

Management's Discussion and Analysis

The following discussion and analysis ("MD&A") of the consolidated operations, results and financial position of Ofek Capital Corp. (the "Ofek" or "Company") for the annual period ended October 31, 2005 should be read in conjunction with the Audited Consolidated Financial Statement and accompanying notes. The effective date of this auditor's report is May 10, 2006, which financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and also conforms, in all material respects to generally accepted accounting principles in the United States of America.

Additional information relating to Ofek Capital Corp. is available online at www.OfekCapital.com and www.Sedar.com

Consolidated Business Overview

Ofek was incorporated as 1348109 Ontario Corp. on March 31, 1999, under the laws of the Province of Ontario. It changed its name to Ofek Capital Corp. on April 25, 2000. The registered office address of the Company is 592 Sheppard Avenue West, Unit 521, Toronto, Ontario, Canada M3H 2S1.

Ofek is a Toronto, Ontario based management and holding company, which is actively seeking additional active and passive investment opportunities in operating enterprises.

OPERATIONAL RESULTS:

On May 31, 2005, Ofek sold its 100% interest in Cheltenham Estates Limited in exchange for a 25% in Kaptor Financial Inc., an Ontario privately held corporation. Operational results reflect the inclusion of Cheltenham Estates Limited operation until May 31, 2005.

Pursuant to management's evaluation and assessment during the last quarter of this annual fiscal period, (i) regarding Ofek's holding in marketable securities and the assessment of the decline in market value to be non temporary, management directed the writing off of the remaining balance of prior value of US\$112,400; (ii) regarding the interest in a patent for automated loans' submission and approval process and an assessed impairment of future discounted cash flows, management directed the writing off of the entire prior value of US\$80,000; (iii) regarding non controlling interest in Ofek's SecondaryMarkets.com, Inc.'s subsidiary and management determination that the balance attributable to the non controlling shareholders of the subsidiary will not be recoverable, management directed the writing off of that entire value of US\$98,636.

Pursuant to the sale of Ofek's 100% interest in Cheltenham Estates Limited on May 31, 2005 and giving regards to the discontinuation of that operation under Ofek the consolidated revenues increased 35% from US\$50,574 in fiscal 2004 to US\$68,439 in fiscal 2005. Management does not expect the revenues to increase materially during the 2006 fiscal period.

Consolidated expenses increased by 69.5% from US\$248,583 in fiscal 2004 to US\$421,391 in fiscal 2005. Outside of the one time catch up of management fees, the expenses would have been reduced by 30.5% from US\$248,583 to US\$172,887.

Ofek recorded net earnings of US\$393,290 in fiscal 2005 compared to a loss of US\$118,258 in fiscal 2004. The increase in earnings was materially attributed to gain on sale of discontinued operations and income from the same discontinued operations before May 31, 2005, totaling US\$1,037,278.

Ofek has a loss carry forward of US\$1,255,900 which will benefit it to offset future tax liabilities as profits are generated. Management has determined that the benefit from these losses will not be realized and accordingly, has recorded a valuation allowance against the future tax assets.

Pursuant to the disposition of its interest in Cheltenham Estates Limited, Ofek currently has a minority equity investment in Kaptor Financial Inc., an Ontario privately held corporation. Pursuant to agreement between Ofek and Kaptor Financial Inc., this investment is recorded in Ofek's financial statements at cost as Ofek has agreed to not disclose the investments impact on Ofek's net earnings and its investment in related party on Ofek's financial statements.

Ofek will continue to record income as received from Kaptor Financial Inc., including the \$25,000 in annual payments, Kaptor Financial Inc. is obligated to pay Ofek.

Management expects Kaptor Financial Inc. to expand its financial services reach through its merchant banking non prime financing activities and through its automotive leasing and finance activities.

Ofek will continue to look for acquisition opportunities utilizing the new strong partnership and association it has with Kaptor Financial Inc.

LEGAL

Ofek, during this fiscal period and in the course of its business, has been a party to already initiated 3 claims in the Ontario Superior Courts of Justice against entities and individuals, wherein Ofek is seeking to recover damages as well as the recovery of shares in the capital stock of Ofek issued to such entities and individuals.

One claim has been settled and Ofek recovered part of the damages it sought therein. Another claim is in the final stage of obtaining a judgment in favour of Ofek. The other matter is still pending and legal counsel is unable to determine the likelihood of the outcome at this time.

Management holds the opinion that in the best interest of Ofek and its shareholders, it should diligently and vigorously pursue such damages and recoveries and management will continue doing so as it sees fit.

Forward Looking Statements

Certain of the statements set forth in this MD&A, such as statements regarding planned activity and sales levels, gross margins, working capital, and the availability of capital resources to fund capital expenditures and working capital are forward-looking statements. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that expected results will be achieved. There are numerous risks and uncertainties that can affect the outcome and timing of events, including many factors beyond the control of the Company.

Ofek undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or otherwise. Readers are cautioned not to put undue reliance on forward-looking statements. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's actual results and plans for 2006 and 2007 could differ materially from those expressed in this document.