The following discussion and analysis of the results of operations and financial condition ("MD&A") for Coastport Capital Inc. ("the Company") should be read in conjunction with the unaudited interim financial statements for the six months ended June 30, 2009 and related notes thereto. The financial information in this MD&A is derived from the Company's unaudited interim financial statements prepared in accordance with Canadian generally accepted accounting principles. The effective date of this MD&A is August 25, 2009.

This MD&A may contain forward looking statements based on assumptions and judgements of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Description of Business

Over the past several years, the Company has been engaged in the acquisition and exploration of mineral properties. During the six months ended June 30, 2009, the Company did not have any active exploration properties or projects. In March 2009, the Company decided not to pursue the option to earn up to a 100% interest in the Shyri Gold Project, located in Ecuador. In July 2009, the Company refocused its business to that of oil and gas exploration and development and acquired certain producing natural gas properties located in South and East Central Alberta.

The Company is a reporting issuer in British Columbia and Alberta and its shares are listed on the both TSX Venture Exchange and the Frankfurt Stock Exchange under the symbols CPP and C1J, respectively.

The Company's general and administrative expenditures are typically related to the level of financing and exploration and development activities that are being conducted, which may in turn depend on the Company's recent exploration and development activities and prospects, as well as general market conditions relating to the availability of funding for early stage exploration and development natural resource companies. As a result, the Company does not acquire properties or conduct work on its properties on a pre-determined basis. Thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Risks and Uncertainties

The Company's principal activity of petroleum and natural gas exploration and development is considered to be inherently risky. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity price, political and economic, with some of the most significant risks being:

1. Substantial expenditures are required to explore for petroleum and natural gas reserves and there is no assurance that the Company will discover economic reserves;

2. The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them;

3. Although the Company has taken steps to verify title to the petroleum and natural gas properties it has an interest in or is earning into, there is no guarantee that the property will not be subject to title disputes or undetected defects;

4. The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company's exploration and development activities are conducted by partners and/or operators who are in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to its properties that may cause material liability to the Company; and

5. During the fourth quarter of 2008 and into the first quarter of 2009, the global economy experienced a significant downturn which has negatively impacted petroleum and natural gas prices and credit availability which in turn has significantly reduced valuations of most companies in the petroleum and natural gas sector. As such, the markets where the Company has traditionally raised equity capital have been significantly curtailed. As such, it will most likely be more difficult and costly, in terms of dilution, to raise equity capital over the short and medium term.

Natural Resource Projects

South and Central, Alberta

In July 2009, the Company purchased certain producing natural gas properties located in South and East Central Alberta. The assets were acquired from a private Alberta corporation (the "Vendor") for a purchase price of $1,087,000 (subject to adjustments). Pursuant to the acquisition, the Company acquired an interest in oil and gas leases covering 2,560 gross hectares (984.58 net hectares).

Production from the properties is expected to be approximately 36 boe/day (barrels of oil equivalent per day) comprised of predominantly natural gas and associated liquids from 7 producing wells. The Company has acquired a 45% working interest in 5 producing wells, a 24% working interest in 1 producing well and a 21.6% working interest in 1 producing well. Included in the acquisition is a 45% working interest in 2 wells that are not producing. The interests acquired by the Company are non-operating working interests.

Concurrently, the Company executed an Area of Mutual Interest Agreement ("AMI") with the Vendor wherein both parties wish to pursue certain opportunities to purchase crown lease rights and jointly drill wells in the area. This acquisition and signing of the AMI are the initial steps towards establishing a presence in the oil and gas business and additional acquisition opportunities are being evaluated at present.

Shyri Gold Project, Ecuador

The Company has been party to a mineral property option agreement with Cornerstone Capital Resources Inc. ("Cornerstone") and Cornerstone Ecuador S.A., a wholly-owned subsidiary of Cornerstone, allowing the Company to earn up to a 100% interest in the 15 concessions that make up the Shyri Property located in southern Ecuador.

In early March 2009, the Company advised Cornerstone that after an assessment of upcoming financial obligations required to keep the Company's interest in good standing it would not be proceeding with the exercise of the option on the Shyri Project.

Results of Operations

The Company incurred a loss of $140,819 (2008 - $245,863) and a loss per share of $Nil (2008 - $0.01) for the six months ended June 30, 2009 ("Q2/2009"). The Company's Q2/2009 loss is less than the loss reported for the six months ended June 30, 2008 ("Q2/2008") primarily due to larger stock-based compensation incurred in Q2/2008. The Company has reduced general and administrative expenditures during Q2/2009 as it did not have any active exploration properties or projects.

General and Administrative

Differences in general and administrative expenses during Q2/2009 compared to Q2/2008 were as follows:

- Administrative fees of $37,000 (Q2/2008 - $43,000) include accounting, secretarial and general administrative services provided by an arms-length private company.
- As at March 31, 2009, the Company had an accounts payable accrual of approximately US$116,000. The Canadian Dollar strengthened from March 31, 2009 to June 30, 2009 and this accrual was settled in June 2009 which in turn resulted in the bulk of the $16,039 foreign currency gain reported for the three months ended June 30, 2009. The Company does not use derivative instruments or hedges to reduce the exposure to foreign exchange risk.
- Management devotes a portion of their time to the Company and a portion of their time to other companies where they are directors and/or officers. Accordingly, management invoices the Company based on the percentage of time each of the individuals devote to the Company. The management fee amount of $71,324 (Q2/2008 - $68,729) includes fees charged by David Patterson – CEO and President, and Robin Adair – Vice-President of Exploration.
- The Company incurred $12,507 (Q2/2008 - $33,009) of promotion expenses for Q2/2009, of which $12,382 was incurred during the three months ended June 30, 2009.
- The Company incurred $25,167 (Q2/2008 - $19,000) of office rent during Q2/2009. The rent increased slightly as the Company moved into new premises in January 2009.
- The Company incurred $1,145 (Q2/2008 - $100,963) of non-cash expenses relating to stock-based compensation during Q2/2009. The Company did not grant or amend any stock options during Q2/2009 whereas the Company granted and amended 2,180,000 stock options during Q2/2008. The $1,145 of compensation cost incurred during Q2/2009 was the result of stock options granted during 2008 vesting during 2009.

Other Revenue and Expenses

- Interest income was $40,087 lower in Q2/2009 as the Company had more cash on hand during Q2/2008 to invest in interest bearing financial instruments and interest rates were higher in Q2/2008.
- The Company reported forgiveness of debt of $13,734 (Q2/2008 - $Nil) from the settlement of the US$116,000 accounts payable accrual.

Financial Condition, Liquidity and Capital Resources

The Company has a working capital of $2,170,320 at June 30, 2009 compared to working capital of $2,309,302 at December 31, 2008. The Company did not have any sources of cash during Q2/2009 other than interest income of $8,133.

The Company's main use of cash during Q2/2009 was the expenditure of approximately $171,000 on general and administrative and operating costs and payment of accounts payable and accrued liabilities of approximately $176,000.

The Company does not generate sufficient cash flow from operations to fund future activities, acquisitions and administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations. There can be no assurances that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

As described earlier in this report, the Company purchased certain producing natural gas properties located in South and East Central Alberta for $1,087,000 from a private Alberta corporation subsequent to June 30, 2009.

Financial Instruments

As at June 30, 2009, the Company's financial instruments are cash, receivables, and accounts payable and accrued liabilities. The amounts reflected in the balance sheet are carrying amounts and approximate their fair values due to the short-term nature and negligible credit losses.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk. The credit risk on cash is small because the counterparties are highly rated financial institutions. The credit risk on receivables is small because the counterparties are the Government of Canada (GST input tax credits recoverable) and an officer of the Company.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to currency risk has been significantly lessened as it is no longer exploring in Ecuador and is not conducting business in any other foreign country where the costs incurred are in currencies other than the Canadian dollar. The Company does not use derivative instruments or hedges to manage currency risks.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account its exploration obligations and cash and cash equivalents on hand. As at June 30, 2009, the Company believes that it has sufficient liquid resources to fund any obligations.

Off-Balance Sheet Arrangements

The Company 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 or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

Fiscal Quarter Ended	Interest Income	Loss	Basic & Diluted Loss/Share
June 30, 2009	$ 2,294	$ 60,468	$ -
March 31, 2008	$ 5,839	$ 80,351	$ -
December 31, 2008	$ 12,811	$ 7,424,535	$ 0.19
September 30, 2008	$ 18,071	$ 67,452	$ -
June 30, 2008	$ 19,505	$ 69,525	$ -
March 31, 2008	$ 28,715	$ 176,338	$ -
December 31, 2007	$ 43,186	$ 339,246	$ 0.01
September 30, 2007	$ 60,474	$ 4,152,871	$ 0.10

The Company's quarterly loss decreased from December 2007 through September 2008 as the Company was waiting for drilling permits to be issued on its Shyri Property and for clarity of political and legislative changes in Ecuador. The losses for December 2008 and September 2007 are significantly higher than other quarters because the Company wrote-off $7,338,652 of deferred expenditures on its dropped Shyri Property and $4,021,779 of deferred expenditures on its dropped LaPlata Property respectively. Interest income has decreased from September 2007 to June 2009 as the Company spent the cash raised from a June 2007 private placement on exploration and general and administrative costs. The Company has not raised any new equity capital since June 2007.

Changes in Accounting Policies

In January 2009, the Emerging Issues Committee ("EIC") of the CICA issued EIC-173 "*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*", which clarifies that an entities own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-173. The Company adopted this recommendation in its fair value determinations effective January 1, 2009 and this new recommendation did not impact the Company's financial statements.

In March 2009, the EIC issued EIC-174 "*Mining Exploration Costs*", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long lived assets. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-174. The Company adopted this recommendation in its fair value determinations effective for the year ended December 31, 2008. This new standard did not impact the Company's financial results.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly accountable companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company believes it will be able to manage the transition to IFRS from Canadian GAAP using internal resources with limited external assistance.

This conversion project will consist of three phases: 1) general planning and scoping, 2) detailed assessment of accounting policy differences and detailed conversion planning, and 3) implementation, parallel reporting and review.

During 2009, the Company will be reviewing financial statement preparation, IT infrastructure, control environment and accounting policy choices available under IFRS in regards to the current operations of the Company.

During the Company's scoping of existing IFRS compared to Canadian GAAP, the following areas have been identified as having the highest potential impact on the Company's financial reporting: initial adoption of IFRS under the policies set forth in *IFRS 1 "First-Time Adoption of IFRS"* ("IFRS"), exploration and development expenditures, asset retirement obligations, property plant and equipment, and impairment of assets.

The Company is still completing Phase 1 and Phase 2 and 3 are not expected to start until early 2010.

Related Party Transactions

Management fees of $54,000 (Q2/2008 - $60,000) were paid or accrued to a company controlled by David Patterson, the CEO and President. Management fees of $17,324 (Q2/2008 - $8,729) were paid or accrued to a company controlled by Robin Adair, the Vice-President of Exploration.

Rent of $25,167 (Q2/2008 - $19,000) was paid or accrued to companies related by a common director (David Patterson).

Technical geological services fees of $Nil (Q2/2008 - $7,850) was paid or accrued to a company controlled by Robin Adair, the Vice-President of Exploration.

Outstanding Share Data

As at August 25, 2009, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common shares	40,983,946	n/a	n/a
Fully Diluted	**40,983,946**		

25,000 stock options expiring November 28, 2010 with an exercise price of $0.25 were cancelled on June 1, 2009.

Directors and Officers

David Patterson	Director, CEO and President
Laurie Sadler	Director and CFO
Leonard Dennis	Director
Marc Prefontaine	Director
Robin Adair	Vice-President of Exploration
Kim Evans	Secretary

Additional Information

Additional information is provided in the Company's audited financial statements for the years ended December 31, 2008 and 2007. These documents are available on SEDAR at www.sedar.com. Additional information relating to the Company's operations and activities can also be found by visiting the Company's website at www.coastportcapital.com.