Form 51-102F1
Management Discussion and Analysis

MOUNTAINVIEW ENERGY LTD
Fiscal Year Ended December 31, 2010

May 2, 2011

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 May 2, 2011. Additional information relating to the Company is on SEDAR at www.sedar.com.

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 year ended December 31, 2010 of $2,900,253 increased by $542,778 from the $2,357,475 in Gross Revenues reported for the year ended December 31, 2009. Included in these figures are Gas Revenues received for gas wells in which the Company holds a Working Interest, as later disclosed. The change in the revenue between these two years is a direct result of the increase in the price received per barrel of oil. Also, as detailed, the Company realized a royalty recovery of $803,000, as result of an adjustment to the royalty accrual percentage. The completion of a legal opinion on the Red Creek Property resulted in the determination that the royalty burden was 9.025% and not 14.34% as had been applied in the past. The following schedule shows a trend of increasing revenues received by the Company during the past eight quarterly periods with the exception of the 1st Quarter 2009, where there was a significant decline in pricing. The Company is currently receiving an average of approximately $72.00 per barrel.

Period	Sales Volumes (Barrels)	Average Price (US $)	Gross Oil Sales (US $)
4th Quarter 2010	10,754	71.72	771,244
3rd Quarter 2010	10,375	64.85	672,837
2nd Quarter 2010	9,964	66.77	665,262
1st Quarter 2010	10,702	67.55	722,990
4th Quarter 2009	11,180	65.13	728,128
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

As depicted in the foregoing schedule the average price per barrel of oil received increased by $7.48 per barrel to $64.85 for the 3rd Quarter 2010 compared to the $57.37 received during the 3rd Quarter 2009. The Company experienced a temporary decrease in the price received per barrel of oil during the 1st Quarter 2009 but have seen a steady increase through the 2nd Quarter 2010 with a slight decrease in the average price for 3rd Quarter 2010. There is an increasing trend in the price of crude oil on the world market, thus affecting the Company's posting price per barrel, which is currently at US$72.00.

Summary of Quarterly Results

Period	Net Revenue ($)	Net Income (Loss) ($)	Income (Loss) per Share Basic ($)	Income (Loss) Per Share Diluted ($)	Total Assets ($)	Total Long-Term Liabilities ($)
4th Quarter 2010	710,683	(183,792)	0.05	0.05	7,0701,324	574,811
3rd Quarter 2010	587,731	(103,618)	(0.01)	(0.01)	4,843,833	534,274
2nd Quarter 2010	765,029	743,568	0.08	0.08	4,748,935	529,280
1st Quarter 2010	590,795	47,377	0.01	0.01	4,718,176	524,235
4th Quarter 2009	642,433	(199,467)	(0.02)	(0.02)	4,674,388	539,675
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

Selected Annual Information

	Year ended December 31, 2010 $	Year ended December 31, 2009 $	Year ended December 31, 2008 $
Gross Revenue	**2,900,253**	**2,357,475**	**4,151,733**
Depletion, accretion and amortization	**580,458**	**745,188**	**484,395**
Interest income	**9,339**	**11,650**	**10,340**
Income (loss) before taxes	**860,909**	**(394,175)**	**1,218,954**
Income tax (expense) recovery	**(357,374)**	**102,483**	**(560,505)**
Net income (loss) for the year	**503,535**	**(291,692)**	**658,449**
Earnings (loss) per share – basic	**0.05**	**(0.03)**	**0.07**
Earnings (loss) per share – fully diluted	**0.05**	**n/a**	**0.07**
Total Assets	**7,070,324**	**4,674,388**	**5,072,491**
Long Term Debt	**57,537**	**85,993**	**-**

The significant increase in gross revenues in 2010 from 2009 was due to the increase in oil prices. The significant decrease in revenues from 2008 to 2009 was a decrease in oil prices.

Earnings before interest, income taxes, depletion, accretion and amortization ("EBITDA")

EBITDA is a non-GAAP measure, which is used to determine the Company's ability to generate cash flows and returns from its operating activities and is presented to be comparable to the disclosures of other iodine producers. EBITDA does not have a standardized meaning prescribed by GAAP but has been prepared on a basis consistent with the industry standard Brook Hunt definitions.

Reconciliation from net income to EBITDA for the years ended December 31, 2010, 2009 and 2008 is as follows:

	Year ended December 31, 2010 $	Year ended December 31, 2009 $	Year ended December 31, 2008 $
Net income (loss) for the year	**503,535**	**(291,692)**	**658,449**
Interest income	**(9,339)**	**(11,650)**	**(10,340)**
Depletion, accretion and amortization	**580,458**	**745,188**	**484,395**
Income taxes expense (recovery)	**357,374**	**(102,483)**	**560,505**
Recovery of royalty	**(803,000)**	**-**	**-**
EBITDA	**629,028**	**339,363**	**1,693,009**

The EBITDA for 2010 also includes the $803,000 recovery related to the previous estimated accruals of the amount of royalty payable on production. Adjusting for this non-recurring item would result in a 2010 EBITDA of $629,028. The increase in the revenues for the year ended December 31, 2010 is related directly to the increased price of oil. Depletion, accretion and amortization are based on units of production so as the Company has increased its production the depletion, accretion and amortization will continue to increase.

RED CREEK FIELD, MONTANA, USA

2010 Drilling Program

The Company did not carry out any drilling programs during 2010.

LONEMAN COULEE, MONTANA, USA

Effective August 31, 2010, the Company accepted assignment of all of Altamont Oil & Gas, Inc's right, title and interest in the Loneman Coulee located in Pondera County and consisting of acres 1,718.42. Located within this acreage are four wells, being the Jody Fields #34-1, #34-2, #4-1A and the Fields #14-34, of which the Company has now become the Operator.

An immediate program was initiated to convert the Jody Fields #34-2 well to an injection well, which would accommodate the water produced by the Fields #14-34, a producing oil well making approximately 1 to 2 barrels of oil per day. The Jody Fields #34-1 was a dry hole and the Company currently has no plans for any remedial projects.

The Company reported production from the Jody Fields #14-34 well in 2010 of 430 barrels of oil for Gross Revenues of $31,329.

The Jody Fields #4-1A is an oil well successfully drilled by Altamont Oil & Gas, Inc in May of 2009. The well was completed by the Company during 2010 and placed on production in January 2011.

2009 Drilling Program:

There were no wells drilled in the Red Creek Field during 2009.

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'.

Due to the success of the Donovan #33-3, a second oil well was drilled in the SENWSE - Section 33-T27N-R4W, Teton County, Montana, being the Donovan #33-2. This oil well was successfully drilled and completed with initial production of 2 barrels of oil per day. The Donovan Lease continues to be a producing property. The Donovan Lease continues to produce approximately 5 to 8 barrels of oil per day.

The Donovan lease produced a total of 1,476 barrels of oil during 2010 with sales of 1,305 barrels for Gross Revenues of $87,664.

LAKE FRANCES FIELD – PONDERA COUNTY, MONTANA, USA

2010:

The Company's revenues have been augmented by the income generated from the natural gas wells in which Mountainview holds a working interest.

2009:

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.

Effective October 1, 2009, Mountain View Energy, Inc., the Company's wholly owned subsidiary purchased all right, title and interest in 3 natural gas wells in the Lake Frances Field from Compass Energy, Inc. The Company paid $20,000 for working interests in the Jim Powers #3 and #4 well along with the J.V. Inc. #2, as follows:

Well	Working Interest	Net Revenue Interest
Jim Powers #3	22.5%	19.4625%
Jim Powers #4	17.5%	15.1375%
J.V. Inc #2	20.51471%	17.4375%

SNOOSE COULEE

Effective April 1, 2010 the Company acquired 100% of a third party's 30% right, title and interest in the Snoose Coulee Field located in Liberty County, Montana for $55,000. Included with this acquisition is a Working and Royalty Interest in 14 natural gas wells. As of December 31, 2010 the Company has received and accrued $7,333 in Net Working Interest and Royalty Interest Revenue from the Snoose Coulee Project.

RESULTS OF OPERATIONS

The Company had net income of $368,006 for the year ended December 31, 2010 and a net loss of $291,692 for the same period in 2009. The reason for the significant change in Net Income between the two periods is a direct result of the significant increase in the price received per barrel of oil and a royalty recovery of $803,000.

The royalty recovery was a result of the completion of a legal opinion. As a result of the legal opinion it was determined that the royalties payable by the Company totaled 9.025% of gross revenues and not 14.34%.

The Company reported general and administrative expenses for the year ended December 31, 2010 of $855,558 compared to the $927,994 the year ended December 2009.

The Company's Cash Position increased during the year ended December 31, 2010 to $2,661,118 from $353,506 reported at December 31, 2009. This increase in cash of is a direct result of the $2.1 million in share subscriptions received prior to the year ended December 31, 2010 and the increase in the price received per barrel of oil.

As depicted in the Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss) and Retained Earnings, the major cash operating expense for the year ended December 31, 2010 was Production Taxes of $315,313. This is a considerable increase over the $232,777 for the year ended December 31, 2009, and relates directly to the increase in revenues, as a result in an increase 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 2009 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 2009 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 was $525,593 for the year ended December 31, 2010 and $430,578 for year ended December 31, 2009. Depletion, accretion and amortization are based on units of production so as the Company has increased its production the depletion, accretion and amortization will continue to increase.

Other than those disclosed in the financial statements, there have been no material write-offs or write-downs of assets during the year ended December 31, 2010.

Related Party Transactions

As reported in the Notes to Consolidated Financial Statements for the year ended December 31, 2010, the following related party transactions occurred:

a) Wages and benefits of $168,808 were paid to directors and officers of the Company.

b) Investor relation fees of $36,297 were paid to a relative of a director and officer of the Company.

c) Directors' fees in the amount of $12,500 were paid to the five Directors of the Company.

d) The Company acquired all of Altamont Oil & Gas, Inc's right, title and interest in the Loneman Coulee acreage located in Pondera County, Montana. The acquisition was for 1,718.42 acres at $30 per acre for a total acquisition price of $51,553.

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

Categories of financial assets and liabilities

As at December 31, 2010, the carrying and fair value amounts of the Company's financial instruments are the same. The carrying value of the Company's financial instruments are classified into the following categories:

		December 31, 2010		December 31, 2009
Held for trading	$	2,868,454	$	557,311
Loans and receivables	$	323,838	$	251,260
Held to maturity	$	115,323	$	110,883
Other financial liabilities	$	1,075,949	$	1,410,182

Classification of Financial Instruments

The Company designated its cash and cash equivalents and short-term investments as held-for-trading. The cash equivalents and short-term investments are measured using level 2 fair value measures (in accordance with the CICA Handbook Section 3862). 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 December 31, 2010 a $10 decrease or increase in the average price of oil would result in a decrease or increase of gross revenues of approximately $402,000. 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. Fluctuations do not give rise to significant changes in income.

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

As of May 2, 2011, the following were the undiluted and fully diluted common shares outstanding:

Common shares outstanding as at May 2, 2011	**53,032,398**
Shares issuable on exercise of options	4,325,000
Shares issuable on exercise of warrants	6,682,704
Fully diluted shares outstanding as at May 2, 2011	**64,040,102**

Liquidity and Solvency

The Company had a working capital of $2,148,259 as at December 31, 2010. This is a significant increase from December 31, 2009 when the Company reported a working capital deficiency of $507,600. This increase in working capital is directly related to the $2.1 million in share subscriptions received prior to December 31, 2010 and the significant decrease in the royalty payable as a result of the completion of a title opinion on the Red Creek Property.

The drilling and enhancement programs in the Red Creek Field, exploration projects in the South Pondera Prospect and proposed drilling projects on Stateline Prospect in the Williston Basin Bakken/Three Forks play are expected to contribute to the increase of the Company's cash reserves, as oil prices continue to increase. 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 December 31, 2010, the Company had accounts payable of $717,094 and $379,112 in Income Tax Payable. At the year ended December 31, 2010 $187,090 of accrued royalties was included in accounts payable. During the current year a legal opinion was completed and management determined as a result of the legal opinion that there was an over accrual of royalties payable of $803,000. This amount has been adjusted in the year ended December 31, 2010 to reduce the royalty payable by $803,000. As a result of this adjustment the Company has recognized a royalty recovery in the income statement of the same amount. The $224,149 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 the related timing differences for tax purposes reverse.

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

Changes in Accounting Policies

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.

The Company has early adopted this Standard effective January 1, 2010. There is no material impact on the consolidated financial statements as a result of this adoption.

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 has early adopted this Standard effective January 1, 2010. There is no material impact on the consolidated financial statements as a result of this adoption.

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board ("AcSB") has a strategic plan which outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is required to adopt IFRS on January 1, 2011 for its 2011 fiscal year. The Company will also be required to restate for comparative purposes amounts reported by the Company for the year ended December 31, 2010. While the Company had begun assessing the adoption of IFRS for 2011.

Mountainview has been reviewing the various exemptions and elections available to it under IFRS 1 and had been assessing its options in determining its new accounting policies under IFRS. As a result of several significant transactions that completed subsequent to the year ended December 31, 2010 the Company is assessing its need to report under US GAAP

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 effect on the financial condition of Mountainview. 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 available for any reason, a disruption in operations could result, thus having a material effect on the Company's financial condition.

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Subsequent Events:

In February 2011, the Company completed a non-brokered private placement for 21,000,000 units at $0.225 per unit for gross proceeds of $4,725,000. Each unit consists of one common share and one-quarter share purchase warrant. One whole share purchase warrant entitles the holder to purchase an additional common share for $0.32 per share until August 11, 2011. The Company paid a finder's fee in cash of $118,105, in common shares of 876,660, and warrants of 738,253. Prior to the year ended December 31, 2010 the Company, had received $2,142,560 relating to the private placement.

In February 2011, the Company completed an acquisition of 62 oil and gas leases and all rights and title covering 11,066 acres in Sheridan County, Montana. As consideration the Company paid $3,350,000 in cash and issued 18,611,110 common shares at a price of $0.18 per share.

In March 2011, the Company completed a non-brokered private placement for 2,777,777 units at $0.90 per unit for gross proceeds of $2,500,000. Each unit consists of one common share and one-quarter share purchase warrant. One whole share purchase warrant entitles the holder to purchase an additional common share for $1.12 per share until September 28, 2011. The Company paid a finder's fee of $12,440.

In March 2011, the Company acquired a 12.5% working interest in certain lands in the Williston Basin in Montana. The Lands were purchased from a private company with a director and officer in common. Consideration was $160,000.

In March 2011, the Company granted 3,555,000 stock options to its employees and independent consultants with an exercise price of $1.20 per share. All of the options vested immediately.

In April 2011, the Company acquired an additional 15% working interest in all wells and oil and gas leases in the Snoose Coulee Field located in Liberty County, Montana for $48,000.

In April 2011, the Company agreed to acquire, subject to shareholder approval, certain oil and gas leaseholds in Pondera County, Montana. As consideration the Company has agreed to issue 7,822,727 common shares at a price of $0.44 per share to a company with a Director and officer in common, issue 5,072,273 common shares at a price of $0.44 per share to arms-length parties. In addition the Company agreed to acquire, subject to shareholder approval, from a company with a Director and officer in common a Compressor plant and equipment for consideration of $283,000 and a $1,100,000 debenture convertible into common shares at a price of $2.50 per share.

The Audit Committee of Mountainview Energy Ltd has approved the disclosure contained in the 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: May 2, 2011**