MOUNTAINVIEW ENERGY LTD.

CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine month periods ended September 30, 2009 and 2008

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.

Mountainview Energy Ltd. Statement 1

Interim Consolidated Balance Sheets

As at
US Funds
(Unaudited)

ASSETS		September 30, 2009		December 31, 2008 *Audited*
Current				
Cash and cash equivalents	$	**526,361**	$	644,464
Short-term investments *(Note 3)*		**101,355**		400,000
Accounts receivable - trade		**276,154**		322,485
Inventory		**6,168**		4,999
		910,038		1,371,948
Property, Plant and Equipment *(Note 7)*		**228,258**		191,358
Petroleum and Natural Gas Interests *(Note 5)*		**3,720,739**		3,402,475
Reclamation Bond *(Note 5b)*		**106,710**		106,710
	$	**4,965,746**	$	5,072,491
LIABILITIES				
Current				
Accounts payable and accrued liabilities - trade	$	**1,169,677**	$	1,001,089
Current portion of long-term debt		**19,752**		-
Income tax payable		**255,599**		532,757
		1,445,028		1,533,846
Long-Term Debt		**77,694**		-
Asset Retirement Obligation *(Note 6)*		**262,361**		243,053
Future Income Tax Payable		**172,893**		172,893
		1,957,976		1,949,792
SHAREHOLDERS' EQUITY				
Share Capital *(Note 8)*		**1,071,140**		1,071,140
Contributed Surplus *(Note 9)*		**212,930**		212,930
Retained Earnings –*Statement 2*		**1,723,700**		1,838,629
		3,007,770		3,122,699
	$	**4,965,746**	$	5,072,491

Nature of Business (Note 1)

ON BEHALF OF THE BOARD:

"Patrick V. Montalban" , Director

"Bruce P. Young" , Director

- See Accompanying Notes -

Mountainview Energy Ltd. <u>Statement 2</u>

Interim Consolidated Statements of Income (Loss) Comprehensive Income (Loss) and Retained Earnings

US FUNDS

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	**2009**	2008
Revenue				
Gross sales	**$ 665,268**	$ 1,298,351	**$ 1,615,216**	$ 3,607,282
Less royalties	**(96,001)**	(187,705)	**(231,969)**	(515,966)
	569,267	1,110,646	**1,383,247**	3,091,966
Cost of Sales				
Inventory - Beginning of period	**3,290**	4,754	**4,999**	7,218
Depletion, accretion and amortization	**109,683**	144,957	**284,203**	347,685
Repairs and maintenance	**61,564**	23,868	**157,114**	117,878
Production taxes	**69,513**	114,410	**155,749**	350,142
Labour	**41,601**	34,999	**127,985**	105,020
Utilities	**32,634**	30,158	**98,316**	97,961
Materials	**34,006**	17,712	**89,172**	58,052
Vehicle	**21,955**	19,127	**54,852**	64,183
Amortization - equipment	**17,336**	18,039	**51,333**	52,958
Miscellaneous production costs	**5,594**	9,655	**17,626**	13,433
Property taxes	**4,103**	-	**4,103**	3,844
Engineering reports	**2,891**	-	**3,936**	-
Insurance	**-**	-	**3,598**	3,598
	404,170	417,679	**1,052,986**	1,221,972
Inventory - End of period	**(6,168)**	(7,519)	**(6,168)**	(7,519)
	398,002	410,160	**1,046,818**	1,214,453
Gross Margin	**171,265**	700,486	**336,429**	1,877,514
General and Administrative Expenses - *Schedule*	**154,872**	(135,364)	**(451,034)**	(646,388)
Income (Loss) from Operations	**16,393**	565,122	**(114,605)**	1,231,125
Provision for Income Taxes	**(32)**	(87,144)	**(324)**	(378,855)
Net Income (Loss) and Comprehensive Income (Loss) for the Period	**16,361**	478,008	**(114,929)**	852,270
Retained earnings - Beginning of period	**1,707,339**	1,554,442	**1,838,629**	1,180,180
Retained Earnings - End of Period	**$ 1,723,700**	$ 2,032,450	**$ 1,723,700**	2,032,450
Income per Share - Basic	**$ (0.00)**	$ 0.05	**$ (0.01)**	$ 0.09
Income per Share - Diluted	**$ (0.00)**	$ 0.05	**$ (0.01)**	$ 0.08
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	**10.541,850**	10,541,850	**10,541,850**	10,062,759

- See Accompanying Notes -

Mountainview Energy Ltd. Statement 3

Interim Consolidated Statements of Cash Flows

US FUNDS

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
Cash Resources Provided By (Used In)	**2009**	2008	**2009**	2008
Operating Activities				
Cash receipts from customers	**$ 627,852**	$ 1,369,171	**$ 1,568,984**	$ 3,307,862
Direct costs	**(249,960)**	(196,660)	**(684,563)**	(821,922)
Cash paid to suppliers and employees	**(136,793)**	(292,137)	**(670,211)**	(634,764)
	241,099	880,374	**214,210**	1,851,176
Investing Activities				
Petroleum and natural gas interest	**(185,854)**	(435,809)	**(541,648)**	(1,087,733)
Property, plant and equipment	**(3,000)**	-	**(90,664)**	(10,294)
	(188,854)	(435,809)	**(632,313)**	(1,098,027)
Financing Activities				
Short-term Investments	**100,000**	(200,000)	**300,000**	(200,000)
Net Increase (Decrease) in Cash	**152,245**	244,565	**(118,103)**	553,149
Cash position - Beginning of period	**374,116**	1,044,905	**644,464**	736,321
Cash Position - End of Period	**$ 526,361**	$ 1,289,470	**$ 526,361**	$ 1,289,470

Supplemental Schedule of Non-Cash Investing and Financing Transactions:				
Depletion, accretion and amortization	**$ 109,683**	$ 144,957	**$ 284,203**	$ 347,685

Supplemental Cash Flow Information:				
Income tax paid	**$ 27,158**	$ 14,270	**$ 277,158**	$ 214,270

- See Accompanying Notes -

Mountainview Energy Ltd. <u>Schedule</u>

Interim Consolidated Schedules of Administrative Expenses

US FUNDS

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	**2009**	2008
Wages and benefits	**$ 59,429**	$ 55,002	**$ 183,695**	$ 183,118
Travel and promotion	**47,225**	41,553	**93,452**	85,969
Legal, accounting and consulting	**32,312**	16,642	**62,713**	53,340
Office supplies and utilities	**23,188**	4,153	**58,239**	68,835
Investor relations	**8,155**	11,691	**23,082**	11,691
Director fees	**7,500**	-	**7,500**	7,500
Regulatory and exchange fees	**621**	1,093	**6,903**	8,613
Telephone	**1,335**	2,520	**5,504**	7,698
Transfer agent fees	**1,520**	1,160	**5,040**	4,814
Foreign exchange	**(27,054)**	981	**2,983**	173
Amortization	**641**	569	**1,922**	1,707
Stock based compensation	**-**	-	**-**	212,930
	$ 154,872	$ 135,364	**$ 451,034**	$ 646,388

- See Accompanying Notes –

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.

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, 2008.

a) Recent Canadian Accounting Pronouncements

i) Goodwill and Intangible Assets (Section 3064)

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. This standard also provides guidance for the treatment of pre-production and start-up costs and requires that these be expensed as incurred. The Company adopted this standard January 1, 2009. The adoption of this new section is not expected to have a material impact on the Company’s earnings and financial position.

b) **Future Canadian Accounting Pronouncements**

i) Business Combinations (Section 1582)

In January 2009, the CICA issued Handbook Section 1582, “Business Combinations”, which requires that all assets and liabilities of an acquired business be recorded at fair value at acquisition. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the period after the acquisition date. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

ii) Consolidations (Section 1601) and Non-Controlling Interest (Section 1602)

In January 2009, the CICA issued Handbook Section 1601, “Consolidations” (“CICA 1601”), and Section 1602, “Non-Controlling Interests” (CICA 1602”). CICA 1601 establishes standards for preparing consolidated financial statements and CICA 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

2. Significant Accounting Policies - *Continued*

d) Future Canadian Accounting Pronouncements - *continued*

i) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC Abstract 173)

In January 2009, the CICA issued EIC Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC requires the Company to take into account the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. The abstract applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2010. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

3. Short-term Investments

Short-term investments at September 30, 2009 consist of the following:

Type of Investment	Face Value	Annual Interest Rate	Maturity Date
	$		
Term deposit	100,000	1.70%	September 25, 2010
	100,000		

At September 30, 2009 the Company has accrued interest of $1,355 relating to the short-term investments. At September 30, 2008 the Company did not have any short-term investments.

4. 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.

5. Petroleum and Natural Gas Interests

a) Details of cumulative expenditures are as follows:

		September 30, 2009		December 31, 2008
Proved and Producing				
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		**3,374,932**		3,202,418
Asset retirement cost		**177,573**		167,785
Accumulated amortization and depletion		**(1,594,816)**		(1,320,133)
	$	**2,561,179**	$	2,653,563
Lake Frances, Montana, USA				
Other capitalized costs	**$**	**740,461**	$	464,512
Lease rentals		**83,693**		82,119
	$	**824,154**	$	546,631
Southwest Pondera Prospect, Montana, USA				
Other capitalized costs	**$**	**125,786**	$	-
Unproved				
Tie Creek Prospect, Montana, USA:				
Purchase price	**$**	**31,250**	$	31,250
Lease rentals		**165,289**		157,950
Other capitalized costs		**13,081**		13,081
	$	**209,620**	$	202,281
Total petroleum and natural gas interests	**$**	**3,720,739**	$	3,402,475

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 for the nine month periods ended September 30, 2009 is $106,710 (2008 - $100,690), which includes accrued interest of $26,710 (2008 - $20,690).

c) In 2004, the Company purchased a 100% interest in the Tie Creek Prospect (Formerly 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.

5. **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. During the current period, the Company entered into agreements to acquire a 50% working interest in two additional well. To participate in the drilling of these wells the Company paid or accrued costs of $265,123 (2008 - $254,696) as their share of costs to a company with a director and officer in common.

e) During the nine months ended September 30, 2009, the Company entered into a Farm-out Agreement with a company with a director and officer in common. The Company will drill a test well on a 40 acre tract located in the NWSE-Section 33-T27N-R4W, Teton County, Montana. The Company is responsible for 100% of the drilling and completion costs and will own a 75% working interest in the well.

f) 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 September 30, 2009 and determined that no write-down of the capitalized costs was required (2008 - $nil write-down).

g) The following table outlines the benchmark prices used in the impairment test at December 31, 2008:

Year	Oil Price (1)
2009	$ 46.39
2010	49.39
2011	54.39
2012(2)	64.39

(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 3.0% per annum to thereafter for oil.

6. Asset Retirement Obligation

The asset retirement obligations for the period ended September 30, 2009 are as follows:

	September 30, 2009	December 31, 2008
Asset retirement obligation at the beginning of the period	**$ 243,053**	$ 204,436
Net present value of new obligations during the period	**9,520**	-
Accretion expense	**9,788**	19,041
Revision in estimated cash flows on existing obligations	**-**	19,576
Asset retirement obligation at the end of the period	**$ 262,361**	$ 243,053

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 $487,500 (2008 - $406,250) and are expected to be incurred over a period of approximately 5 to 18 years.

7. Property, Plant and Equipment

			September 30, 2009			December 31, 2008
	Cost $	Accumulated Amortization $	Net Book Value $	Cost $	Accumulated Amortization $	Net Book Value $
Office furniture equipment	21,476	12,868	8,608	17,504	10,946	6,558
Field equipment	280,581	184,889	95,692	320,131	151,366	168,765
Vehicles	178,390	54,432	123,958	52,657	36,622	16,035
	480,447	252,189	228,258	390,292	198,934	191,358

8. Share Capital

a) Authorized:

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

f) Issued and fully paid:

	Common Shares		Amount	
	September 30, 2009	December 31, 2008	**September 30, 2009**	December 31, 2008
Balance	**9,766,850**	9,766,850	**$ 1,071,140**	$ 1,071,140

c) As at September 30, 2009 and 2008, there were no share purchase warrants outstanding.

9. Contributed Surplus

The Company's contributed surplus as at September 30, 2009 and the changes for the period ended on that date are as follows:

Balance, December 31, 2007	$	-
Fair value of stock options granted	$	212,930
Balance, December 31, 2008 and September 30, 2009	$	212,930

10. Share Purchase Options

The Company has established a share purchase option plan which authorizes the board of directors to grant options for the purchase of up to 10% of the issued and outstanding common shares. 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.

a) The Company's stock option activity for the nine month period and balance as at September 30, 2009 are as follows:

Balance at December 31, 2008	Granted	Exercised	Expired	Balance at September 30, 2009	Exercise Price	Expiry Date
775,000	-	-	-	775,000	$0.24	June 17, 2013

As at September 30, 2009, a total of 775,000 of outstanding options have vested.

b) The Company's stock option activity for the nine month period and balance as at September 30, 2008 are as follows:

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

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

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.

11. Related Party Transactions

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

a) During the nine months ended September 30, 2009, wages and benefits of $115,785 (2008 - $112,950) were paid to directors and officers of the Company.

b) During the nine months ended September 30, 2009, investor relation fees of $23,082 (2008 - $11,691) were paid to a relative of a director and officer of the Company.

c) During the nine months ended September 30, 2009, director fees of $7,500 (2008 - $7,500) were paid to 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.

12. Comparative Figures

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

13. Financial Instruments

Categories of financial assets and liabilities

As at September 30, 2009, 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:

		September 30, 2009		December 31, 2008
Held for trading	$	**627,716**	$	1,044,464
Loans and receivables	$	**276,154**	$	322,485
Held to maturity	$	**106,710**	$	106,710
Other financial liabilities	$	**1,169,677**	$	1,001,089

a) **Classification of Financial Instruments**

The Company designated its cash and cash equivalents and short-term investments 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.

13. Financial Instruments - continued

c) **Credit Risk**

The Company's trade accounts receivable is comprised of oil and gas revenue receivable and this amount is due from one specific entity. Therefore, the collectability is dependent upon the general economic conditions of the purchaser. The receivable amount is not collateralized and to date the Company has never recorded any bad debts.

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.

The maximum exposure to credit risk is represented by the carrying amount of accounts receivable in the balance sheet.

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

d) **Foreign Currency Exchange Risk**

The majority of the Company's operations are conducted in U.S. dollars. The Company is exposed to foreign currency fluctuations to the extent cash, GST receivable and accounts payable and accrued liabilities of the Company not denominated in US dollars.

At September 30, 2009, the Company had the following assets and liabilities dominated in Canadian dollars.

		September 30, 2009		December 31, 2008
Cash	$	**8,662**	$	3,573
GST receivable	$	**5,504**	$	11,023
Accounts payable and accrued liabilities	$	**49,307**	$	82,734

e) **Commodity Price Risk**

The Company is exposed to market risk and commodity price risk. Based on these commodity price exposures at September 30, 2009 a $10 increase or decrease in the average price of oil would result in an increase or decrease of gross revenues of approximately $115,000. Declines in the market price of commodities, most significantly oil and gas, can not only adversely affect operating results, but may also affect the Company's ability to raise additional capital. As at the balance sheet date, the Company did not have any commodity price risk contracts in place to mitigate these risks.

13. Financial Instruments - continued

f) 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.

g) Liquidity Risk

The Company is exposed to liquidity risk. The Company manages liquidity risk by maintaining sufficient cash and short-term investment balances for settlement of its obligations. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital in order to meet short-term obligations.

14. Subsequent Event

Subsequent to the nine month period ended September 30, 2009 the Company purchased a 17.5% working interest in three gas wells located in the Lake Frances Field from Compass Energy, Inc. The Company paid as consideration to Compass Energy, Inc, $20,000 for a 100% interest in their right, title and interest in these three gas wells.

Form 51-102F1
Management Discussion and Analysis

MOUNTAINVIEW ENERGY LTD
For the Three and Nine Month Periods Ended September 30, 2009

November 30, 2009

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 November 30, 2009. 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, 2008. These accounting policies have been applied consistently for the quarter ended September 30, 2009 except for the newly adopted principles as outlined in Note 2, of the September 30, 2009 Notes to the Interim Consolidated Financial 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 September 30 2009 of $665,268 decreased by $633,083 from the $1,298,351 in Gross Revenues reported for the same period in 2008 (Gross Revenues include a nominal amount of bookkeeping revenue and interest income. In addition, Gross Revenues for the nine months ended September 30, 2009 of $1,615,216 decreased by $1,002,066 from the $3,607,282 reported for the same period in 2008. 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 decrease in the price received per barrel of oil and a slight decrease 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 2008 and 1st Quarter 2009, where there was a significant decline in pricing. The Company is currently receiving an average of approximately $65.00 per barrel.

Period	Sales Volumes (Barrels)	Average Price (US $)	Gross Oil Sales (US $)
3rd Quarter 2009	11,488	57.37	659,109
2nd Quarter 2009	11,115	50.05	556,040
1st Quarter 2009	10,745	33.05	354,990
4th Quarter 2008	11,527	44.50	512,965
3rd Quarter 2008	11,971	104.96	1,256,461
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

As depicted in the foregoing schedule the average price per barrel of oil received decreased by $47.59 per barrel to $57.37 for the 3rd Quarter 2009 compared to the $104.96 received during the 3rd Quarter 2008. The Company experienced a temporary increase in the price received per barrel of oil during the 1st, 2nd, and 3rd Quarter 2008. However, for 4th Quarter 2008 and 1st Quarter 2009 the Company saw a decrease in pricing with a rebound going into the 2nd and 3rd Quarter 2009. The Company's posting price per barrel is currently at US$67.75.

Summary of Quarterly Results

Period	Net Revenue ($)	Net Income (Loss) ($)	Income (Loss) per Share Basic ($)	Income (Loss) Per Share Diluted ($)	Total Assets ($)	Total Long-Term Liabilities ($)
3rd Quarter 2009	569,267	16,361	(0.00)	(0.00)	4,965,746	512,948
2nd Quarter 2009	494,577	(10,923)	(0.00)	(0.00)	4,817,063	526,629
1st Quarter 2009	313,131	(120,368)	(0.01)	(0.01)	4,680,137	425,466
4th Quarter 2008	465,070	(193,821)	(0.02)	(0.02)	5,072,491	415,946
3rd Quarter 2008	1,110,646	478,008	0.05	0.05	5,032,834	345,436
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

RED CREEK FIELD, MONTANA, USA

2009 Drilling Program:

The Company continues to evaluate drilling opportunities in the Red Creek Field.

2008 Drilling Programs

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.

> Red Creek No. 40: The Red Creek No. 40 had an initial production rate of 21 barrels of oil per day and 5 barrels of water per day from the Madison/Sun River Dolomite. The producing interval in the Madison/Sun River Dolomite is 2,770' to 2,772'. There is an additional 14 feet of Upper Cut Bank Gas pay zone and 30 feet of Middle and Lower Cut Bank Oil pay zone, for a total of 44 feet that has yet to be perforated and completed

> Red Creek No. 41: The Red Creek No. 41 had an initial production rate of 121 barrels of oil per day and 22 barrels of water per day from the Madison/Sun River Dolomite. A two week test showed average production at 81 barrels of oil and 26 barrels of water per day. The producing interval in the Madison/Sun River Dolomite is 2,766' to 2,770'. Sample and log interpretations show the total amount of pay from 2,766' to 2,782' for a total of 16 feet of oil pay zone. There is an additional 12 feet of Upper Cut Bank Gas pay zone and 35 feet of Middle and Lower Cut Bank Oil pay zone, for a total of 47 feet that has yet to be perforated and completed.

During the 3rd Quarter 2008 another two-well drilling program was conducted in the Red Creek Field. The Red Creek No. 42 and No. 43, two oil wells, were successfully completed on placed on production during the quarter.

> Red Creek No. 42: The Red Creek No. 42 had an initial production rate of 18 barrels of oil per day and 5 barrels of water per day from the Madison/Sun River Dolomite. The producing interval in the Madison/Sun River Dolomite is 2,755' to 2,772'. There is an additional 26 feet of Upper Cut Bank Gas pay zone (2590' – 2616') and 16 feet of Middle and Lower Cut Bank Oil pay zone (2648'-2664'), for a total of 42 feet that has yet to be perforated and completed.

> Red Creek No. 43: The Red Creek No. 43 had an initial production rate of 7 barrels of oil per day and 48 barrels of water per day from the Madison/Sun River Dolomite. The producing interval in the Madison/Sun River Dolomite is 2,765' – 2778'. There is an additional 43' of Upper Cut Bank Gas pay zone (2601'-2644') and 35' feet of Middle and Lower Cut Bank Oil pay zone (2647'-2682'), for a total of 78' feet that has yet to be perforated and completed.

The two drilling programs in the Red Creek Field have enhanced the Field's production and help to maintain 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.

TIE CREEK PROSPECT, MONTANA, USA

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

SOUTHWEST PONDERA PROSPECT, MONTANA, USA

Mountain View Energy, Inc., a wholly owned subsidiary of Mountainview Energy Ltd entered into a farm-out agreement with Majestic Oil & Gas, Inc on September 1, 2009, outlining parameters for Mountain View Energy, Inc to drill a test well in the NWSE-Section 33-T27N-R4W, Teton County, MT at its sole cost, risk and expense. In doing so, Mountain View Energy, Inc., would acquire 75% of the Working Interest, while Majestic Oil & Gas, Inc would retain a 25% Working Interest in any well drilled in the 40-acre tract.

Accordingly, on September 9, 2009, Mountain View Energy, Inc commenced drilling operations on the Donovan #33-3 well located in the SWNWSE – Section 33-T27N-R4W, Teton County, Montana. The well was successfully drilled and completed with an initial production of 15 barrels of oil per day with no water. The producing interval is the Madison/Sun River Dolomite with 20 feet of pay from 2,125' to 2,145'.

LAKE FRANCES FIELD – PONDERA COUNTY, MONTANA, USA

<u>2009:</u>

During the 1st Quarter 2009, the Company participated in the drilling and completion of the Vandenbos #13-1 well with Altamont Oil & Gas, Inc, a Company 100% owned by Mountainview Energy Ltd's President and Chief Executive Officer. This natural gas well is located in Section 13-T29N-R5W, Pondera County, Montana and the Company paid two-thirds of the drilling and completion costs in the amount of $124,836 in order to earn a 50% Working Interest in this well.

The initial production test of the Vandenbos #13-1 well was 3.5 pounds on a 1" orifice, which is 263 MCF per day. With these results, it was determined that the Lake Frances Field extends to the northwest, proving up additional locations for drilling. The production interval on the Vandenbos #13-1 well is 2368' to 2382', with 14 feet of total pay zone. The Company has completed and is currently constructing the pipeline in order to connect the well the gathering system.

During the 2nd Quarter 2009, the Company participated in the drilling of the Jody Field #4-1A well with Altamont Oil & Gas, Inc., a Company 100% owned by Mountainview Energy Ltd's President & Chief Executive Officer. This potential oil well is located in Section 4-T29N-6W, Pondera County, Montana and the Company has committed to paying two-thirds of the drilling and completion costs in order to earn a 50% Working Interest.

2008:

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

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.)

	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%)						
3rd Quarter 2009	108	1.33	143	13	317	(187)
2nd Quarter 2009	112	1.52	170	16	337	(183)
1st Quarter 2009	109	2.41	265	8	482	(225)
4th Quarter 2008	114	3.41	390	3	421	(34)
3rd Quarter 2008	118	6.04	719	5	394	320
2nd Quarter 2008	123	6.15	755	6	379	370
1st Quarter 2008	124	4.45	556	4	293	259
4th Quarter 2007	70	3.92	280	2	294	(16)

Vandenbos #19-1 (Net Revenue Interest – 20.625%)						
3rd Quarter 2009	1,272	1.33	1,695	157	355	1,183
2nd Quarter 2009	1,497	1.52	2,275	210	375	1,690
1st Quarter 2009	1,394	2.41	4,899	142	482	4,275
4th Quarter 2008	2,513	3.41	8,572	65	445	8,062

3rd Quarter 2008	3,150	6.04	19,335	147	432	18,756
2nd Quarter 2008	3,984	6.15	24,095	183	416	23,496
1st Quarter 2008	5,030	4.45	22,255	169	981	21,105
4th Quarter 2007	2,860	3.92	11,343	86	298	10,959

Month	Net Volumes	Actual Price Per MCF	Gross Revenue	Share of Production Taxes	Share of Operating Expenses	Net Revenue
Jim Powers #20-1 (Net Revenue Interest – 41.875%)						
3rd Quarter 2009	198	1.33	265	2	1582	(1,319)
2nd Quarter 2009	175	1.52	267	2	749	(484)
1st Quarter 2009	246	2.41	608	5	964	(361)
4th Quarter 2008	423	3.41	1,444	11	1,841	(408)
3rd Quarter 2008	718	6.04	4,516	34	2,210	2,272
2nd Quarter 2008	1,916	6.15	11,487	87	890	10,510
1st Quarter 2008	448	4.98	2,229	17	-	2,212
Boucher #18-1 (Net Revenue Interest – 20.625%)						
3rd Quarter 2009	572	1.33	759	6	317	436
2nd Quarter 2009	734	1.52	1,116	8	337	770
1st Quarter 2009	1,135	2.41	2,769	21	445	2,303
4th Quarter 2008	1,435	3.41	4,895	37	408	4,450
3rd Quarter 2008	1,018	5.21	5,253	40	626	4,587
Stoltz #18-1 (Net Revenue Interest – 20.3125%)						
3rd Quarter 2009	18	1.33	26	0.18	317	(291)
2nd Quarter 2009	34	1.52	52	0.38	337	(285)
1st Quarter 2009	60	2.41	156	1	445	(290)
4th Quarter 2008	165	3.41	562	4	332	226
3rd Quarter 2008	97	5.21	499	4	268	227

Vandenbos #13-1 (Net Revenue Interest – 41.25%						
3rd Quarter 2009	3,788	1.33	5,050	38	635	4,377
2nd Quarter 2009	4,002	1.52	6,038	35	2,818	3,185
Total Net Gas Revenue Received or Accrued in 2009:						$ 14,571
Total Net Revenues To-Date:						$ 127,293

Mountainview Energy Ltd is under no contractual obligation to participate in the drilling of additional wells in the Lake Frances Field.

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 drilling programs in the Red Creek Field have further enhanced the Red Creek Field's oil production 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. The Company anticipates the receipt of additional revenues from oil produced from the Donovan #33-3 oil well, as discussed above.

RESULTS OF OPERATIONS

The Company had Net Income from operations before taxes of $16,393 and ($114,605) for the three and nine months ended September 30, 2009. This loss can be compared to a Net Income from operations of $565,122 for the three month period ending September 30, 2008 and $1,231,125 for the nine month period ending September 30, 2008. The reason for the significant change in Net Income between the two periods is a direct result of the significant decrease in the price received per barrel.

The Company reported general and administrative expenses of $154,872 for the three months and $451,034 for the nine months ended September 30, 2009. This compares to the $135,364 and $646,388 reported for the same periods in 2008. The increase in expenses from the three months ended September 30, 2009 compared to the same period in 2008 is due mainly to an increase in the Travel and Promotion expense and Legal, Accounting and Consulting. The decrease in expenses for the nine months ended September 30, 2009 compared to the same period in 2008 is related to no Stock Base Compensation being reported. The Company hired an Investor Relations Consultant during the 2nd Quarter 2008 and now has realized this expense for an entire year in comparison to only three months, when reporting for the period ended September 30, 2008. There also was an increase in Audit and Accounting expenses, as a result of the Company's expanded operations. Office supplies and utilities increased during the three months ended September 30, 2009 compared to the same period in 2008, as a result the timing of the Company's Annual General Meeting ("AGM") and the costs associated with the preparation and implementation of this meeting. The decrease in General and Administrative Expenses for the nine month period ended September 20, 2009 of $451,034 compared to the $646,388 reported for the nine month period ended September 30, 2008 can be attributed to the recording of a Stock Base Compensation Expense in the amount of $212,930 during the period, as a result of a Stock Option granted to the Directors, Officers and Employees of the Company. 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 $324 for the three and nine months ended September 30, 2009 compared to $87,144 and $378,855 for the same periods in 2008. The Company's income tax burden will decrease in response to the decrease in taxable revenues, as a result of the decrease in the price received per barrel of oil.

The Company's Cash Position decreased during the three and nine months ended September 30, 2009 to $526,361 from the $1,289,470 reported for the same periods in 2008. This decrease in cash of $763,109 is a direct result of the significant decrease in the price received per barrel of oil, resulting in a decrease in revenues for the period

As depicted in the Consolidated Statement of Income, Comprehensive Income and Retained Earnings, the major cash operating expense during the three and nine months ended September 30, 2009 was Production Taxes at $69,513 and $114,410. This is a considerable decrease over the $155,749 and $350,162 reported for the same periods in 2008, and relates directly to the decrease in revenues, as a result in a decrease in the price per barrel of oil. 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 for 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. Another major expense is for materials and supplies for 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-cash item, which decreased from the $144,957 and $347,685, reported for the three and nine month period ended September 30, 2008 to the $109,683 and $284,203 reported for the same periods in 2009.

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

<u>Use of Estimates</u>

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 nine months ended September 30, 2009.

a) During the nine months ended September 30, 2009, wages and benefits of $115,785 were paid to directors and officers of the Company.

b) During the nine months ended September 30, 2009, investor relation fees of $23,082 were paid to a relative of a director and officer of the Company.

c) During the nine months ended September 30, 2009, the Company paid or accrued $265,123 to a private Company, which is 100% owned by the Company's President & Chief Executive Officer for drilling and completion costs for a 50% working interest in an oil well and gas well drilled in the Lake Frances Field.

d) During the nine months ended September 30, 2009, director fees of $7,500 were paid to directors of the Company.

e) During the nine months ended September 30, 2009, the Company entered into a Farm-out Agreement with Majestic Oil & Gas, Inc, a U.S. Public Company, whose President & CEO is also the Company's President & CEO. This Farm-out agreement sets out the terms by which Mountain View Energy, Inc will drill a test well on a 40 acre tract located in the NWSE-Section 33-T27N-R4W, Teton County, Montana. The Company is responsible for 100% of the drilling and completion costs and will own a 75% Working Interest in the well, while Majestic Oil & Gas, Inc will retain a 25% 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. 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 September, 2009, 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:

		September 30, 2009		December 31, 2008
Held for trading	$	627,716	$	1,044,464
Loans and receivables	$	276,154	$	322,485
Held to maturity	$	106,710	$	106,710
Other financial liabilities	$	1,169,677	$	1,001,089

Classification of Financial Instruments

The Company designated its cash and cash equivalents and short-term investments 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.

The Company is exposed to market risk and commodity price risk. Based on these commodity price exposures at September 30, 2009 a $10 decrease or increase in the average price of oil would result in a decrease or increase of gross revenues of approximately $115,000. Declines in the market price of commodities, most significantly oil and gas, can not only adversely affect operating results, but may also affect the Company's ability to raise additional capital. As at the balance sheet date, the Company did not have any commodity price risk contracts in place to mitigate these risks.

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

The Company is exposed to liquidity risk. The Company manages liquidity risk by maintaining sufficient cash and short-term investment balances for settlement of its obligations. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital in order to meet short-term obligations

Outstanding Share Data

To-date the Company has 9,766,850 outstanding shares with Shareholder Equity of $1,071,140. As of September 30, 2009, 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 nine month period ended September 30, 2009 ($534,999). This is a significant decrease from the year ended December 31, 2008 in which the Company reported Working Capital of ($161,898). This decrease in Working Capital is directly related to a decrease in the Company's cash, as a result of a payment made on the Company's 2008 Income Tax Liability in the amount of $250,000 along with the outlay for drilling and completion costs associated with the 2008 Red Creek drilling program and the participation in the drilling and completion of the Vandenbos #13-1 gas well and Donovan #33-3 oil well. As earlier discussed, the Company paid approximately $124,836 in drilling and completion costs for the Vandenbos #13-1. To-date, expenses in the amount of approximately $134,000 have been incurred and paid for the drilling and completion of the Donovan #33-3 well.

The drilling and enhancement programs in the Red Creek Field and exploration project in the South Pondera Prospect are expected to contribute to the increase of the Company's cash reserves, as the price of oil continues to rebound. The price of natural gas is also rebounding, which will result in an increase in the revenues we received from the natural gas wells in which the Company owns an interest. Therefore, Management expects to be able to continue to meet its on-going obligations.

With respect to the Company's short-term liabilities, as of September 30, 2009, the Company had an obligation of $1,189,429 in Accounts Payable and $255,599 in Income Tax Payable. The accounts payable figure is mainly comprised of costs associated with accrued royalties and production tax expenses. The $172,893 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 $262,361 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.

The Company has no long-term financial liabilities or obligations other than those that are disclosed.

Changes in Accounting Policies

Goodwill and Intangible Assets (Section 3064)

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. This standard also provides guidance for the treatment of pre-production and start-up costs and requires that these be expensed as incurred. 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.

Future Canadian Accounting Pronouncements

Business Combinations (Section 1582)

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", which requires that all assets and liabilities of an acquired business be recorded at fair value at acquisition. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the period after the acquisition date. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

Consolidations (Section 1601) and Non-Controlling Interest (Section 1602)

In January 2009, the CICA issued Handbook Section 1601, "Consolidations" ("CICA 1601"), and Section 1602, "Non-Controlling Interests" (CICA 1602"). CICA 1601 establishes standards for preparing consolidated financial statements and CICA 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC Abstract 173)

In January 2009, the CICA issued EIC Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC requires the Company to take into account the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. The abstract applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2010. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

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.

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 current price of oil and natural gas continues to fluctuate and there is an expectation that the Company's cash reserves will be directly affected.

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

Subsequent Events

Mountain View Energy, Inc., a wholly owned subsidiary of Mountainview Energy Ltd purchased a 17.5% Working Interest in 3 gas wells located in the Lake Frances Field from Compass Energy, Inc., as further described and set forth in the Assignment, Bill of Sale and Conveyance dated October 1, 2009. The Company paid to Compass Energy, Inc $20,000 for all their right, title and interest in the J. Powers #3, #4 and J.V. Inc. #1 gas wells.

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: November 30, 2009**