Discussion and Analysis
September 30, 2008

International Frontier Resources Corporation is engaged in the exploration for and development of petroleum and natural gas reserves in the frontier regions of the Northwest Territories, Canada and the UK sector of the North Sea.

The following is management's discussion and analysis ("MD&A") of International Frontier Resources Corporation's ("International Frontier" or "IFR" or "Britcana" or the "Company") operating and financial results for the period ended September 30, 2008, as well as information concerning the Company's future outlook based on currently available information. The MD&A has been prepared by management as at November 27, 2008 in accordance with GAAP and should be read in conjunction with the unaudited interim consolidated financial statements (three and nine months ended and as at September 30, 2008 and the three and nine months ended September 30, 2007), the audited consolidated financial statements as at December 31, 2007 and 2006, respectively, together with accompanying notes, the Statement of Reserves Data and Other Oil and Gas Information on December 31, 2007.

All financial measures presented in this report are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "strategy" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this MD&A should not be unduly relied upon. These statements are made only as of the date of this MD&A.

In particular, this MD&A may contain forward-looking statements including, but not limited to, the following:

- oil and natural gas production rates;
- commodity prices for crude oil or natural gas;
- supply and demand for oil and natural gas;
- the estimated quantity of oil and natural gas reserves, including reserve life;
- capital expenditure programs;
- future exploration, development and production costs;
- timing of drilling plans;
- plans for and results of exploration and development activities;
- expectations regarding the Corporation's ability to raise capital and to continually add to oil and natural gas reserves through acquisitions, exploration and development; and
- treatment under governmental regulatory regimes and tax laws.

With respect to forward-looking statements contained in this MD&A and other documents of public record, the Corporation has made assumptions regarding, among other things:

- future oil and natural gas production levels from IFR's properties and the prices obtained from the sales of such production;
- the level of future capital expenditure required to exploit and develop reserves; and
- the Company's ability to obtain financing on acceptable terms, as required.

Forward Looking Statements (continued)

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of assumptions proving inaccurate and of both known and unknown risks as set forth below:

- general economic, political, market and business conditions;
- risks inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, capital, acquisitions of reserves, undeveloped lands, drilling equipment and skilled personnel;
- geological, technical, drilling and processing problems;
- incorrect assessments of the value of acquisitions;
- the availability of capital on acceptable terms;
- volatility in market prices for oil and natural gas;
- actions by governmental authorities, including regulatory, environmental and taxation policies; and
- fluctuations in foreign exchange or interest rates and stock market volatility
- ability to raise project finance capital from chartered banks

Operational Outlook and Property Overview

Canada - Northwest Territories

Summit Area

EL-397

In 2008 two Significant Discovery Licenses ("SDL") were issued on lands located within EL-397.The Summit Creek SDL covers the Summit B-44 and Summit K-44 discovery area. The second SDL covers the Stewart Lake L-52 discovery area which includes TDL freehold parcel M-38 and a portion of crown lands located within EL-397. The Company's holds an 8.23% interest in the Summit Creek SDL, and an 11.88% pooled interest in the Stewart Lake SDL. The balance of the acreage not covered by the Summit Creek and Stewart Lake SDL's was relinquished in Q-3, 2008.

EL-423 (15%)

In Q-1, 2008 two exploration wells were drilled on the license, the wells have fulfilled a work commitment of $24.5 million and the license has been extended for a period of four years. The Keele River well tested a shallow Cretaceous oil prospect, the well did not encounter hydrocarbons and, in management's opinion, the well has condemned the prospectivity of the Cretaceous in the License area. The second well drilled, Dahadinni B-20, was licensed to test two prospective targets in the Devonian. Drilling problems were encountered in the lower section of the well bore which resulted in the lower section being abandoned and a side track well was drilled to a depth of 2450 meters. As a result of the extra time to drill a side track hole the well did not reach total depth and the Devonian targets were not evaluated. The Company has completed a post mortem on the B-20 well and given the encouraging shows encountered the Company would support a re-drill of the Dahadinni structure.

The cost to drill the Keele River and Dahadinni wells was originally projected at C$40 million gross, $6 million net to IFR. As a result of drilling and operational problems encountered actual costs are now estimated to be $45.6 million of which the Company's share is $6.84 million. The Company funded its share of costs by utilizing flow through funds raised in a private placement in 2007.

As the work commitment on EL-423 has been fulfilled the Company has requested that the operator file a qualified expenditure report for a full refund of the Company's $509,180 deposit.

EL-441 (13.4%) and EL-443 (25%)
No work was conducted on the subject Exploration Licenses in the reporting period.

Colville Hills NWT (25%)
Interpretation of 2D seismic covering the Company's three exploration licenses was completed in the reporting period. The operator, BG International Ltd., proposed drilling an exploration well in Q-1, 2009 to test the Fort Good Hope prospect located within EL-432. The Company has approved the well location and has agreed to pay its 25% share a long lead item AFE in the amount of $1.2 million gross, $300,000 net to IFR. The long lead AFE covers costs incurred for a Benefit and Access Agreement and pre-drill studies required to obtain a drilling license. Subsequent to executing the AFE the Company asked the operator to consider delaying drilling until Q-1, 2010. In the event the operator agrees to delay drilling the Company will be required to lodge a $250,000 refundable deposit with the Federal Government. The deposit extends the term of the license by one year and is refundable if a well is drilled on the license in Q-1, 2010. As of the date of this MD&A the operator has not yet advised the Company whether or not drilling will be delayed until Q-1, 2010. The Company will fund its share of the long lead AFE, and if required the license extension deposit, from existing working capital.

To date, the Company has participated in two 2-D seismic surveys which have cost approximately $21 million, $5.2 million net to IFR. The seismic surveys have fulfilled work commitments of $12.5 million on EL-429, $1.5 million on EL-445 and $4.5 million on EL-432, therefore the Company has requested that the operator file a qualified expenditure report for a full refund of the Company's $1.1 million deposit.

North Sea U.K.

Bowmore Area – License P1465
The Company holds a 10% working interest in four blocks awarded to the consortium in the 24th licensing round. The work program commitment includes the acquisition of 3-D seismic, the drilling of two firm wells and two contingent wells. To date the consortium have fulfilled the seismic commitment and have incurred certain pre-drilling costs.

Block 15/24a
Interpretation of 3-D seismic has matured a drilling location in block 15/24a. The 15/24-J well will appraise an offsetting fallow discovery well that tested 11 MMCF/D and 3025 barrels of condensate. The prospect, which has been named Alpha, is targeting prospective reservoirs within the Jurassic Formation which are projected to be high pressure - high temperature ("HPHT") reservoirs.

In Q-3, 2008 the Company signed a long lead item AFE in the amount of 4.8 million pounds gross, 480,000 pounds (+/-C$950,000) net to IFR. The AFE covers a drilling site survey, casing, tubing, wellhead and other long lead items required for drilling the 15/24a-J Alpha well. The Company will fund its share of the AFE from existing working capital. As of the date of this MD&A the operator has not issued an AFE for drilling and testing costs for the 15/24a-J Alpha well.

Block 15/23c
Subsequent to the reporting period the Company signed a long lead item AFE in the amount of 2.016 million pounds, 201,600 pounds (+/-C$395,000) net to IFR. The AFE covers a drilling location site survey, casing, tubing, wellhead and other long lead items for the drilling of a 6,500 foot well that will test prospective targets within the Paleocene Formation. The Company's will fund its share of the AFE from existing working capital. As of the date of this MD&A the operator has not issued an AFE for the drilling of the 15/23c Paleocene well.

Sidox
In the reporting period there were no operations or capital expenditures incurred in the use of Sidox on the Company's Alderson property.

Liquidity, capital resources and financing activities

Working Capital

At September 30, 2008 cash and cash equivalents were $10,108,265 (December 31, 2007 - $25,316,940), and working capital was $8,813,135 (December 31, 2007 - $22,407,855). The decrease in working capital is a result of capital expenditures incurred in the Northwest Territories and in the North Sea in the first three quarters of 2008. For the nine months ended September 30, 2008 the Company received cash flow from operations of $132,295 and used cash for investing activities of $15,256,580 resulting in net cash decrease of $15,208,675 in the period. At September 30, 2008 the Company has restricted cash securing letters of credit in the amount of $2.3 million; the letters of credit secure refundable work deposits on the Company's Northwest Territories exploration licenses.

Future Capital Requirements

Historically, the Corporation has relied on proceeds from the sale of its Common Shares to fund its operations. In order to fully fund or accelerate the Corporation's current exploration programs the Corporation may require additional capital. The timing, pace, scope and amount of the Corporation's capital expenditures is largely dependent on the operators capital expenditure program(s) and the availability of capital to the Corporation.

The Corporation may obtain funds for future capital investments from strategic alliances with other energy or financial partners, the issuance of additional Common Shares, preferred shares or debt securities, project financing, sale of property interests, or other arrangements, all of which may dilute the interest of the Corporation's existing shareholders or the Corporation's interest in the specific project financed. The Corporation may change the allocation of capital among the categories of anticipated expenditures depending upon future events that the Corporation cannot predict. For example, the Corporation may change the allocation of its expenditures based on the actual results and costs of future exploration, appraisal, development, production, property acquisition and other activities. In addition, the Corporation may have to change its anticipated expenditures if costs of placing any particular discovery into production are higher, if the field is smaller or if the commencement of production takes longer than expected.

The Corporation regularly forecasts its capital needs on an annual, quarterly and monthly basis. The Corporation's current internally generated cash flows do not provide sufficient capital for the Corporation's current exploration plans. Management anticipates having its current capital commitments relating to AFE's approved by the Company fully funded from existing cash on hand at September 30, 2008. The Corporation has a number of options available to it if existing working capital does not cover future capital expenditures proposed by the operators on the Company's existing prospect inventory, including, but not limited to, i) revising its capital expenditure plans ii) selling a partial or 100% interest in a property to a third party, iii) obtaining project specific financing from a third party, iv) obtaining debt financing, and v) issuing Common Shares, or a combination of these possible steps.

Summary of Third Quarter Results

Selected financial information:

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Statement of operations				
Sales volumes - BOE/ day (Canada)	33	44	39	38
Oil revenues, net (Canada)	$ 255,490	$ 186,915	$ 826,065	$ 451,560
Interest income				
Canada	$ 79,070	$ 310,510	$ 383,210	$ 800,685
United Kingdom	$ 1,750	$ 6,695	$ 60,080	$ 6,695
Consolidated interest income	$ 80,820	$ 317,205	$ 443,290	$ 807,380
Net earnings (loss) and comprehensive earnings (loss)				
Canada	$ 101,980	$ 89,790	$ (1,304,630)	$ (1,680,370)
United Kingdom	$ (12,795)	$ (68,500)	$ 65,940	$ (68,500)
Consolidated net earnings (loss) and comprehensive earnings (loss)	$ 89,185	$ 21,290	$ (1,238,690)	$ (1,748,870)
Net earnings(loss) per share - basic and diluted	0.00	0.00	$ (0.02)	$ (0.04)
Cash flow				
Net cash provided (used in)				
Operating activities	$ 438,345	$ (143,450)	$ 132,295	$ (444,405)
Investing activities	$ (424,835)	$ (2,040,340)	$(15,256,680)	$ (3,050,475)
Financing activities	$ -	$ -	$ (84,290)	$ 20,697,485

	September 30, 2008	December 31, 2007
Balance sheet		
Property and equipment		
Canada	$ 23,084,055	$ 15,391,060
United Kingdom	$ 6,891,275	$ 2,113,815
	$ 29,975,330	$ 17,504,875
Total assets	$ 42,763,695	$ 46,596,795
Working capital	$ 8,813,135	$ 22,407,855

Sales Volumes

- Sales volumes for the nine months ended September 30, 2008 were 39 Bbl/day, which is consistent as compared with 38 Bbl/day for the same period in 2007.
- Sales volumes for the three months ended September 30, 2008 were 33 Bbl/day a decrease of 13.85% as compared with 39 Bbl/day in the second quarter of 2008 and 46 Bbl/day in the first quarter of 2008
- Sales volumes in the third quarter of 2008 were impacted by a facility turn-around on the Company's Alderson oil property.

Summary of Third Quarter Results (continued)

Gross revenues and royalties

- For the nine month period ended September 30, 2008 the Company received oil revenues of $1,026,850 (2007 - $568,520) an increase of 80.65%.
- For the same period the Company paid royalties of $200,785 (2007 - $116,960) an increase of 71.65%.
- The increase in oil revenues and royalties paid in 2008 is a direct result of a 75.15% increase in oil price ($95.37 per barrel in 2008 versus $54.45 per barrel in 2007).
- Net oil revenues for the three months ended September 30, 2008 decreased 11.80% to $331,330 from $375,690 for the three months ended June 30, 2008 The decrease in revenue is a result of a 13.80% decrease in sales volumes mitigated by a 2.40% increase in price.

Interest income

- The Company generated interest income from short term investments of $443,290 (2007 - $807,380) for the nine month period ended September 30, 2008.
- The decrease in interest income in 2008, as compared to the same period in 2007, is due to a decrease in funds invested of $15,650,000 (from $25,995,120 in 2007 to $10,699,600 at September 30, 2008) coupled with decrease in the average interest rate earned of 1.40% (from 4.43% in 2007 to 3.03% at September 30, 2008).

Field operating costs

- In the nine months ended September 30, 2008, the Company incurred operating expenses of $287,065 (2007 -$362,600) a decrease of 20.85%.
- Operating costs decreased by 23.20% from $34.71 per Bbl in 2007 to $26.66 per Bbl in 2008. The decrease in operating costs is a result of fewer well work-overs and better field operating efficiencies.
- Operating costs decreased by 23.20% from $34.71 per Bbl in 2007 to $26.66 per Bbl in 2008. The decrease is due to a decrease in field operating costs
- For the three months ended September 30, 2008 the Company incurred operating costs of $76,380 as compared to $80,980 in the second quarter of 2008.
- Operating costs increased from $22.95 per Bbl in the second quarter of 2008 to $25.12 per Bbl for the three months ended September 30, 2008 as a result of decreased sales volumes.

Depletion, depreciation and impairments

Depletion, depreciation and impairments at September 30, 2008 and 2007 consist of the following

September 30, 2008

Depletion, depreciation and impairments	Canada	U.K	Total
Depletion of natural gas properties	$ 249,235	$ -	$ 249,235
Impairment of natural gas properties	1,433,080	-	1,433,080
Amortization of Sidox license	3,750	-	3,750
Depreciation of equipment	3,495	-	3,495
	$ 1,689,560	$ -	$ 1,689,560

September 30, 2007

Depletion, depreciation and impairments	Canada	U.K	Total
Depletion of natural gas properties	$ 104,745	$ -	$ 104,745
Impairment of natural gas properties	-	-	-
Amortization of Sidox license	3,750	-	3,750
Depreciation of equipment	4,390	-	4,390
	$ 112,885	$ -	$ 112,885

Summary of Third Quarter Results (continued)

- Depletion of oil and gas properties for the nine months ended September 30, 2008 was $249,235 or $23.15 per Bbl, an increase of $144,490 or $13.12 per Bbl as compared to $104,745 or $10.03 per Bbl for the same period in 2007. The increase in depletion is due to an increase in the depletable net cost base at September 30, 2008 of $5,963,635 as compared to $3,683,186.67 at September 30, 2007.
- The carrying value of properties in the exploration stage in the Northwest Territories of $21,774,910 (December 31, 2007 - $13,805,330) and in the North Sea of $7,190,510 (December 31, 2007 - $2,413,000) have been excluded from the depletion calculation at September 30, 2008.
- At September 30, 2008 an impairment test was performed which calculates the amount by which the carrying amount of capitalized costs related to producing properties exceeds the fair value of the reserves as estimated by the Company's reservoir engineers at December 31, 2007. As a result at September 30, 2008, a $1,433,080 (2007 - $Nil) impairment of petroleum and natural gas assets has been recorded as part of depletion to reflect the excess carrying amount of assets over fair value of future reserves in Canada.

Accretion of asset retirement obligation

- The accretion of asset retirement obligations remained relatively constant for the nine months ended September 30, 2008 at $12,875 as compared to $14,085 in the same period in 2007.
- For the three months ended September 30, 2008 was $3,800 comparable to $3,875 for in the second quarter of 2008.

General and administrative expenses

Nine months ended September,	2008	2007	2006
Investor relations	$ 22,750	$ 89,410	$ 23,835
Filing and transfer fees	24,040	34,145	32,270
Professional fees	30,115	55,240	54,250
Consulting fees - gross	270,485	334,745	218950
Consulting fees - capitalized	(91,850)	(114,150)	(61,950)
Rent and office costs	186,890	187,855	131,475
	$ 442,430	$ 587,245	$ 398,830

- For the nine months ended September 30, 2008 general and administrative expenses were $442,430 down $144,815 or 24.65% as compared with $587,245 in the same period in 2007.
- General and administrative expenses decreased 32.60% in the third quarter to $106,855 from $158,490 in the second quarter.
- In May 2008 the Company reduced executive consulting fees by 40% and traded office space which resulted in rent being reduced by $4,000/month, additional cost saving measures were also implemented in the reporting period.

Stock based compensation

- There were no stock options issued or exercised in the nine months ended September 30, 2008, therefore, no stock based compensation costs were booked for the three and nine months ended September 30, 2008.
- Stock based compensation costs of $2,258,365 were calculated using the Black Scholes model for options granted in the first and second quarters of 2007. Of this amount $406,640 was capitalized to property and equipment at September 30, 2007.

Summary of Third Quarter Results (continued)

Net earnings (loss)

Net earnings (loss):	Q3 – 2008	Q2 – 2008	Q3 - 2007
Canada	$ 101,980	$ (1,483,490)	$ 89,790
United Kingdom	(12,795)	(47,005)	(68,500)
Consolidated earnings/loss	$ 89,185	$ (1,530,495)	$ 21,290
Loss per share	$ 0.00	$ (0.03)	$ 0.00

The increase in earnings in the third quarter is a result of increased oil and gas revenues and lower general and administrative expenses. The second quarter loss is a result of an impairment of oil and gas properties booked in the period.

Summary of Quarterly Results

The following table summarized the Company's financial and operating highlights for the past eight quarters:

Unaudited:	Dec. 31, 2006	March 31, 2007	June 30, 2007	Sept. 30, 2007	Dec. 31, 2007	March. 31, 2008	June 30, 2008	Sept. 30, 2008
Sales volumes – Bbl/ day	42	36	35	44	38	46	39	33
Production volumes – Bbl/ day (actual day)	46	41	49	54	46	41	39	39
Revenues, net ($)	133,490	130,035	134,605	186,915	155,930	268,065	302,510	255,490
Net earnings (loss) - ($)	(404,005)	(415,770)	(1,060,295)	21,290	(4,334,515)	202,620	(1,530,495)	89,185
Net loss per share– basic & diluted - ($)/share	(0.01)	(0.01)	(0.02)	(0.00)	(0.08)	0.003	(0.03)	(0.02)
Total assets	26,238,655	47,245,705	46,772,450	47,572,995	46,596,795	49,532,445	41,857,440	42,763,695
Working capital ($)	11,348,175	32,305,425	31,204,960	29,631,060	22,407,855	14,452,115	10,273,020	8,813,135
Restricted cash on deposit ($)	1,538,125	1,538,125	1,912,430	1,912,430	2,267,175	2,267,175	2,267,175	2,267,175
Funds flow form operations ($)	(258,170)	2,529	(60,650)	72,510	54,340	272,575	133,320	148,400

Financial Instruments

International Frontier has not entered into any commodity or financial instrument hedges. The Company carries various forms of financial instruments, all of which are recognized in International Frontier's audited consolidated financial statements at December 31, 2007. Unless otherwise denoted in the September 30, 2008 consolidated interim financial statements it is management's opinion that the Company is not exposed to any significant interest, currency or credit risks arising from the these financial instruments. The fair values of financial instruments approximate their carrying value. The Company has no unrecognized gains or losses in its financial statements.

Investing Activities

Nine months ended September 30,	2008	2007	2006
Capital expenditures			
Canada	$ 9,379,650	$ 1,049,705	$ 4,181,060
United Kingdom	4,777,730	1,024,340	322,950
	$ 14,157,380	$ 2,074,045	$ 4,504,010

- Capital expenditures for the nine month period ending September 30, 2008 were $14,157,380 (2007 – $2,074,045) of which $9,379,650 or 66.25% (2007 – 60%, 2006 – 95%) is related to exploration activities in the Northwest Territories and $4,777,730 or 33.75% (2007 – 40%, 2006 – 5%) is related to exploration activities in the U.K. North Sea.
- On a year to date basis capital expenditures of $6,391,000 relates to costs incurred for drilling two exploration wells located on EL-423 in the Summit Creek Central Mackenzie Valley NWT and $2,540,000 for seismic costs incurred in the Colville Hills, NWT prospect area.
- In the UK sector of the North Sea capital expenditures include $3.9 million for the Company's 11.11% share of the cost to drill the Maria 15/18-12 well. The original AFE for the well was 12 million pounds (1.3 million pounds net to the Company). Due to drilling problems and waiting on weather charges the 15/18-12 well ended up costing 17.1 million pounds (1.9 million pounds net to the Company).
- On a year to date basis the Company has spent 300,000 pounds (C $608,000) for seismic and drilling related expenditures on the Bowmore License P1465.

Obligations

- Under the terms of the flow-through agreements undertaken in 2007, the Company had flow-through share spending obligations of $Nil (2007 - $6,186,515) at September 30, 2008.
- The Company is party to an agreement to lease its premises until December 31, 2011. The annual rent of premises consists of a minimum rent payment of $51,000 plus occupancy costs to the end of the lease.
- The Company has established a Royalty Incentive Agreement for employees, consultants and directors. Under the plan, the compensation committee issues units on an annual basis to employees, consultants and directors. The units entitle the holder to receive an annual payment based on 2% of the Company's annual production revenue, net of transportation and processing fees. Under the terms of the agreement once the Company has recovered payout of 100% of its cumulative annual capital expenditures the payment to employees, consultants and directors is based on 4% of the Company's annual production revenue less transportation and processing fees.

Related Party Transactions

Certain officers and directors and consultants provide professional, consulting and management services to the Company and are eligible to receive royalties pursuant to the Company's Royalty Incentive Plan. Total amounts paid to officers and directors during for the nine month period ending September 30, 2008 are provided below, these costs are included in general and administrative expenses on the consolidated statements of earning (loss), deficit and comprehensive earnings (loss) at September 30, 2008:

- consulting fees paid to executive officers of $67,500 (2007 - $17,000) of which $41,250 (2007 - $6,950) was capitalized to property and equipment in the nine months ended September 30, 2008.
- Director's fees paid to the Chair of the Company's audit committee of $13,750 (2007 - $22,500)
- legal fees of $5,075 (2007 - $26,650) were paid to a law firm in which a Director is a partner, for services provided in the normal course of the Company's operations.
- There were no royalties paid with respect to the Company's Royalty Incentive Plan in the nine month period ended September 30, 2008.

Other Items

Outstanding shares, options and warrants

The Company's share capital structure is as follows:

As of:	September 30, 2008	November 27, 2008
Common shares outstanding	58,578,965	58,578,965
Options outstanding	2,830,000	2,830,000
Fully diluted	61,408,965	61,408,965

Additional details on the shares, options and warrants outstanding at September 30, 2008 are available in the notes to the September 30, 2008 consolidated interim financial statements.

International Financial Reporting Standards Update

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory changeover date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities ("PAE's") such as the Company. The AcSB requires IFRS compliant financial statements are prepared for annual and interim financial statements commencing on or after January 1, 2011. For PAE's with December 31 year-end, the first unaudited interim financial statements under IFRS will be the quarter ending March 31, 2011, with comparative financial information for the quarter ended March 31, 2010. The first audited annual financial statements will be for the year ending December 31, 2011, with comparative financial information for the year ending December 31, 2010. This also means that all opening balance sheet adjustments relating to the adoption of IFRS must be reflected in the January 2010 opening balance sheet which will be issued as part of the comparative financial information in the March 31, 2011 unaudited interim financial statements. The Company intends to adopt these requirements as set out by the AcSB and other regulatory bodies. At this time, the impact of adopting IFRS cannot be reasonably quantified. During the remainder of 2008, the Company will continue to evaluate the impact of IFRS on the Company and develop and put in place a plan for the conversion to IFRS. If the Company decides not to early adopt the standards, the actual conversion work will occur during 2009 and 2010, in anticipation of the preparation of the January 1, 2010 balance sheet which will be required for comparative purposes for all periods ending in 2011.

Accounting Policy Changes

On January 1, 2008, the Company adopted Section 1535, Capital Disclosures Section 3862, and Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation.

Capital Disclosures

CICA Section 1535 specifies the disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements, and if it has not complied, the consequences of such non-compliance.

Financial Instruments

CICA Sections 3862 and 3863 specify standards of presentation and enhanced disclosures on financial instruments. These Sections will require the Company to increase disclosure on the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Accounting Policy Changes (continued)

General Standards for Financial Statements Presentation

The CICA has amended Section 1400, "General Standards of Financial Statement Presentation", which is effective for interim periods beginning on or after January 1, 2008, to include requirements to assess and disclose the Company's ability to continue as a going concern.

Inventories

Effective January 1, 2008, the CICA has issued accounting standard Section 3031 "Inventories". Section 3031 "Inventories" provides guidance on the method of determining the cost of the Company's materials and supplies. The new accounting standard specifies that inventories are to be valued at the lower of cost and net realizable value. The Company currently reflects materials and supplies at the lower of cost and replacement value. The standard requires the reversal of previously recorded write downs to realizable value when there is clear evidence that net realizable value has increased. The adoption of Section 3031 "Inventories" did not impact the Company's financial statements.

The adoption of these new accounting standards did not impact the amounts reported in the

Company's financial statements; however, it did result in expanded not disclosure (see Note 10).

The Company is assessing the new and revised accounting pronouncements that have been issued that are not yet effective:

- The CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.
- In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3064, Goodwill and intangible assets, replacing Section 3062, Goodwill and other intangible assets and Section 3450, Research and development costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning January 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company does not expect that the adoption of this new Section will have a material impact on its consolidated financial statements.

Critical Accounting Estimates

Management is required to make judgments, assumptions and estimates in the application of Canadian generally accepted accounting principles that have a significant impact on the financial results of the Company. Reserve estimates are a key component in the calculation of depletion, depreciation and accretion costs. A change in reserve quantity estimates will result in a corresponding change in DD&A costs. In addition, if capitalized costs are determined to be in excess of the calculated ceiling, which is based on reserve quantities and values, the excess must be written off as an expense. Asset retirement costs are estimated, discounted and carried on the balance sheet as a liability. A change in estimated future asset restoration costs will change the liability on the balance sheet and the amortization of the asset retirement costs included in property and equipment.

International Financial Reporting Standards

In March 2007, the Canadian Institute of Chartered Accountants ("CICA") announced that Canadian publicly accountable enterprises will adopt International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective January 1, 2011. IFRS will require increased financial statement disclosure. Although IFRS uses conceptual framework similar to Canadian GAAP, differences in accounting policies will need to be addressed. One issue of primary concern is that under IFRS, oil and gas companies must use the Successful Efforts Method of accounting, as compared to the Full Cost Method of accounting currently utilized by the Corporation. If adoption is required, a conversion from the Full Cost Method of accounting to the Successful Efforts Method of accounting will likely have a material impact on the Corporation's consolidated financial statements. The Corporation is currently assessing the impact this and other IFRS related issues will have on its consolidated financial statements in future periods.

Other information

Additional information regarding International Frontier Corporation's reserves and other data is available on SEDAR at www.sedar.com