

Otis Capital Corp.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2007
Report Prepared: February 21, 2008

Background

This management discussion and analysis, (“MD&A”), prepared as at February 21, 2008 provides information that management believes is relevant to an assessment and understanding of the financial position of Otis Capital Corp. as at December 31, 2007 and the results of its operations and cash flows for the six month period then ended. The MD&A should be read in conjunction with the Company’s audited financial statements for the period from incorporation on April 24, 2007 to June 30, 2007. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis are stated in Canadian dollars. The audit Committee of the Board of Directors of the Company has reviewed this document pursuant to its mandate and charter.

Nature of Business

Otis Capital Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on April 24, 2007. On November 27, 2008, the Company listed its common shares, as a capital pool company (“CPC”), on the TSX Venture Exchange (the “Exchange”) under the symbol OOO. As a CPC, the Company’s business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Description of Business and Summary of Recent Activities

Since incorporation on April 24, 2007, the Company had been working towards having its shares listed on the Exchange, and this was completed on November 28, 2007. The Company has done two rounds of financing - an initial public offering of 1,000,000 common shares at \$0.20 for gross cash proceeds of \$200,000 which closed on November 22, 2007, and a private placement of 2,200,000 common shares at \$0.25 for gross cash proceeds of \$550,000 which closed on February 12, 2008. The Company is currently identifying and evaluating assets and businesses to acquire.

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Analysis of the six months ended December 31, 2007

During the six months ending December 31, 2007, the Company incurred expenses of \$48,757; the majority of these costs were stock based compensation costs of \$22,723 for options granted, regulatory fees of \$19,159 in connection with having the Company's shares listed on the Exchange, and \$5,447 to investigate potential acquisitions. The Company earned interest of \$3,130 on its cash balances, resulting in a net loss for the six months of \$45,627 or \$0.02 per share.

Analysis of the three months ended December 31, 2007

The Company incurred expenses of \$33,071 during the three months ending December 31, 2007; the majority of these costs were stock based compensation costs of \$22,723 for options granted. The Company earned interest of \$1,623 on its cash balances, resulting in a net loss for the three months of \$31,448 or \$0.01 per share.

Financing Transactions

The Company completed a private placement financing of 2,100,000 common shares on June 30, 2007 which are held in an Escrow Agreement (the "Escrow Shares"); an initial 10% of the Escrow Shares will be released on final TSXV approval of a Qualifying Transaction and an additional 15% will be released every six months thereafter. If the Company is able to meet the Exchange's Tier 1 minimum listing requirements at any time, the release will be accelerated.

On November 22, 2007, the Company completed an initial public offering of 1,000,000 common shares at \$0.20 for gross cash proceeds of \$200,000. The Company paid the agent a commission of \$20,000, a corporate finance fee of \$10,000, costs of \$10,500, and granted an option to acquire 100,000 common shares, exercisable at \$0.20 per share for 2 years (valued at their fair value of \$6,430).

On January 25, 2008, the Company announced a private placement of 2,000,000 common shares at \$0.25 per share for gross cash proceeds of \$500,000. On February 12, 2008, the Company increased the proposed private placement to 2,200,000 common shares at \$0.25 per share for gross cash proceeds of \$550,000.

Liquidity

The Company had working capital of \$313,006 as at September 30, 2007. Following the completion of the most recent private placement, the Company had a cash position of approximately \$850,000.

Share Capital

As at February 21, 2008, the Company had a total of 3,100,000 common shares issued and outstanding. There were 100,000 share purchase options outstanding, exercisable at a price of \$0.20 per share up to November 22, 2012, and 310,000 share purchase options outstanding, exercisable at a price of \$0.20 per share up to November 28, 2012.

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Accounting Principles

The Company's financial statements are prepared in accordance with Canadian GAAP.

Investor Relations Activities

The Company does not have any relations agreements.

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com.