MOUNTAINVIEW ENERGY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008 and 2007

US Funds

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Statement 1

Mountainview Energy Ltd.

Interim Consolidated Balance Sheets

As at

US Funds

ASSETS		**June 30, 2008 (unaudited)**		December 31, 2007 (audited)
Current				
Cash and cash equivalents	**$**	**1,044,905**	$	736,321
Accounts receivable - trade		**565,582**		340,780
Inventory		**4,754**		7,218
		1,615,241		1,084,319
Property, Plant and Equipment *(Note 6)*		**212,046**		235,893
Petroleum and Natural Gas Interests *(Note 4)*		**2,561,077**		2,111,881
Reclamation Bond *(Note 4b)*		**100,690**		100,690
	$	**4,489,054**	$	3,532,783

LIABILITIES				
Current				
Accounts payable and accrued liabilities - trade	**$**	**1,006,106**	$	717,612
Income tax payable *(Note 9)*		**299,000**		218,415
		1,305,106		936,027
Asset Retirement Obligation *(Note 5)*		**204,436**		204,436
Future Income Tax Payable		**141,000**		141,000
		1,650,542		1,281,463
SHAREHOLDERS' EQUITY				
Share Capital *(Note 7)*		**1,071,140**		1,071,140
Contributed Surplus (*Note 9)*		**212,930**		-
Retained Earnings –*Statement 2*		**1,554,442**		1,180,180
		2,838,512		2,251,320
	$	**4,489,054**	$	3,532,783

Nature of Business (Note 1)

Subsequent Events (Note 13)

ON BEHALF OF THE BOARD:

"Patrick M. Montalban" , Director

"Bruce P. Young" , Director

- See Accompanying Notes –

Mountainview Energy Ltd. Statement 2

Interim Consolidated Statements of Income and Retained Earnings

US FUNDS

Unaudited

	Six Months Ended June 30, 2008	Three Months Ended June 30, 2008	Six Months Ended June 30, 2007	Three Months Ended June 30, 2007
Revenue				
Gross sales	**$ 2,308,931**	**$ 1,395,448**	$ 1,020,702	$ 547,684
Less royalties	**(327,611)**	**(200,609)**	(145,685)	(78,211)
	1,981,320	**1,194,839**	875,017	469,473
Cost of Sales				
Inventory - Beginning of period	**7,218**	**3,429**	5,712	5,712
Production taxes	**235,730**	**127,580**	96,723	52,570
Depletion, accretion and amortization	**202,728**	**118,572**	168,585	84,760
Repairs and maintenance	**94,010**	**67,388**	31,066	20,976
Labour	**70,021**	**36,726**	62,667	31,886
Utilities	**67,803**	**32,067**	62,267	37,468
Vehicle	**45,056**	**27,263**	41,351	16,716
Materials	**40,340**	**20,160**	22,927	14,088
Amortization - equipment	**34,920**	**17,797**	24,997	12,459
Property taxes	**3,844**	**3,844**	3,213	3,213
Miscellaneous production costs	**3,779**	**3,220**	5,848	1,124
Insurance	**3,598**	**3,598**	786	213
Engineering reports	**-**	**-**	8,677	268
Consulting fees	**-**	**-**	523	-
	809,047	**461,644**	535,342	281,453
Inventory - End of period	**(4,754)**	**(4,754)**	(8,659)	(8,659)
	804,293	**456,890**	526,683	272,794
Gross Margin	**1,177,027**	**737,949**	348,334	196,679
General and Administrative Expenses - *Schedule*	**(511,024)**	**(396,288)**	(220,871)	(131,177)
Income from Operations	**666,003**	**341,660**	127,463	65,502
Provision for Income Taxes	**291,741**	**193,141**	(42,500)	(19,000)
Net Income for the Period	**374,262**	**148,520**	84,963	46,502
Retained earnings - Beginning of period	**1,180,180**	**1,405,922**	779,764	818,225
Retained Earnings - End of Period	**$ 1,554,442**	**$ 1,554,442**	$ 864,727	864,727
Income per Share - Basic	**$ 0.04**	**$ 0.02**	$ 0.01	$ 0.00
Income per Share - Diluted	**$ 0.04**	**$ 0.02**	$ 0.01	$ 0.00
Weighted Average Number Common Shares Outstanding - Basic	**9,766,850**	**9,766,850**	9,766,850	9,766,850
Weighted Average Number Common Shares Outstanding - Diluted	**9,979,350**	**9,979,350**	9,766,850	9,766,850

- See Accompanying Notes –

Mountainview Energy Ltd.

Statement 3

Interim Consolidated Statements of Cash Flows

US FUNDS

Unaudited

Cash Resources Provided By (Used In)	**Six Months Ended June 30, 2008**	**Three Months Ended June 30, 2008**	Six Months Ended June 30, 2007	Three Months Ended June 30, 2007
Operating Activities				
Cash receipts from customers	**$ 1,938,691**	**$ 1,132,977**	$ 926,038	$ 448,202
Direct costs	**(625,262)**	**(392,363)**	(376,087)	(200,204)
Cash paid to suppliers and employees	**(342,627)**	**(44,688)**	(178,676)	(127,678)
	970,802	**695,926**	371,275	120,320
Investing Activities				
Petroleum and natural gas interest	**(651,924)**	**(412,366)**	(125,921)	(73,215)
Property, plant and equipment	**(10,294)**	**(10,294)**	(132,829)	(130,913)
Net proceeds on sale of Shannon property	**-**	**-**	360,000	-
	(662,218)	**(422,660)**	101,250	(204,128)
Net Increase in Cash	**308,584**	**273,266**	472,525	46,827
Cash position - Beginning of period	**736,321**	**771,639**	516,553	942,251
Cash Position - End of Period	**$ 1.044,905**	**$ 1,044,905**	$ 989,078	$ 989,078

Supplemental Schedule of Non-Cash Investing and Financing Transactions:				
Depletion, accretion and amortization	**$ 237,648**	**$ 136,369**	$ 168,585	$ 84,760
Supplemental Cash Flow Information:				
Income tax paid	**$ 211,156**	**$ 200,000**	$ 50,000	$ -

- See Accompanying Notes -

Schedule

Mountainview Energy Ltd.

Interim Consolidated Schedules of Administrative Expenses

US FUNDS
Unaudited

		Six Months Ended June 30, 2008		**Three Months Ended June 30, 2008**		Six Months Ended June 30, 2007		Three Months Ended June 30, 2007
Stock based compensation (Note 8)	**$**	**212,930**	**$**	**212,930**	$	-	$	-
Wages and benefits		**128,116**		**67,097**		124,195		67,528
Office supplies and utilities		**64,683**		**55,847**		18,708		9,810
Travel and promotion		**44,416**		**22,128**		31,525		23,679
Legal, accounting and consulting		**44,198**		**29,514**		26,813		18,226
Regulatory and exchange fees		**7,520**		**2,542**		7,658		944
Telephone		**5,177**		**2,379**		5,597		3,396
Transfer agent fees		**3,654**		**3,103**		1,557		3,676
Amortization		**1,138**		**569**		995		497
Foreign exchange		**(808)**		**179**		3,823		3,421
	$	**511,024**	**$**	**396,288**	$	220,871	$	131,177

1. Nature of Business

The Company was incorporated on May 31, 2000 in the province of British Columbia. The Company is a Tier 2 issuer on the TSX-V and is an operating oil and gas company. All revenues are from oil and gas extraction in the state of Montana, USA.

2. Significant Accounting Policies

These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual consolidated financial statements except for the changes noted below. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements as at December 31, 2007.

a) Financial Instrument disclosures

Effective January 1, 2008, the Company adopted CICA Section 3862, Financial Instruments Disclosures. This section requires disclosures of both qualitative and quantitative information that enables users of the financial statements to evaluate the nature and extent of risks from financial instruments to which the Company is exposed. The impact of adopting this section is disclosed in Note 10.

a) Capital disclosures

Effective January 1, 2008, the Company adopted CICA Section 1535, Capital Disclosures. This section requires the Company to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. This additional disclosure includes quantitative and qualitative information regarding an entity's objectives, policies and procedures for managing capital.

The impact of adopting this section is disclosed in Note 3.

b) Inventories

Effective January 1, 2008, the Company adopted CICA Section 3031, Inventories. This section requires inventories to be measured at the lower of cost or net realizable value; disallows the use of last-in, first-out inventory costing methodology; and requires that, when circumstances which previously caused inventories to be written down below cost no longer exist, the amount of the write-down is to be reversed. The adoption of this new section did not have a material impact on the Company's earnings.

2. Significant Accounting Policies - *Continued*

d) International Financial Reporting Standards ("IFRS")

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 IRFS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for the publicly-listed companies to use IFRS, replacing Canada's own 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.

e) Goodwill and Intangible Assets

In February 2008, the AcSB issued Handbook Section 3064, Goodwill and Intangible Assets and amended Section 1000, Financial Statement Concepts clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Items that no longer meet the definition of an asset are no longer recognized with assets. The standard is effective for fiscal years beginning on or after October 1, 2008 and early adoption is permitted. The adoption of this new section is not expected to have a material impact on the Company's earnings and financial position.

3. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its petroleum and natural gas resources and to maintain flexible capital structure for its projects for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents, receivables and current liabilities.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met.

4. Petroleum and Natural Gas Interests

a) Details of cumulative expenditures are as follows:

Proved and Producing		**June 30, 2008**		December 31, 2007
Red Creek Unit, Montana, USA:				
Purchase price	**$**	**475,000**	$	475,000
Engineering reports		**22,968**		22,968
Legal and other costs (Title opinions and professional fees)		**105,525**		105,525
Other capitalized costs		**2,403,986**		1,881,251
Asset retirement cost		**148,209**		148,209
Accumulated amortization and depletion		**(1,132,904)**		(930,176)
	$	**2,022,784**	$	1,702,777
Unproved				
Shannon Properties, Montana, USA:				
Purchase price	**$**	**31,250**	$	31,250
Lease rentals		**136,623**		132,306
Other capitalized costs		**13,066**		13,066
Recoveries				
	$	**180,939**	$	176,622
Lake Frances, Montana, USA				
Other capitalized costs		**357,354**		232,482
Total petroleum and natural gas interests	**$**	**2,561,077**	$	2,111,881

b) The Company is required by the State of Montana to deposit monies into a reclamation bond. The bond is refundable at the time that the Company performs the site restoration of the wells that are dry or are no longer in use. The amount of the bond is $100,690 (2007 - $95,992), which includes accrued interest of $20,690 (2007 - $15,992).

c) In 2004, the Company purchased a 100% interest in the Shannon Property (petroleum leasehold interests) for $62,492. This interest represents a 100% working interest and an 87.5% revenue interest. The interests are also subject to a 5% overriding royalty in favour of the vendor. During a prior year the company sold 50% of its interest to a third party for gross proceeds of $400,000.

4. Petroleum and Natural Gas Interest - Continued

d) During the prior year the Company entered into an agreement to acquire a 25% working interest in four wells that were drilled on the Lake Frances property in Pondera County, Montana. To participate in the drilling of these wells the Company paid or accrued costs during the period of $135,503 (2007 - $NIL) as their share of costs to a company with a director and officer in common.

e) The costs related to the unproved properties have been excluded from the depletion calculation. The Company considered whether there were any events or circumstances indicating impairment of its capitalized assets at March 31, 2008 and determined that no write-down of the capitalized costs was required (2007 - $nil write-down).

f) The following table outlines the benchmark prices used in the impairment test at June 30, 2008:

Year	Oil Price (1)
2008	$ 98.00
2009	95.00
2010	95.00
2011(2)	98.00

(1) Price based upon future forecast price for WTI – (40 API rating) – prices adjusted herein for quality and transportation.
(2) Prices escalated at a rate of 1.5% per annum to 2014, further escalated at a rate of 1.0% per annum to 2019, remaining constant thereafter for oil.

5. Asset Retirement Obligation

The asset retirement obligations for the periods ended June 30, 2008 and December 31, 2007 are as follows:

		2008		2007
Asset retirement obligation at the beginning of the period	**$**	**204,436**	$	271,082
Net present value of new obligations during the period		**-**		10,363
Accretion expense		**-**		16,016
Revision in estimated cash flows on existing obligations		**-**		(93,025)
Asset retirement obligation at the end of the period	**$**	**204,436**	$	204,436

The Company has calculated the fair value of the asset retirement obligation using a discount rate of 8.5% and an inflation rate of 1.5%. The estimated total future undiscounted cash flows to settle the asset retirement obligations are $406,250 (2007 - $406,250) and are expected to be incurred over a period of approximately 5 to 18 years.

6. Property, Plant and Equipment

	June 30, 2008			December 31, 2007		
	Cost $	Accumulated Amortization $	Net Book Value $	Cost $	Accumulated Amortization $	Net Book Value $
Office furniture equipment	16,035	9,019	7,016	16,035	8,450	7,585
Field equipment	292,654	100,742	191,912	290,738	85,337	205,401
Vehicles	52,657	31,468	21,189	52,657	29,750	22,907
	361,346	141,229	220,117	359,430	123,537	235,893

7. Share Capital

a) Authorized:

100,000,000 common shares without par value
100,000,000 preference shares without par value

b) Issued and fully paid:

	Common Shares		Amount	
	June 30, 2008	December 31, 2007	**June 30, 2008**	December 31, 2007
Balance	**9,766,850**	9,766,850	**$ 1,071,140**	$ 1,071,140

c) As at June 30, 2008 and December 31, 2007, there were no share purchase warrants outstanding.

8. Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors.

The Company's stock option activity for the six month period and balance as at June 30, 2008 are as follows:

Balance at December 31, 2007	Granted	Exercised	Expired	Balance at June 30, 2008	Exercise Price	Expiry Date
-	775,000	-	-	775,000	$0.24	June 17, 2013

As at June 30, 2008, a total of 775,000 of outstanding options have vested.

8. Share Purchase Options

The fair value of each option granted is estimated using an option-pricing model with the following weighted average assumptions:

	2008
Expected dividend yield	0.0%
Stock price volatility	122.41%
Risk free interest rate	3.37%
Expected life of options	5 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

9. Contributed Surplus

The Company's contributed surplus as at June 30, 2007 and the changes for the period ending on that date are as follows:

Balance, December 31, 2007	$	-
Non-cash stock-based compensation		212,930
Balance, June 30, 2008	$	212,930

10. Related Party Transactions

Related party transactions not disclosed elsewhere in these financial statements are as follows:

a) During the period, wages and benefits of $37,650 (2007 - $36,600) were paid to directors and officers of the Company.

b) During the period a finder's fee of $NIL (2007 - $40,000) was paid to a company owned by a director and officer of the Company.

c) During the period director fees of $7,500 (2007 - $NIL) were paid to the directors of the Company.

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

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

12. Financial Instruments

Categories of financial assets and liabilities

As at June 30, 2008, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

		June 30, 2008		December 31, 2007
Held for trading	$	1,044,905	$	736,321
Loans and receivables	$	565,582	$	340,780
Held to maturity	$	100,690	$	100,690
Other financial liabilities	$	1,305,106	$	936,027

a) **Classification of Financial Instruments**

The Company designated its cash and cash equivalents as held-for-trading, which is measured at fair value. GST and other receivables have been designated as loans and receivables, which are measured at amortized cost. The reclamation bond is designated at held-to-maturity and is measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

b) **Fair Value**

The fair values of financial assets and liabilities that are included in the balance sheet approximate their carrying values as the financial assets and liabilities have a short-term to maturity.

c) **Credit Risk**

A portion of the Company's receivables belong to a joint venture partner in the oil and gas industry and are subject to normal industry credit risks. At the balance sheet date there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

d) **Foreign Currency Exchange Risk**

The Company maintains a portion of its cash in Canadian dollars. The Company's operations are conducted in U.S. dollars. The Company's operations and cash flows are affected to varying degrees by the changes in the Canadian dollar to the U.S. dollar. Company expenditures are incurred predominately in U.S. dollars.

12. Financial Instruments - Continued

a) **Commodity Price Risk**

The nature of the Company's operations results in exposure to fluctuations in commodity prices. Management continuously monitors commodity prices and when necessary, initiates instruments to manage exposure to these risks. As at the balance sheet date, the Company did not have any commodity price risk contracts in place to mitigate these risks.

b) **Interest Rate Risk**

The Company's bank accounts earn interest income at variable rates. The Company's future interest income is exposed to changes in short-term rates

c) **Liquidity Risk**

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand.

13. Subsequent Events

a) Subsequent to the period ended June 30, 2008 the Company signed a six month agreement for Investor Relations services with a related party.

b) Subsequent to the period ended June 30, 2008 the Company entered into an agreement to acquire a 25% working interest in two additional wells that were drilled on the Lake Frances property in Pondera County, Montana. To participate in the drilling of these wells the Company paid or accrued costs subsequent to the period of $108,322 as their share of costs to a company with a director and officer in common.

Form 51-102F1
Management Discussion and Analysis

MOUNTAINVIEW ENERGY LTD
For the Period Ended June 30, 2008

August 28, 2008

Management's discussion and analysis (MD&A) of the financial condition, results of operations and cash flows should be read in conjunction with the consolidated financial statements and the accompanying notes. This discussion and analysis is based on information available to August 20, 2008. Additional information relating to the Company is on SEDAR at www.sedar.com.

The significant accounting policies are outlined in Note 2 to the audited consolidated financial statements of the Company for the year ended December 31, 2007. These accounting policies have been applied consistently for the quarter ended June 30, 2008., except for the newly adopted principles as outlined in Note 2, of the June 30, 2008 statements.

Forward Looking Statements

This report contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "expect", "estimate", "believe", and other similar words, or statements that certain events or conditions "may", or "will" occur. By their nature, forward-looking statements limited to, those associated with resource definition, the possibility of project cost overruns or unanticipated costs and expenses, regulatory approvals, fluctuating oil and gas prices, and the ability to access sufficient capital to finance future development, reservoir performance and drilling results. Although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this report. The reader is cautioned not to place undue reliance on forward-looking statements.

Company Overview

Mountainview Energy Ltd ("Mountainview" or the "Company") is involved in the acquisition of petroleum and natural gas rights, the exploration for, and development and production of, crude oil, condensate and natural gas. The Company is listed on the TSX Venture Exchange under the symbol "MVW".

Operations and Financial Condition

Gross Revenues for the three months ended June 30, 2008 of $1,395,448 increased by $847,764 from the $547,684 in Gross Revenues reported for the same period in 2007 (Gross Revenues include a nominal amount of bookkeeping revenue and interest income. In addition, Gross Revenues for the six months ended June 30, 2008 of $2,308,931 increased by $1,288,229 from the $1,020,702 reported for the same period in 2007. Also included in these figures are the Gas Revenues received for gas wells in which the Company holds a Working Interest, as later disclosed). The change in the revenues between these two periods is a direct result of the increase in the price received per barrel of oil and an increase in sales volumes. The following schedule shows a trend of increasing revenues received by the Company during the past eight quarterly periods with the exception of the 4th Quarter 2006 and 1st Quarter 2007, where there was a decline in gross volumes and pricing.

Period	Sales Volumes (Barrels)	Average Price (US $)	Gross Oil Sales (US $)
2nd Quarter 2008	12,148	112.12	1,362,042
1st Quarter 2008	10,419	85.00	885,649
4th Quarter 2007	11,723	79.76	935,020
3rd Quarter 2007	11,008	64.96	715,184
2nd Quarter 2007	10,075	54.36	547,684
1st Quarter 2007	9,957	47.26	470,529
4th Quarter 2006	10,221	49.25	503,397
3rd Quarter 2006	10,341	59.65	616,827

As depicted in the foregoing schedule the average price per barrel of oil received increased by $57.76 per barrel to $112.12 for the 2nd Quarter 2008 compared to the $54.36 received during the 2nd Quarter 2007. The Company experienced a temporary decrease in the price received per barrel of oil during the 4th Quarter 2006 and 1st Quarter 2007. However, from the 2nd Quarter 2007 to date the Company has continued to see steady increases in pricing. Commodity pricing has moderated into the 3rd Quarter 2008, with the price per barrel currently at US$113.00.

Summary of Quarterly Results

Period	Net Revenue ($)	Net Income ($)	Income per Share Basic ($)	Income Per Share Diluted ($)	Total Assets ($)	Total Long-Term Liabilities ($)
2nd Quarter 2008	1,194,389	148,520	0.02	0.02	4,489,054	345,436
1st Quarter 2008	786,481	225,742	0.02	0.02	3,742,715	345,436
4th Quarter 2007	815,404	170,882	0.02	0.02	3,532,783	345,436
3rd Quarter 2007	613,079	144,688	0.01	0.01	3,134,604	385,212
2nd Quarter 2007	469,473	46,502	0.00	0.00	3,127,242	380,306
2nd Quarter 2007	405,544	38,344	0.00	0.00	2,933,797	370,494
4th Quarter 2006	437,326	186,241	0.02	0.02	2,946,045	360,682
3rd Quarter 2006**	523,664	97,057	0.01	0.01	2,581,866	273,177
2nd Quarter 2006**	554,085	92,988	0.01	0.01	2,341,462	268,656

**Restated

A two-well drilling program was conducted during the 1st Quarter 2008 in the Red Creek Field. The two oil wells, Red Creek No. 40 and No. 41, were successfully completed and placed on production in May 2008. Mountainview owns 100% Working Interest in the Red Creek No. 40 and No. 41.

This drilling program in the Red Creek Field has enhanced the Field's production and strengthened the Company's steady revenue stream**.** However, the amount of generated revenue is not only relative to production but also to the price received per barrel of oil.

The Company acquired the Shannon River Project located in Carter County, Montana and Hardin County, South Dakota in July of 2004. Mountain View Energy, Inc, subsidiary of Mountainview Energy Ltd completed negotiations with QMAC ENERGY, INC for a sale of a 50% Working Interest in the Company's leasehold acreage in the Shannon River Project in Carter County, Montana and Harding County, South Dakota, which amounts to approximately 42,000 acres in October 2006. QMAC ENERGY, INC also shares in 50% of any on-going costs. The Company received $400,000 for the sale of this interest and will remain as the operator of these properties.

Campen Consulting, Inc completed a geological study of the acreage in the Shannon River Project in Carter County, Montana and Harding County, South Dakota, now called the Tie Creek Prospect. This study consisted of maps and cross sections of the area, which Management is in the process of analyzing for development possibilities.

The Company realized Net Income from operations before taxes of $341,660 for the three months ended June 30, 2008 and $666,003 for the six months ended June 30, 2008. This is a significant increase from the same periods of time in 2007 in which the Company reported $65,502 and $127,463, respectively. This increase in Income from operations is a result of the significant increase of $57.76 in the price received per barrel of oil during the three and six months ended June 30, 2008 over the three and six months ended June 30, 2007, as earlier stated.

The Company reported General and Administrative Expenses of $396,288 for the three months ended June 30, 2008 and $511,024 for the six months ended June 30, 2008. This compares to the $131,177 reported for the three months ended June 30, 2008 and $220,871 for the six months ended June 30, 2007. The majority of the increase in expenses can be attributed to the recording of a Stock Base Compensation Expense in the amount of $212,930, as a result of a Stock Option granted to the Directors, Officers and Employees of the Company during the three months ended June 30, 2008. Other General and Administrative Expenses included were wages and benefits of $67,097, travel and promotion of $22,128, and legal, accounting and consulting fees of $29,514 and Office Supplies & Utilities of $55,847. The increase in Office Supplies & Utilities from the $55,847 reported for the three-month period ending June 30, 2008 to the $9,810 reported in the same period in 2007 is a result of the timing of the Company's Annual General Meeting ("AGM") and the costs associated with the preparation and implementation of this meeting. During 2007 the Company's AGM was held during the Third Quarter rather than the Second Quarter, as was the case in 2008. General and administrative expenses are expected to continue to increase over the prior periods as the Company continues to increase its exploration and production activities.

The Company recognized a provision for Income Tax of $193,141 for the three months ended June 30, 2008 compared to $19,000 for the three months ended June 30, 2007. As the Company has no losses that can be carried forward the income tax provision is expected to increase along with increases in net revenues.

The Company's Cash Position increased during the three and six months ended June 30, 2008 to $1,044,905 from the $736,321 reported for the period ending December 31, 2007. This increase in cash of $308,584 is a direct result of the increase in the price received per barrel of oil and the additional income realized from the Company's participation in the drilling of the three natural gas wells in the Lake Frances area.

As depicted in the Consolidated Statement of Income, Comprehensive Income and Retained Earnings, the major cash operating expense during the three months ended June 30, 2008 and six months ended June 30, 2008 was Production Taxes at $127,580 and $235,730, respectively. This is a considerable increase over the $52,570 and $96,723 reported for the same periods in 2007, and relates directly to the increase in gross oil sales. The Company receives a "tax holiday" on new wells drilled and those placed on production after being dormant for a long period of time. This "tax holiday" consists of a significantly reduced tax rate on new production for a period of 12 consecutive months. Since the Company had two newly drilled wells on production during the period and existing shut-in wells, which were placed on production after a long period of time in prior quarters, this resulted in a large share of the oil sales for the period being taxed at a reduced rate. However, the Company is still subject to a higher tax rate, for those wells that have been in production for a longer period of time. Thus, tax rates for the current period reverted to the non-stripper rate, as implemented by the State of Montana. Normally, the wells in the Red Creek Field would be taxed at a stripper rate of 5.76%. However, if at any time during a quarterly period the West Texas Intermediary posting price for a barrel of oil exceeds $30.00, the stripper rate becomes null and void and the wells are taxed at the regular rate of 12.76%, thus leading to a higher tax liability.

Another major operating expense continues to be the utilities. This expense is comprised of charges for electricity used in operating electric motors for pumping units, injection pumps and REDA submersible pumps in the Red Creek Field. The Company also saw increases in the cost of materials and repairs and maintenance in comparison to the comparable period in 2007, which was a result of maintaining the production from new and existing wells. This expense will increase as the Company continues to increase its quarterly production. In addition, as the Company continues to drill new wells bringing anticipated increases in production, expenses associated with operating these wells are also expected to increase. Therefore, the Company can expect to see increases in costs for production taxes, utilities, labor, repairs and maintenance with the addition of each new well. Another major expense to note was for depletion, accretion and amortization, a non-case item, which increased from the $84,760, reported for three months ended June 30, 2007 to the $118,572 reported for the same period in 2008. This expense will increase as the Company continues to increase its quarterly production.

There have been no material write-offs or write-downs of assets during the period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions which affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the reporting period. Actual results could differ from those reported.

Related Party Transactions

As reported earlier in the Notes to Consolidated Financial Statements, the following related party transactions occurred during the three months ended June 30, 2008.

a) Gross Wages of $20,700 were paid to the President & Chief Executive Officer.

b) Gross Wages of $16,950 were paid to the Corporate Secretary and Director.

c) Directors' Fees amounting to $7,500 were paid to the five Directors of the Company.

Company Progress:

Lake Frances Field – Pondera County, Montana

Mountainview participated in the drilling of 2 natural gas wells and one wildcat oil well in Pondera County, Montana during 2007.

Following are the revenues received or accrued for these new gas wells from inception to-date. (Figures are based on the Company's Net Revenue Interest.)

Month	Net Volumes	Average Price Per MCF	Gross Revenue	Share of Production Taxes	Share of Operating Expenses	Net Revenue
B. Ag. #25-1 (Net Revenue Interest – 20%)						
4th Quarter 2007	70.40	3.92	280.01	2.13	293.75	(15.87)
1st Quarter 2008	124.80	4.45	555.70	4.22	292.75	258.73
2nd Quarter 2008	123.20	6.15	755.44	5.73	378.92	370.78
Vandenbos #19-1 (Net Revenue Interest – 20.625%)						
4th Quarter 2007	2,860.28	3.92	11,343.03	86.21	297.74	10,959.08
1st Quarter 2008	5,030.64	4.45	22,254.96	169.13	981.27	21,103.56
2nd Quarter 2008	3,983.76	6.15	24,095.16	183.12	416.44	23,495.59
Jim Powers #20-1 (Net Revenue Interest – 41.875%)						
		Actual Price Per MCF				
3/2008	447.64	4.98	2,229.27	16.94	0	2,212.33
2nd Quarter 2008	1,915.78	6.15	11,486.74	87.33	890.31	10,509.10
Total Gas Revenue Received and/or Accrued To-Date:						$ 68,893.30

Mountainview owns a 25% Working Interest in two of these wells and a 50% working interest in one well, as a result of paying one-third of the drilling and completion costs. Mountainview is under no contractual obligation to participate in the drilling of additional wells.

On January 29, 2008 the Company accepted assignment of a 50% interest in three State of Montana oil and gas leases covering 389.35 Gross Acres and 194.68 Net Acres to Mountainview. The Company's net share of acquisition costs for this acreage was $12,260.

The completion of the Red Creek #40 and Red Creek #41 has further enhanced the Red Creek Field's oil production volumes and this increased production has resulted in increased sales volumes. In addition, the Company's revenues have been augmented by the income generated from the natural gas wells in which Mountainview holds a working interest.

There are no material variances to-date that have impacted the Company's ability to continue its objectives as previously reported.

Financial Instruments

Mountainview's financial instruments consist of cash and cash equivalents, accounts receivable, reclamation bond, accounts payable and income tax payable. Management has reviewed all of the Company's books and records and identified the financial instruments based on an account by account review. The Company adheres to the standards set forth by the Canadian Institute of Chartered Accounts to address the criteria for recognition of financial assets and liabilities.

Categories of financial assets and liabilities

As at June 30, 2008, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments is classified into the following categories:

		June 30, 2008		December 31, 2007
Held for trading	$	1,044,905	$	736,321
Loans and receivables	$	565,582	$	340,780
Held to maturity	$	100,690	$	100,690
Other financial liabilities	$	1,305,106	$	936,027

Unless otherwise noted, it is Management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments.

Outstanding Share Data

To-date the Company has 9,766,850 outstanding shares with Shareholder Equity of $1,071,140. As of June 30, 2008, there were outstanding options of 775,000 shares available for exercising at a price of $0.24. These options have an expiration date of June 17, 2013.

Liquidity and Solvency

Working Capital for the three months ended June 30, 2008 was $310,135. This is a decrease from the same period in 2007 in which the Company reported Working Capital of $377,716. This decrease in Working Capital is directly related to the expenses incurred for the drilling program conducted in the Red Creek Field and those costs associated with the daily operations of the newly drilled and existing wells. This decrease can also be attributed to the expense of participating in the drilling of the natural gas wells in the Lake Frances area, in addition to the payment of $200,000 for the Company's 2007 Income Tax liability. In comparison, the Company had Working Capital of $148,292 for the period ending December 31, 2007.

The drilling and enhancement programs in the Red Creek Field are expected to contribute to the increase of the Company's cash reserves. In addition, the Company continues to receive historically high prices for oil produced in the Red Creek Field.

With respect to the Company's short-term liabilities, as of June 30, 2008, the Company had an obligation of $1,006,106 in Accounts Payable. This figure is mainly comprised of costs associated with accrued royalty and production tax expenses for the three and six months ended June 30, 2008 in addition to the costs associated with the two-well drilling program. The $141,000 for Future Income Tax Payable is an estimate of what the Company will owe for future income taxes, based on the timing differences between accounting income and taxable income. This tax will be paid when it becomes due. The $204,436 in Asset Retirement Obligation is being reported as per the rules set forth in the CICA Handbook, Section 3110, which states that the Company must recognize a legal liability for the obligations relating to the clean up and reclamation of the Red Creek Field, should the Company cease operations in the Red Creek Field.

Steady monthly revenues enable the Company to continue to meet its ongoing obligations and the Company has no long-term financial liabilities or obligations other than those that are disclosed.

Changes in Accounting Policies

These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual consolidated financial statements except for the changes noted below. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements as at December 31, 2007.

a) Financial Instrument disclosures

Effective January 1, 2008, the Company adopted CICA Section 3862, Financial Instruments Disclosures. This section requires disclosures of both qualitative and quantitative information that enables users of the financial statements to evaluate the nature and extent of risks from financial instruments to which the Company is exposed.

The impact of adopting this section is disclosed in Note 10 of the Interim Consolidated Financial Statements.

b) Capital disclosures

Effective January 1, 2008, the Company adopted CICA Section 1535, Capital Disclosures. This section requires the Company to include additional information in the notes to the financial statements about its capital and the manner in which it is managed. This additional disclosure includes quantitative and qualitative information regarding an entity's objectives, policies and procedures for managing capital.

The impact of adopting this section is disclosed in Note 3 of the Interim Consolidated Financial Statements.

c) Inventories

Effective January 1, 2008, the Company adopted CICA Section 3031, Inventories. This section requires inventories to be measured at the lower of cost or net realizable value; disallows the use of last-in, first-out inventory costing methodology; and requires that, when circumstances which previously caused inventories to be written down below cost no longer exist, the amount of the write-down is to be reversed. The adoption of this new section did not have a material impact on the Company's earnings.

d) International Financial Reporting Standards ("IFRS")

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 IRFS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for the publicly-listed companies to use IFRS, replacing Canada's own 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.

e) Goodwill and Intangible Assets

In February 2008, the AcSB issued Handbook Section 3064, Goodwill and Intangible Assets and amended Section 1000, Financial Statement Concepts clarifying the criteria for the recognition of assets, intangible assets and internally developed intangible assets. Items that no longer meet the definition of an asset are no longer recognized with assets. The standard is effective for fiscal years beginning on or after October 1, 2008 and early adoption is permitted. The adoption of this new section is not expected to have a material impact on the Company's earnings and financial position.

Business Risks:

Exploration and development of oil and gas reserves is speculative and involves a significant degree of risk. There is no guarantee that exploration and development of properties will lead to a discovery. The success of our business depends on our ability to successfully drill and complete producing oil and natural gas wells. Drilling may yield uneconomic efforts, through either dry wells or those which are not sufficiently productive to justify commercial development. In addition, the price we receive for our product dictates the amount of revenues we will receive. A material decline in the price of oil and gas may have an affect on Mountainview's financial condition.

The Company needs to continue the development of our oil and natural gas properties in order to grow and achieve financial profitability.

Mountainview is a small Company and is dependent on the efforts of its existing Management. Should the Company's Management become unavailable for any reason, a disruption in operations could result, thus having a material effect on the Company's financial condition.

Corporate Matters

Mountainview Energy Ltd held its Annual General Meeting on Tuesday, June 17, 2008 at the Terminal City Club in Vancouver, BC, Canada. The meeting resulted in the following individuals being elected as Directors of the Company: Joseph V. Montalban, Patrick M. Montalban, Carla Barringer, Bruce P. Young and Bo L. Mikkelsen. At a subsequent Directors' meeting the Board appointed the following officers of the Company: Joseph V. Montalban, Chairman of the Board and Patrick M. Montalban, President & Chief Executive Officer. In addition, the Board granted Incentive Stock Options to the Directors, Officers and Employees of the Company to purchase up to an aggregate of 775,000 common shares of Mountainview Energy Ltd at an exercise price of $0.24. The expiration date of these options is June 17, 2013.

Subsequent Events

Mountainview Energy Ltd opted to participate in the drilling and completion of two natural gas wells located in Pondera County, Montana during the 3rd Quarter 2008. In order to acquire a 25% Working Interest in these two wells, the Company paid 1/3 of the drilling and completion costs as follows:

Boucher #18-1:	$54,238.41
Stoltz #18-1:	$ 54,084.81

Also subsequent to the end of the 2nd Quarter 2008, Mountainview Energy Ltd hired Shane Montalban as an Investor Relations Specialist, effective July 1, 2008. Mr. Montalban is under a six-month contract as an Investor Relations Consultant. As per the conditions of the contract, the Company will pay Mr. Montalban $2,800.00 (CDN) per month for the first 3 months and $3,000.00 (CDN) per month for the last 3 months of the contract. Mr. Montalban has an extensive background of working in the investment business for the past 25 years. He worked as a Securities Broker for 7 years with local firms in Vancouver, British Columbia and for the national firm of Osler Wills Bickle in the 80's. Mr. Montalban was also a venture capitalist and fund manager for eight years in the 90's. Mr. Montalban will provide his services to the Company from his residence in Vancouver, British Columbia. Mr. Montalban is the son of the Company's Chairman of the Board, Mr. Joseph V. Montalban, and brother of the President & CEO, Mr. Patrick M. Montalban. He does not have any interest, direct or indirect, in the Company or its securities, or any right or intent to acquire such an interest.

Approval

The Audit Committee of Mountainview Energy Ltd has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

"Patrick M. Montalban"

Patrick M. Montalban
President & Chief Executive Officer **Date: August 28, 2008**