GREAT PACIFIC INTERNATIONAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

The following Management Discussion and Analysis ("MD & A") dated August 19, 2008 should be read in conjunction with the Company's unaudited interim financial statements as at June 30, 2008, the Company's audited consolidated financial statements and MD & A (dated July 19, 2008) for the year ended March 31, 2008, the Company's Form 51-101F1 dated July 19, 2008, as well as the reference to forward-looking statements within this report. These documents are available at www.Sedar.com.

The fiscal years ended March 31, 2009 and 2008 are referred to as "FY-2009" and "FY-2008", respectively. The three month periods ended June 30, 2008 and 2007 are referred to as "Q1-2009" and "Q1-2008", respectively. The period from April 1, 2008 and up to August 19, 2008 is referred to herein as "YTD 2009".

CORPORATE OVERVIEW

Great Pacific International Inc. (also referred to as "the Company", "Great Pacific", "our" or "we") is a development stage junior public oil and gas company. Great Pacific was incorporated in 1993, and commenced operations as an oil and gas company in fiscal 2007. FY-2008 was the Company's first full year of oil and gas business operations. Great Pacific's oil and gas operations are primarily located in Alberta, Canada, though in Q1-2009 we expanded the geographic scope of our operations when we made a significant investment in participation rights in the Midland Basin area of Texas, USA.

Great Pacific is a publicly-traded Canadian corporation. The common shares of Great Pacific trade on the TSX Venture Exchange ("TSX-V").

The accounts of Great Pacific include the accounts of Great Pacific International Inc. and its wholly-owned subsidiaries at each reporting date. At June 30, 2008, the consolidated accounts of Great Pacific International Inc. include the accounts of Great Pacific International Inc., GPI Oil and Gas Inc. (a B.C. corporation), and GPI Petroleum Inc. (a Texas, USA Corporation).

GPI Oil and Gas Inc. holds certain of the undeveloped Alberta oil and gas property interests presented herein. GPI Petroleum Inc. ("GPI Petroleum") is a wholly owned subsidiary of Great Pacific formed to hold our Midland Basin prospect area participation rights.

Great Pacific holds the following oil and gas property interests at August 19, 2008, by cost centre:

			Well interests (net)	
	Gross acreage	Net acreage	Producing	Suspended
Canada				
Mistahiya-group properties	4,200 ac	1,072 ac	2	2
Alberta crown leases (undeveloped)	13,300 ac	12,820 ac	-	-
Manitoba leases (undeveloped)	2,400 ac	2,000 ac	-	1
Alberta farm-out lands (unearned at Aug 19, 2008)	5,120 ac	2,560 ac	-	-
U.S.A.				
Arkansas natural gas well	3,200 ac	40 ac	0	0
Midland Basin prospect area, participation rights	5,280 ac	515 ac	-	-
	33,500 ac	19,007 ac	2	3

The Mistahiya-group properties include all our Canadian production. We hold a minority non-operated interest in the Mistahiya-group properties. The Mistahiya-group properties were acquired pursuant to a block acquisition in the fiscal year ended March 31, 2007, excepting certain acreages acquired pursuant to our "3-20 project" completed in FY-2008. The Mistahiya-group properties include minority interests in 6 (gross) producing oil wells in the Red Earth/Peerless Lake area of north-central Alberta, a minority interest in 1 producing gas well in south-central Alberta, and interests in 4 undeveloped targets and 1 re-work target. Additionally these lands include interests in 7 gross (2 net) suspended wells requiring abandonment. The Mistahiya-group properties are as set forth in our annual MD & A and our Form 51-101F1 reserves report dated July 19, 2008.

The Alberta farm-out lands will expire in FY-2009 if we do not meet all drilling commitments associated thereunder. We are obliged to drill three wells on those farm-in lands in FY-2008 (two on the "Haro East" farm-in lands and a Devonian test on the Red Earth farm-in, as described in our annual MD & A dated July 19, 2008) in order to earn those lands and recover our drilling deposit. Please see the section of this document titled "*Contractual Obligations*" for a discussion of our earn-in obligations on those properties.

The Midland Basin prospect area participation rights entitle us to participate to a 13% working interest (9.75% net revenue interest) in both lease-held and option-held lands held by the project operator within an 8.25 square mile prospect area in Texas, USA. We must participate to our working interest in each drilled well within that prospect area by the project operator in order to retain our participation rights in the entire block. We have a commitment at August 19, 2008 to participate in the initial earn-in well in this prospect area (please see the section titled "*Contractual Obligations*" forming a part of this document).

The Alberta crown leases expire between the fiscal years ended 2013 and 2014 if undrilled. The bulk of our Manitoba leases will expire in the balance of FY-2009.

UPDDATE: OVERVIEW OF OPERATIONS – Quarter ended June 30, 2008

An updated overview of the operations of the Company is presented by the following functional areas:

1.) Petroleum operations – Canada
2.) Petroleum operations – USA
3.) Financing
4.) Net loss

This update expands on the comprehensive overview of operations presented in our annual MD & A for the fiscal year ended March 31, 2008, presenting and discussing material changes in our business operations and assets since that date. Unless disclosed herein, our operations are otherwise as detailed in the annual MD & A (available on www.Sedar.com). The reader is directed to our annual MD & A for a full description of our business at the start of Q1-2009.

1. Q1-2009 Petroleum operations: Canada

Alberta land acquisitions

In YTD-2009, the Company expanded its Canadian petroleum lease portfolio by acquiring certain undeveloped Crown petroleum and natural gas ("P & NG") leases in Alberta, Canada, as follows:

Period	Acres acquired (Gross & net)	Total cash payments
Q1-2009	4,500	$28,934
July 1 – Aug 19 2008	6,720	21,870
Total	11,220	$50,804

Cash payments include all payments due at the start of the lease, namely bonus payments, first year rentals, and all associated fees.

The Company intends to commence a program of trade seismic acquisition and geological evaluation on these lands in the balance of FY-2009

Manitoba land forfeitures

In Q1-2009, the Company forfeited 1,536 hectares of Manitoba petroleum leases, with a significant portion of the remainder to expire in FY-2009 unless renewed.

Production

Canadian oil and gas production for Q1-2009 and the comparative period Q1-2008 is as follows:

	Q1-2009		Q1-2008	
	Production Volumes	Producing Wells (net)	Production Volumes	Producing Wells (net)
Oil (bbls/d)	6.8	1.8	0.2	0.4
Gas (mcf/d)	2.5	0.04	3.6	0.04
Total (boe/d)	7.2	1.8	0.8	0.4
Realized oil price, CDN$ per bbl	$ 122		$ 68	
Realized gas price, CDN$ per mcf	$ 9.3		$ 6.3	
Operating cost, per boe	$ 40		$ 46	

2. Q1-2009 Petroleum operations: USA

Midland Basin Prospect Area

As described in our press releases dated May 26, 2008 and June 25, 2008, the Company is participating, to a 9.75% net revenue interest, in a prospect area in the Midland Basin region, Texas. This prospect area is adjacent to significant oil production. The prospect area land package consists of private petroleum leases and option rights within an 8.25 square mile prospect area which are held by the project operator; by participating to our interest, we will earn a 13% working interest (9.75% net revenue interest) in each well to be drilled within that prospect area pursuant to our participation agreement. Our participation rights to this prospect, held by our wholly-owned subsidiary GPI Petroleum Inc., are to a 13% working interest, subject to GPI Petroleum funding 17.3% of the costs of drilling the initial test well to casing-point. GPI Petroleum acquired these participation rights by cash payment of $104,750.

We have elected to participate in the drilling of the initial test well on this property. This is expected to commence at the end of August, 2008. We expect to participate in the drilling of two wells on this property in FY-2009; with participation in additional targets subject to satisfactory results from the first two drill-holes. Our geophysical and geological consultants have identified 5-7 drilling targets within this prospect area. As we are not the operator of this project, the timing of well drilling is at the election of the joint participants, subject to the joint operating agreement in place.

This investment has increased the size and relative importance of our United States geographic segment. The breakdown of the carrying value of our oil and gas property interests by geographic cost centre is provided in Note 5 to the accompanying interim financial statements.

Arkansas natural gas well interest

In Q1-2009, we recorded 2 months of production from our Logan County, Arkansas natural gas well, receiving revenue of $2,636 (Q1-2008: $1,465).

3. ***Q1-2009 Financing***

In Q1-2009 the Company completed a $1,419,217 (net) equity financing, by private placement of 1,500,000 equity units. Each unit consisted of one common share and one 2-year, $1.00 warrant. (Please see the section "*Liquidity and Capital Resources*" within this document.) This financing was announced in FY-2008, but closed in Q1-2009 (please see our press release dated February 18, 2008, available on www.Sedar.com). The Company expects to complete an additional private placement issuance of common shares and share purchase warrants prior to the winter drilling season.

Subsequent to June 30, 2008, the Company issued an additional 48,000 shares at $1.00 per share pursuant to warrant exercises.

4. ***Q1-2009 Net loss***

Net loss in Q1-2009 was $278,573, or $0.01 per share. This compared to $167,746, or $0.01 per share, in the comparative period Q1-2008.

Details of this net loss are provided in the section "*Results of operations*".

Q1-2009 PERFORMANCE

Corporate performance in Q1-2009 was as follows:

Property and investment evaluations

Canada

Much of management time was allocated in Q1-2009 towards property and investment evaluation, as noted in our annual MD & A. We spent a considerable amount of time evaluating the opportunity to purchase the outstanding 64% working interest in our Red Earth/Peerless Lake area wells. We elected not to proceed with that acquisition, after conducting extensive due diligence.

Additional time and fees were incurred in respect of several other potential Canadian asset acquisitions not proceeded with. Total property evaluation expenses incurred in Q1-2009 on Canadian oil and gas property acquisition opportunities not proceeded with totalled $28,096. This included costs for geological and engineering evaluation, travel and legal fees expenses.

Overseas pre-qualification presentation

In late Q1-2009 and through much of YTD-2009, a newly-incorporated wholly-owned subsidiary of the Company, GPI Oil and Gas Overseas Inc ("GPI Overseas") evaluated the merits of bidding on available oil and gas opportunities in an overseas jurisdiction, and we presented ourselves to the governing bodies of that jurisdiction for qualification to bid on oil and gas opportunities. Based on these undertakings, GPI Overseas may become qualified to bid on one or more overseas oil and gas contracts. Should we obtain such qualification, we expect that a significant amount of management time will be focused on the preparation and submission of one or more bids for overseas oil and gas rights. Please see our press release dated June 26, 2008 available on www.Sedar.com.

Oil and gas production

The Company's oil and gas revenues and volumes were significantly higher in Q1-2009 than in Q1-2008. Major sources of that increase included the following:

- In Q1-2009, we obtained production from two wells, the Granite Wash M and the Keg River AAA, which had been suspended throughout Q1-2008.

- Realized commodity prices were nearly twice as high in Q1-2009 compared to Q1-2008.

We do not expect the same increase in oil and gas revenues and volumes in the Q2-2009 compared to Q2-2008, as we will have fewer producing net wells in Q2-2009 compared to Q2-2008 (due to the lapsing of the re-work penalty that temporarily increased our interest in two wells in the earlier period).

The decrease in oil and gas production volumes in Q1-2009 compared to the immediately prior period, Q4-2008, was consistent with the seasonal trends affecting our performance. As our oil wells are located in a muskeg environment, several require suspension during spring break-up. As a result of this regular suspension, in addition to the effects of normal reservoir decline, first quarter volumes were expected to be lower than in the immediately prior fourth quarter.

FUTURE PLANS

Management believes that the land position we have accumulated to date provides a number of potentially attractive drilling targets. Our future plans involve the exploration and development of these lands, in addition to the acquisition of new oil and gas land rights.

Details on our planned exploration, development and acquisition goals are as follows:

- Participation in the Midland Basin prospect area (Texas) to our working interest. We expect to participate in 2 earn-in wells in FY-2009 with 3-5 step-out targets to follow should initial drilling prove successful;

- Drilling the Haro East gas wells;

- Drilling the RLE Red Earth 11-89 test well;

- Continued acquisition of western Canadian P & NG leases;

- Possible acquisitions of producing assets in regional areas of interest; and

- Evaluation and possible participation in the re-work and re-activation of one or more suspended Peerless Lake-area Mistahiya-group wells

Completing these future plans is conditional on obtaining sufficient equity financing in a timely manner, among other factors.

Furthermore, actual capital allocations and capital expenditures may be modified in future periods based on earlier-stage results, and may be materially modified should alternative oil and gas business opportunities be identified in the interim. In particular, if GPI Overseas earns the right to bid on certain overseas oil and gas interests, then we expect that certain of our stated future plans will be modified to allow for a focus on those opportunities.

In addition, our ability to carry out these oil and gas exploration projects, as with other aspects of our business plan, is subject to a number of risk factors. These include, but are not limited, to such risks as geological conditions, both in terms of realized hydrocarbon reserves and the amenability of lease lands to drilling; the demand for drilling rigs, and the resultant availability and cost of drilling resources; environmental conditions, such as climate and landscape, and the effect of such factors on well site accessibility and the cost of site maintenance and reclamation.

Our ability to execute our exploration and development plans is also subject to such economic risks as commodity price risk, capital market conditions and interest and inflation rates, and overall economic factors. These factors may impact our ability to raise adequate financing and obtain adequate resources. *Please see our Form 51-101 report as at March 31, 2008 for a more detailed discussion of risk factors.*

Our ability to participate in the rework and reactivation of one or more suspended Peerless Lake-area Mistahiya group wells, as well as our ability to explore and drill our minority-owned Mistahiya-group "Kidney" and "Rainbow" locations, is subject to participation by the joint interest holder(s) on those wells. We no longer expect to participate in the drilling of the Kidney property in FY-2009 as we do not anticipate full joint participation on that property.

Capital spending: Capital spending in Q1-2009 has been as follows:

Canada (Alberta)	
Engineering and management expenditures, Red Earth area producing well interests	$ 14,545
Haro East pre-drill development	9,245
Crown P & NG lease acquisition	28,934
Other development expenditures	3,414
	56,138
USA (Midland Basin prospect area)	
Acquisition	104,767
Evaluation and development	6,171
	110,938
Non-oil and gas	
Equipment purchase - vehicles	76,630
	$ 243,706

Capital expenditures – Alberta oil and gas

The engineering and management expenditures on the Red Earth area wells provided the basis for refining our estimate of the expected future asset retirement obligations associated with our producing, shut-in and depleted Mistahiya-group oil well interests.

Haro East pre-drill development was conducted in advance of our expected Haro East drilling program, which we anticipate conducting in December 2008 – January 2009.

We acquired a number of P & NG leases located throughout northern Alberta via Crown land sales. We expect to commence trade seismic acquisition and geological modelling of certain of those properties in the coming months.

Capital expenditures – Midland Basin prospect area

As discussed elsewhere in this document, acquisition costs were paid to the vendor and property operator of the Midland Basin prospect area. Evaluation and development expenditures consisted of geological and geophysical evaluation, and our share of pre-drill development costs incurred by the joint participants to June 30, 2008.

Subsequent Performance

From July 1, 2008 to August 19, 2008, the Company has undertaken:

- The purchase of 2,688 hectares of Crown P & NG leases in Alberta, Canada, for cash payments totalling $21,870, and the evaluation of certain targets thereon.
- The presentation of GPI Overseas to oil and gas authorities of a certain overseas jurisdiction, for the purposes of pre-qualifying as an oil and gas bidder in that country (results pending).

Results of Operations for the 3 months ended June 30, 2008 compared to the three months ended June 30, 2007

	Three Months Ended June 30		
	2008 **$**	**2007** **$**	**Variance** **$**
Oil and natural gas sales	(81,921)	(3,072)	(78,849)
Costs of oil and gas operations	91,224	7,494	83,730
Net loss on oil and gas production	**9,303**	**4,422**	**4,881**
General and administrative expenses			
Remuneration and staffing	115,261	59,893	55,368
Accounting, audit and professional fees	46,955	28,769	18,186
Regulatory and transfer agent	3,257	10,235	(6,978)
Property evaluation	28,096	-	28,096
Corporate communications, shareholder communications, travel and entertainment	41,321	37,095	4,226
Office, rent and miscellaneous	34,380	27,062	7,318
Net loss for the period	**278,573**	**167,476**	**111,097**

Significant Variances in Operating Items (3 months ended June 30, 2008 and 2007)

Significant variances in operating items for the three months ended June 30, 2008 compared to the three months ended June 30, 2007 include the following

Oil and natural gas sales and costs of sales

The increase in oil and natural gas sales is as discussed in the section *Q1-2009 Performance*. The increase in sales reflected increased volumes, due to longer production periods (reflecting better access conditions), and more net producing wells (due to the re-work of two wells in FY-2008 that had been suspended through Q1-2008). It also reflected an approximate 80% increase in realized oil prices between the two periods presented.

The Company expects Q2-2009 production volumes to be significantly less than Q2-2008 production volumes, due to the loss of the re-work penalty that temporarily increased production rights in FY-2008, and due to natural reserve declines.

The decrease in per-unit operating costs (excluding depletion), from $46/boe to $40/boe, should not be considered of predictive significance, as the minimal production in Q1-2008 prevented a meaningful conversion of fixed cost items into per-unit averages. The impact of declining production is expected to lead to increases in per-unit production costs in Q2-2009 and thereafter.

Per unit depletion charges were significantly higher in Q1-2009 compared to Q1-2008, due primarily to the increase in carrying value of proven properties as a result of on-going development costs (primarily re-work expenditures) and additional capitalized future asset retirement obligations, and certain expenditures made after June 30, 2007 on properties subsequently determined to be impaired.

Remuneration and staffing

Amounts classified in this MD & A as "Remuneration and staffing expenses" for Q1-2009 consist of:

-management fees to three officers;
-payroll and consulting fees paid to several part-time staff members; and
-stock-based compensation expense for incentive stock options granted to
directors, officers, staff and consultants in the current and prior periods

The increase in remuneration and staffing costs in Q1-2009 compared to Q1-2008 was primarily due to an increase in management and part-time staffing levels at the Company. These additional staffing positions were warranted by the increase in the size of the Company, and the increased scope of operations versus the comparative period. As we intend to increase the level of our oil and gas investments in the coming periods, we do not anticipate a material decrease in this spending category.

Certain consulting fees noted above were paid pursuant to an office services and business services consultancy agreement entered into in Q2-2008 (the "2007 Office services consulting agreement"). These fees were paid for several part-time consultants providing such services as accounting, administration, financial report preparation, land management services and business analysis services. The 2007 Office services consulting agreement paid $23,000 per month for office services, including rent, office supplies, and administrative staff services. The Company is currently receiving those services on a month-to-month basis.

The increase in year-over-year first quarter remuneration and staffing expense also reflected, in part, the hiring of a part-time oil and gas employee and the hiring of a chief operating officer (on a part-time basis) for our operating subsidiary, GPI Oil and Gas Inc. Those employees were hired due to their specialized oil and gas knowledge, commensurate with our increase in corporate activity.

Remuneration and staffing expenses for Q1-2009 also included $51,302 (Q1-2008: $ nil) in stock-based compensation expense. Of this expense, $36,367 pertains to stock option grants made in FY-2008, and $14,935 represents the recognition of expense attributable to the stock option grant made in Q4-2008.

In each of the coming quarters through Q2-2014, the Company will record stock option expense related to these option grants, with the actual amount of the expense to be based on the current value of the non-employee options at the quarterly performance completion date.

Major expenditures of remuneration and staffing fees were incurred in respect of on-going overhead items, reflecting time incurred for such services as management, administration and financial reporting, land management, and investor relations services. We do not expect to see significant variation in these items, by their recurring nature.

Remuneration and staffing costs increased by $41,275 in Q1-2009 compared to the prior period, Q4-2008. This variance included an increase of $43,443 in the stock-based compensation expense recorded in the latter quarter, Q1-2009. Excluding variances in stock-based compensation expenses, cash costs on this item were, within a material margin, substantially consistent over the prior quarter.

Accounting, audit and professional fees

Increases in overall spending on accounting, audit and professional fees were a result of the following variances:

	Q1-2009	Q1-2008	Variance
Accounting	$24,720	$17,118	$ (7,602)
Legal fees	24,307	5,750	(18,557)
Reserves reporting expense	(2,072)	5,901	7,973
	$46,955	$28,769	$ (18,186)

Increases in accounting costs reflected an increase in staffing employed on accounting and administration, and financial report preparation. Costs on this item are not expected to vary materially from Q1-2009 levels. The internal accounting staff are retained pursuant to the 2007 Office services consulting agreement.

Increases in legal fee spending reflected non-recurring legal expenditures made in regards to co-tenancy matters on our minority-owned Canadian oil properties, and matters concerning the operatorship thereof. These costs are expected to be materially lower in Q2-2009.

Property evaluation

As discussed elsewhere in this document, property evaluation expenses involved due diligence on several Canadian asset acquisition opportunities considered, but not proceeded with. This item included engineering evaluation, legal and management travel costs.

Net loss

The material increase in net loss is primarily attributable to the items discussed above. Smaller variations in spending in other general and administrative expense items were primarily attributable to our year-over-year growth in corporate size and activity.

Net loss is expected to increase in Q2-2009 over Q1-2009, primarily as a result of spending on overseas pre-bid project presentation, as discussed elsewhere.

EIGHT QUARTER REVIEW

	June 30, 2008 $	March 31, 2008 $	Dec. 31 2007 $	Sept. 30 2007 $
Sales	81,921	245,193	177,659	91,489
Net loss for the quarter	**278,573**	**349,366**	**113,472**	**237,200**
Net loss per share	**$0.01**	**$0.02**	**$0.01**	**$0.01**

	June 30, 2007 $	March 31, 2007 $	Dec. 31, 2006 $	Sept. 30 2006 $
Sales	3,072	-	-	-
Loss from continuing operations	167,746	227,033	82,870	182,816
Loss from discontinued operations	-	162,555	1,209	1,035
Net loss for the quarter	**167,746**	**389,588**	**84,079**	**183,851**
Loss per share data				
Loss per share – continuing operations	$0.01	$0.02	$0.01	$0.01
Loss per share – discontinued operations	-	0.01	0.00	0.00
Net loss per share	**$0.01**	**$0.03**	**$0.01**	**$0.01**

The trends inherent in this data reflect the economic and operational factors that drove the annual trends over the same periods. These trends are discussed in our annual MD & As for the periods presented, dated July 19, 2008 and July 25, 2007, available on www.Sedar.com. It should be noted that the Company did not commence oil and gas operations until the interim period ended March 31, 2007; and therefore the results presented for periods before that time related to Great Pacific's discontinued operations.

The increase in quarterly loss in Q1-2009 compared to prior quarters was due to such factors as:

- A significant increase in per-unit depletion charges.
- Increased legal costs in regards to addressing operatorship matters concerning our Canadian oil properties.
- Year over year increase in corporate overhead, administration, and management spending associated with the administration of our oil and gas business model.
- In Q1-2008 to Q3-2008, the Company recorded a gain on oil and gas production that partially offset spending on general and administrative items, and thus served to reduce net loss for each of those periods. This offsetting gain on oil and gas production was not achieved in Q4-2008 and Q1-2009.
- A significant increase in stock-based compensation expense recognized on prior-period option grants, due to an appreciation of our stock price at June 30, 2008 (since reversed) above the exercise price of the Q4-2008 option grant.
- Those additional factors discussed in the sections "Results of operations" for the 3-month period ended June 30, 2009.

Major sources of variation in the prior quarters presented are discussed in our MD & A for the year ended March 31, 2008, available on www.Sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

Great Pacific's major source of liquidity is the issuance of equity capital. Our development stage oil and gas assets do not generate sufficient cash to finance our development-stage business model and to fund corporate overhead activities.

The Company obtains equity capital from private placement offerings of shares and share purchase warrants, and the exercise of share purchase warrants and stock options. The Company pursues private placement equity financings from time-to-time, based on cash flow needs and subject to investor interest.

In YTD-2009, the Company completed a $1.41 million (net) financing, pursuant to the issuance of 2,000,000 common shares and 2-year, $1 warrants.

In order to continue our business development and achieve our future plans, meet our commitments and current obligations, and carry out oil and gas activities in FY-2009, will require additional net equity financing of approximately $2,200,000. Anticipated sources of this financing include the exercise of existing warrants, and private placement equity offerings. The Company is considering a range of financing alternatives. Working capital at August 19, 2008, excluding our commitments for forthcoming drill programs, is approximately $440,000.

The Company's cash flow from operations is expected to be negative for the balance of fiscal 2009. Therefore, we will require external equity financing to both cover the operating shortfall, and to fund the exploration and development program we plan for the coming months. There is no assurance that we will be successful in obtaining such financing. We expect that substantially all external financing will need to be provided by the sale of common shares.

Our interests in certain of our oil and gas interests are sensitive to our liquidity, as failing to jointly participate in the development of non-operated, jointly-owned properties (such as the jointly-owned Kidney acreage) may result in a dilution or loss of interest.

Our ability to obtain financing is sensitive to economic factors beyond the control of management. Declines in the Canadian-dollar price of oil and gas, changes in interest rates and economic recession or disruption could significantly and plausibly affect our ability to obtain adequate private placement financing. Being a development stage oil and gas company reliant on external financing, an economic recession resulting in a reduction of available capital could prevent us from carrying out our business development plans.

The Company had no long-term debt or financial liabilities outstanding at August 19, 2008 or June 30, 2008.

Aside from accounts and advances receivable (which arise in the normal course of trade), the only significant non-cash financial assets that Great Pacific held at either August 19, 2008 or June 30, 2008 was our investment in 2,500,000 common shares of OG International Inc., having a nominal carrying value of $1. As there is no active market for the exchange of these securities, management considers them to be significantly illiquid, and of negligible realizable value.

CONTRACTUAL OBLIGATIONS

Material contractual obligations are as follows:

1. The Company is required to drill a well of up to 1,430 metres pursuant to the RLE farm-in agreement (the 11-89 Red Earth test well). Failure to drill this well will result in the loss of all rights to the Red Earth lands, plus loss of the $100,000 trust deposit, with no further liability.

   Drilling must commence on or before December 1, 2008. Management expects the remaining cost of drilling and casing this well will be approximately $840,000. This is a performance liability - our obligation is to drill to depth. Should the market for drilling resources experience a supply shortage, or should drilling or climatic conditions encountered prove more adverse than expected, the cost of the well could materially differ from the forecasted level.

2. The Company is required to drill the two Haro East gas wells as soon after March 1, 2008 as surface access to the site is available, which we expect to be winter 2008. The cost to drill these wells to the required bottom hole depth is estimated at $350,000 per well. Should we fail to drill these wells upon surface access becoming viable, we will lose all interests in these lands, and we will additionally lose all option rights in the Rocky Layman Red Earth lands, and also lose a $100,000 Drilling Deposit placed in trust with the farmor.

3. The Company is required to pay its proportionate share of gross asset retirement costs having a future value estimated by management to be approximately $631,000 over the next fifteen years. The present value of Great Pacific's share of these costs is estimated at approximately $486,500. This is a non-financial commitment, and our obligation is performance-based (i.e. we must reclaim and remediate well sites to the satisfaction of regulatory, statutory and contractual standards).

4. The Company is obliged to participate in the test well in the Midland Basin prospect area to its working interest.

5. The company has a consulting agreement for the services of the President paying $5,000 per month. The contract expires in September, 2009, and is terminable on twelve months notice.

6. The Company has on-going lease payments (to both the Crown and several private leaseholders) for P & NG property rights. While these lease payments are individually immaterial, failure by the Company (or the Company's operator, in the case of non-operated property interests) to pay these fees in a timely manner would result in a loss of property rights.

Under the terms of the Company's oil and gas property interests, Great Pacific faces dilution of its interest in its oil and gas properties should it fail to pay its share of expenditures authorized by the project operator and the other joint interest participants. Great Pacific is contractually bound to make such payments as they arise if we are to maintain our oil and gas property interests.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no material off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Company's financial instruments consist of cash, accounts and advances receivable, long-term investment, and accounts payable and accrued liabilities. It is management's opinion that, subject to materiality, the fair value of these financial instruments corresponds to their carrying value due to their short-term nature.

Concentration of credit risk

The Company is subject to material credit risk in respect of its trade accounts receivables with the joint participant in its Canadian oil properties. At June 30, 2008, approximately 76% of accounts receivable and prepaid expenses at June 30, 2008 were owed from that single party.

Of this amount, approximately $73,000 is in dispute. The Company is continuing to pursue normal course collection methods, and there is no indication of impairment at this time.

Interest rate risk

The Company has no short or long term interest bearing debt.

Foreign exchange rate risk

Oil and gas is typically denominated in US dollars, whereas our development and operating costs are almost entirely incurred in Canadian dollars. The Company is therefore subject to risk due to fluctuations in currency exchange rates. The Company does not use derivative instruments to manage its exposure to foreign exchange rate risk.

The company holds interests in certain oil and gas properties in the United States. Revenue from our United States properties (which is currently immaterial) is subject to foreign exchange fluctuations upon conversion into Canadian currency. Furthermore, depreciation of the Canadian dollar would increase the effective cost of our obligations under the Midland Basin prospect area interest.

RELATED PARTY TRANSACTIONS

Significant related party transactions and balances entered into during the period ended June 30 2008 are as follows:

a) The Company paid management fees to three officers totalling $30,000 (Q1-2008: $29,250 to two officers).

b) The Company paid or accrued professional engineering fees to a private company controlled by an officer, totalling $20,202 (Q1-2008: $ nil). These fees included property evaluation expenditures and engineering costs relating to the design of remediation programs on our shut-in Red Earth-area wells.

c) The Company paid or accrued professional geological fees to a private company controlled by a director, totalling $2,156 (Q1-2008: $ nil). These costs are primarily included in capitalized oil and gas expenditures, and relate primarily to the Midland Basin prospect area and the Haro East farm-in lands.

d) Accounts payable and accrued liabilities at June 30, 2008 include $31,274 (March 31, 2008: $89,158) due to officers, directors, the spouse of a director, and to companies controlled by them, for services as noted in a), b) and c) as above, and for expense reimbursements.

e) Accounts receivable and prepaid expenses include $2,608 (March 31, 2008: $ nil) owing from two public companies, each having a director in common with the Company, for cost recovery billings submitted. These relate to vehicle usage fees, and to capital costs on jointly owned oil and gas properties paid, on behalf of the other party, by Great Pacific.

f) 340,000 stock options were granted to related parties, having exercise prices escalating from $1.50 per share to $2.20 per share (Q1-2007: $ nil).

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

OUTSTANDING SHARE DATA

Common shares (22,291,433)

At August 19, 2008 there are 22,291,433 common shares of Great Pacific issued and outstanding.

Details of share issuances between June 30, 2008 and August 19, 2008 are as follows:

	Shares issued and outstanding
Opening balance, June 30, 2008	22,243,433
Warrant exercise ($1.00 per share)	48,000
Common shares issued and outstanding, August 19, 2008	22,291,433

The company is authorized to issue an unlimited number of common shares without par value.

Preferred shares (nil)

At August 19, 2008 there are nil preferred shares of Great Pacific issued and outstanding. The company is authorized to issue an unlimited number of preferred shares without par value.

The company has no additional equity securities authorized, issued or outstanding.

Debt securities (nil)

At June 30, 2008 and August 19, 2008 the company had no debt securities outstanding.

Share purchase instruments

Outstanding share purchase instruments comprise share purchase warrants and incentive stock options. Details of outstanding share purchase warrants and employee stock options as at August 19, 2008 are as follows:

Warrants

	Number of underlying shares	**Exercise Price**	**Expiry Date**
FY-2007 grant	1,996,000	$0.60	March 9, 2009
FY-2009 grant	1,952,000	$1.00	April 14, 2010
Weighted average totals	*3,948,000*	*$0.80*	*1.10 years remaining*
Exercisable at August 19, 2008	***3,948,000***		

Incentive stock options

Number of underlying shares		Exercise Price	Expiry Date
FY-2005 grant	235,000	$0.35	May 21, 2009
FY-2006 grant	481,000	$0.35	October 3, 2010
FY-2007 grant	200,000	$0.45	Sept 8, 2011
FY-2008 grant*	890,000	$1.67	February 18 2013
FY-2009 grant*	390,000	$2.01	April 14 2013
Weighted average totals	*2,196,000*	*$1.19*	*3.48 years remaining*
Exercisable at August 19, 2009	***1,044,000***		

The weighted average exercise price for the FY-2008 and FY-2009 grants reflect graduated exercise prices and straight-line, semi-annual vesting, wherein the exercise prices increase from $1.25 to $1.83 and $1.50 to $2.20, respectively, with vesting as to 10% every six months. Subsequent to June 30, 2009, 89,000 FY-2008 options and 39,000 FY-2009 options became exercisable at $1.25 per share.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting policies adopted at April 1, 2008 are as follows:

Assessing going concern (Canadian Institute of Chartered Accountants Handbook (“CICA Handbook”) Section 1400

The Accounting Standards Board (AcSB) amended section 1400 to include requirements for management to assess an entity’s ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the entity’s ability to continue as a going concern.

Capital disclosures – CICA Handbook Section 1535

This new pronouncement establishes standards for disclosing information about an entity’s capital and how it is managed. Section 1535 also requires the disclosure of any externally-imposed capital requirements, whether the entity has complied with them, and if not, the consequences.

Inventories – CICA Handbook Section 3031

The AcSB issued Section 3031 (superseding Section 3030) establishing new standards for the measurement and disclosure of inventories. The main features of new Section 3031 are to provide guidelines on the allocation of overheads and other costs to inventory, specific identification of individual costs to inventories that are not ordinarily interchangeable, consistent use of the first in-first out or weighted cost formulae for other inventories, and the reversal of previous write downs to net realizable value for subsequent increases in value. The Company does not believe that the adoption of this new CICA Section 3031 on April 1, 2008 did not have a material impact on its financial reporting and disclosures.

Financial instruments – CICA Handbook Section 3862 and 3863 – disclosures and presentation

These new Sections, 3862 (on disclosures) and 3863 (on presentation), replace Section 3861, revising and enhancing the disclosure requirements, and carrying forward unchanged its presentation requirements. Section 3862 complements the principles for recognizing, measuring and presenting financial assets and financial liabilities in Financial Instruments. Section 3863 deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and liabilities are offset. New disclosures as required by Sections 3861 and 3863 are included in Note 14 to the accompanying interim financial statements.

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") has published a strategic plan that calls for the convergence of Canadian GAAP (Generally Accepted Accounting Principles) over an expected five year transitional period commencing 2006. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. For the Company this will require all interim and financial statements commencing April 1, 2011 to be based upon IFRS. The Company will monitor and assess the impact of these convergence initiatives on its financial reporting and disclosure.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods reported. Significant estimates are required, for example, in the determination of the fair value of future asset retirement obligations, depletion costs per unit of production, stock-based compensation expense and in measuring the recoverability of amounts shown for oil and gas properties. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Similarly, references herein to oil and gas reserves, future value of oil and gas production, estimates of future production, and estimates of future petroleum exploration, development and decommissioning costs are subject to estimates by management and our independent reserves evaluator. These estimates are made in accordance with the terms of National Instrument 51-101, and are made on a best efforts' basis, however, they are subject to variance and actual results may differ materially from expected outcomes.

LEGAL PROCEEDINGS

Ordinary course business proceedings

The Company is subject from time to time to various legal proceedings and claims that arise in the ordinary course of business. Management is of the opinion that such claims are not likely to have a material adverse effect on the Company's future operations or financial position. The Company is not subject to any material claims at this time.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure Control Risks

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. The Company's management has concluded, based on their evaluation of the effectiveness of the Company's disclosure controls and procedures as of March 31, 2008 that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company subject to the reportable weakness identified below regarding segregation of duties. However, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control Risks

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers Annual and Interim Filings". Our ICFR is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principals (GAAP). ICFR includes those policies and procedures that establish the following:

• maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and disposition of our assets;
• reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP:
• receipts and expenditures only being made in accordance with authorizations of management and the Board of Directors; and
• reasonable assurance regarding prevention or timely detection of unauthorized collection, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate. Management carried out the design of the Company's internal controls over financial reporting and concluded, subject to the inherent limitations noted above, the Company has sufficient controls to meet the requirements as stated above and that one reportable weakness existed at March 31, 2008 as detailed below.

Segregation of Duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to limited resources, a complete segregation of duties within the Company's operating and accounting groups can not be fully achieved. The result is that the Company is highly reliant on the qualifications, experience and integrity of its staff and on the performance of mitigating procedures during its financial close processes in order to ensure the financial statements are presented fairly in all material respects. Any changes in the current control process will be dependant upon the growth of the Company's operations and the number of its staff to allow further segregation of duties. Management will continue to review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

OTHER MATTERS

Stock Exchange

The shares of the Company trade in Canada on the TSX-Venture Exchange under the trading symbol “GPI-V”.

Corporate Governance

Management believes that quality corporate governance is essential to ensuring effective management of our Company. The Company’s corporate governance policy is substantially aligned with the guidelines set out in the report of The Toronto Stock Exchange Committee on Corporate Governance in Canada.

Oil and gas production estimates

Oil and gas reserves and expected production information disclosed herein reflect the reserves attributed to particular properties as disclosed in our Form 51-101 report. This document is to be read in conjunction with that report, dated July 19, 2008, and available at www.sedar.com. The reader is cautioned that the estimates of reserves (and, by extension, estimates of well life and production rates derived from reserves estimates) and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Quantities and conversions

In this MD & A the following acronyms are used:

ac	Acres
bbls	Barrels of oil
Boe	Barrels of oil equivalent
mcf	Thousand cubic feet
P & NG	Petroleum and natural gas
/d	Per day
Ha	Hectare

Please note that oil equivalency measures are expressed based on energy equivalence, assumed at 6 mcf natural gas = 1 bbl oil = 1 boe. Energy equivalence values differ materially from market value equivalency measures.

Per diem production (expressed in terms of bbls/d, mcf/d or boe/d) is expressed on the basis of total volumes produced in a specified period, divided by the total number of calendar days within that period.

Note Regarding Forward-Looking Statements

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as “expects”, “intends”, “may”, “could”, “should”, “anticipates”, “likely”, “believes” and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company’s ability to raise additional debt and/or equity financing to fund operations and working capital requirements and the Company’s oil and gas reserves. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the geology of oil and gas properties, oil and gas industry conditions, the Company’s ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the

reasonable control of the Company. Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company with the British Columbia Securities Commissions on www.sedar.com

On behalf of the Board of Directors

"Thal S. Poonian"
Thal S. Poonian, President