MOUNTAINVIEW ENERGY LTD

Management's Discussion and Analysis

Nine Months Ended September 30, 2011

Expressed in US Dollars

Management's Discussion and Analysis ("MD&A"), dated November 28, 2011, is management's assessment of the financial position and operating results of Mountainview Energy Ltd. (the "Company" or "Mountainview") and should be read in conjunction with the unaudited condensed financial statements and related notes for the period ended September 30, 2011 and the audited financial statements and notes thereto for the year ended December 31, 2010.

The terms "Quarter" and "same period of 2011" or similar terms are used throughout this document and refer to the three month periods ended September 30, 2011 and 2010, respectively. The financial statements for the first quarter of 2011 are the Company's first financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Comparative periods in 2010 have been restated to conform to IFRS presentation. Reconciliations from IFRS to Canadian general accepted accounting principles ("Previous GAAP") are shown in the notes to the financial statements. The adoption of IFRS did not have a material impact on the amounts reported as funds generated from operations. Additional information relating to the Company, are available on SEDAR at www.sedar.com. Mountainview is listed for trading on the TSX Venture Exchange under the symbols "MVW". All amounts are in US dollars, unless otherwise stated.

MOUNTAINVIEW'S BUSINESS

Mountainview Energy Ltd. ("Mountainview" or " the Company") was incorporated under the laws of the Province of British Columbia, Canada and its principal business is the exploration, acquisition, development and production of petroleum and natural gas reserves in the State of Montana, USA.

FORWARD-LOOKING INFORMATION

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws. These statements relate to future events or future performance and are based on the Company's current expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Accordingly, undue reliance should not be placed on these forward-looking statements. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", and similar expressions are intended to identify forward-looking statements or information. In particular, but without limiting the foregoing, this MD&A contains forward-looking information concerning: the 2011 capital budget and allocation thereof; projected average production volumes for 2011; anticipated prices for oil and natural gas, including heavy oil; anticipated 2011 average operating expenses and the Company's ability to reduce such expenses; tax horizon and available tax pools; the remaining amount and allocation of the 2011 capital program; ability to fund the remaining capital program; the timing of funding our financial obligations; and impact of adoption of IFRS on our financial position and results of operations. In addition, information and statements relating to oil and/or natural gas reserves are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in quantities predicted or estimated, and that the reserves can be profitably produced in the future.

(Reported in US Dollars, unless otherwise indicated)

These forward-looking statements are based on certain key expectations and assumptions made by Mountainview, including but not limited to expectations and assumptions concerning: prevailing and future market prices for oil, natural gas, and in particular heavy oil differentials; prevailing and future foreign exchange rates, interest rates and inflation rates; applicable royalty rates, tax rates and related laws and regulations; future production rates; the performance of existing and future wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services, including but not limited to drilling and completion equipment and services; adequate weather and environmental conditions for drilling and completion activities, including the transportation of associated equipment, the ability to obtain external sources of financing on acceptable terms; and the realization of the anticipated benefits of acquisitions.

Actual results achieved during the forecast periods will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties, the variances may be material. Such risks and uncertainties include: operational risks generally associated with oil and natural gas exploration, development, exploitation, production, transportation and marketing; volatility in market prices for oil, natural gas, and in particular heavy oil differentials; access to capital markets and stock price volatility; increased debt levels or debt service requirements; unanticipated fluctuations or declines in the Company's oil, natural gas production levels; adverse changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations; ability to attract and retained qualified personnel; changes in the demand for Mountainview's products; fluctuations in foreign exchange rates, interest rates and inflation rates, risks associated with adverse weather, the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production rates, costs and expenses; competition for, among other things, capital resources, acquisitions of reserves, undeveloped land and services.

BOE Conversion

Where amounts are expressed in barrels of oil equivalent ('boe") in this MD&A, natural gas volumes have not been included as the Company receives less than 1% of revenues from sales of natural gas.

Results of operations

Production

	Q3 **2011**	Q2 **2011**	Q1 **2011**	Q4 **2010**	Q3 **2010**	Q2 **2010**	Q1 **2010**
Crude oil (Bbls per day)	109	117	101	119	111	111	118
Total (Boe per day)	109	117	101	119	111	111	118
Oil and liquids as a percentage of production	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(Reported in US Dollars, unless otherwise indicated)

The Company receives less than 1% of its revenues from its natural gas interests and thus this information has not been included. Production decreased by 2% to 109 boe/d in Q3 2011 from 111 boe/d in Q3 2010. The Company is impacted with lower production rates in Q1 of each year due to cold weather.

Realized prices

	Q3 **2011**	Q2 **2011**	Q1 **2011**	Q4 **2010**	Q3 **2010**	Q2 **2010**	Q1 **2010**
Average benchmark prices							
Oil - WTI crude oil USD ($/Bbl)	84.89	96.23	94.13	85.09	76.21	77.79	78.75
Oil - CHS crude oil USD ($/Bbl)	78.12	90.85	82.38	72.64	71.72	68.15	68.65
Natural gas - AECO-C Daily spot ($/mcf)	3.86	3.89	3.71	3.63	3.55	3.73	4.95
Mountainview Average Realized Prices							
Crude oil ($/Bbl)	77.03	91.04	81.10	71.72	64.85	66.77	67.55
Natural gas ($/Mcf)	2.14	2.04	2.01	1.85	1.88	1.92	2.92
Average realized price ($/Boe)	**$ 79.17**	**$ 93.08**	**$ 83.11**	**$ 73.57**	**$ 66.73**	**$ 68.69**	**$ 70.47**

Approximately 100% of Mountainview's crude oil production consists of heavy oil which ranges in quality from 22 degree to 28 degree API. Mountainview markets its oil based on refiners' posted prices for CHS Inc ("CHS") adjusted for quality. The Company's realized prices are reflected net of the blending charges required for heavier crudes to be transported by pipeline and explains the Company's differential to CHS.

The price of CHS crude oil increased in Q3 2011 from an Average of US$78.12/bbl compared to $71.72/bbl in Q3 2010.

Mountainview realized an average oil price of $77.03/bbl in Q3 2011 which was a decrease from the $91.04/bbl in Q2 2011 and $81.10/bbl in Q1 2011 but still higher than the price received per barrel in Q4 2010 of $71.72/bbl, $64.85/bbl in Q3 2010 and $66.77/bbl in Q2 2010 and $67.55/bbl in Q1 2010. The Q3 2011 realized price was 19% higher than $64.85/bbl realized in Q3 2010.

The Company's natural gas is sold under marketing arrangements tied to the Alberta daily spot price at AECO, with a premium or discount received specific to the quality (based on heat-content) of the Company's natural gas production. Mountainview realized an average natural gas price of $2.14/mcf in Q3 2011 an increase over the $1.88/mcf received in Q3 2010.

AECO prices in Q3 2011 held steady with an average of $3.86/mcf compared to $3.89/mcf in Q2 2011, $3.63/mcf average in Q4 2010, $3.55/mcf average for Q3 2010 and the $3.73/mcf average for Q2 2010. Mountainview Energy Ltd anticipates AECO prices to average approximately $3.80/mcf for the remainder of the year. The Company receives less than 1% of all its revenue from its natural gas interests.

(Reported in US Dollars, unless otherwise indicated)

Revenue

	Q3 **2011**	Q2 **2011**	Q1 **2011**	Q4 **2010**	Q3 **2010**	Q2 **2010**	Q1 **2010**
Crude oil sales	$ 805,389	$ 949,880	$ 738,977	$ 771,244	$ 687,156	$ 660,233	$ 722,990
Natural gas	2,284	1,949	2,619	3,477	4,253	5,029	2,314
Gross petroleum and natural gas revenues	**$ 807,673**	**$ 951,829**	**$ 741,596**	**$ 774,721**	**$ 691,409**	**$ 665,262**	**$ 725,304**

Total oil and gas revenue increased by 17% during Q3 2011 at $807,673 from the $691,409 reported in Q3 2010, to a 29% increase in average realized price with a 1% decline in production.

Royalties

Royalties are paid to mineral owners, which may include freehold landowners and other parties by way of contractual overriding royalties. Royalty rates are generally dependent on commodity prices and well productivity.

Total royalties expenses during the three and nine months ended Q3 2011 were $68,755 and $218,224 from $103, 679 and ($672,180) in Q3 2010 due to increased sales volumes and revenues in addition in Q2 2010 the Company had a royalty recovery of $841,472 as the royalty percentage decreased upon completion of a title opinion. Mountainview's royalty rate was consistent across all periods subsequent to Q1 2011.

Operating Expenses

Significant components of the Company's operating expenses include well servicing, fuel and power, labour and production taxes. The total operating expenses for the three and nine months ended Q3 2011 increased by 67% and 48% to $527,211 and $1,261,359, from $314,215 and $846,341 in Q3 2010. Operating expenses increased due to labour, repairs and maintenance and production taxes.

General and Administrative Expense

The Company recorded G&A expenses for the three and nine months ended in Q3 2011 of $597,820 and $1,205,373 an increase of 27% and 32% from $262,739 and $910,900 in Q3 2010. G&A increased due to office and travel, legal and accounting expenses.

Share-based Compensation Expense

Share-based compensation expense is a non-cash item representing the estimated fair value of the stock options granted to employees and others, recognized when the options vest. The Company recorded in the three and nine months ended Q3 2011 $nil and $3,597,911 of share-based compensation and $nil and $nil in Q3 2010.

(Reported in US Dollars, unless otherwise indicated)

Depletion and Depreciation Expense

Depletion and depreciation of property, plant and equipment is calculated on the unit-of-production basis using depletable capital costs, production and estimated proved plus probable reserves. Depletion and depreciation expense in the three and nine months ended increased to $128,249 and $373,435 in Q3 2011 a slight increase over $109,602 and $335,120 from Q3 2010.

Net Earnings (Loss)

	Three months ended September 30, 2011	2010	Nine months ended September 30, 2011	2010
Net income for the period	$ (503,778)	$ (103,618)	$ (4,124,718)	$ 687,327
Weighted average shares - basic	55,544,053	9,766,850	45,882,920	9,766,850
Weighted average shares - diluted	55,544,053	10,541,850	45,882,920	10,541,850
Income (loss) per share - basic	$ (0.01)	$ (0.01)	$ (0.09)	$ 0.07
Income (loss) per share - diluted	$ (0.01)	$ (0.01)	$ (0.09)	$ 0.07

The Company reported a net loss in Q3 2011 of $4.1 million or $0.09 per share. The loss relates to the large share-based compensation expense of $3.5 million. The Company's net loss for the three months ended Q3 2011 was $503,778 or $0.01 per share. The loss in Q3 2011 reflects a higher non-cash expense as compared to Q3 2010.

Liquidity and Capital Resources

	Nine months ended September 30, 2011	Year ended December 31, 2010
Working capital	$ 2,156,577	$ 2,178,896
Market value of common shares (i)	23,119,562	5,400,775
Total capitalization	**$ 25,276,138**	**$ 7,579,671**

(i) Represents the last price traded on the TSXV September 30, 2011 and December 31, 2010, respectively

(Reported in US Dollars, unless otherwise indicated)

Equity

The Company's equity structure consists of common shares outstanding warrants outstanding and stock options outstanding to acquire additional common shares on a one for one basis. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol MVW.

	November 29, 2011	September 30, 2011	December 31, 2010
Number of securities outstanding			
Common Shares	59,108,150	59,108,150	9,766,850
Warrants	-	-	-
Total exercisable stock options	4,230,000	4,330,000	775,000

Financial Instruments and Risk Management

Mountainview is subject to a number of financial risks, including market risk, liquidity risk and credit risk. Market risk is the risk that the fair value of future cash flows will fluctuate due to movements in market prices, as comprised of commodity price risk, foreign exchange rate risk and interest rate risk. Market risk is managed by Mountainview through ongoing monitoring of the markets. Liquidity risk is the risk that the Company will encounter financial difficulty in meeting obligations associated with financial liabilities. Mountainview manages its liquidity risk through cash and debt management and review of financial ratios. Credit risk is the risk that a counterparty to a financial asset will default resulting in the Company incurring a loss. Mountainview manages credit risk by entering into sales contracts with creditworthy entities and reviewing its exposure to individual entities on a regular basis. Details of risk management contracts in place at September 30, 2011 and the accounting treatment of the Company's financial instruments are disclosed in the notes to the unaudited condensed interim financial statements as at and for the period ended September 30, 2011.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

Management is often required to make judgments, assumptions and estimates in the application of IFRS that may have a significant impact on the financial results of the Company. The preparation of financial information in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The following is a summary of key areas where critical accounting estimates are made:

Financial statement item and Critical accounting estimates

<u>Depletion and depreciation expense</u>

Quantities of proved and probable reserves; future development costs related to proved and probable reserves; residual values

Impairment of property, plant and equipment
Future commodity prices; volumes of production and reserves; operating, capital and other costs; discount rates

Exploration and evaluation assets
Likelihood of future benefits before proved or probable reserves have been established

Decommissioning liabilities and related
Timing and amount of cash flows required to settle the liabilities; risk free interest rate

Share-based compensation expense
Expected life of stock options; expected forfeiture rate; expected interest rate and expected volatility

Deferred income taxes
Interpretations of current tax legislation; future taxable income; timing of temporary differences

Changes in Accounting Policies

Adoption of International Financial Reporting Standards ("IFRS")

The Company has adopted IFRS effective January 1, 2011. The Company's annual financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply fully with IFRS. The Company's transition date is January 1, 2010 and the Company has prepared its first statement of financial position at that date.

January 1, 2011, IFRS became the generally accepted accounting principles in Canada. Previously, Mountainview Energy Ltd prepared their financial results in accordance with the Canadian generally accepted accounting principles in effect prior to January 1, 2011 ("Previous GAAP"). The adoption date of January 1, 2011 requires the restatement, for comparative purposes, of 2010 amounts reported by Mountainview, including the opening statement of financial position as at the January 1, 2010 transition date.

Our annual financial statements for the year ended December 31, 2011 must use the IFRS that are in effect on December 31, 2011, and therefore our condensed interim financial statements have been prepared using the standards expected to be effective at the end of December 31, 2011 and as a result, our condensed interim financial statements for the period ended September 30, 2011 are subject to change. Reconciliations to IFRS from the previously reported financial statements prepared in accordance with Previous GAAP are presented in note 11 to the condensed interim financial statements for the period ended September 30, 2011. The accounting policies described in note 3 to the condensed interim financial statements set out those policies that have been applied retrospectively and consistently in preparing the condensed interim financial statements, except where specific exemptions permitted an alternative upon transition to IFRS in accordance with IFRS 1, "First Time Adoption of International Financial Reporting Standards" (as disclosed in Note 11 to the condensed interim financial statements).

IFRS 1 Transition Exemptions

Mountainview has applied the following exemptions to full retrospective application of IFRS:

a) Oil and gas property cost basis

The Company followed a "full cost" approach under Previous GAAP which is a policy no longer permitted on transition to IFRS. The Company has elected to apply the first time adoption exemption for full cost oil and gas entities whereby the carrying amount of oil and gas assets at the date of transition to IFRS is measured on a deemed cost basis. Exploration and evaluation assets are reclassified from the Previous GAAP full cost pool to intangible exploration and evaluation assets at the amount was recorded under Previous GAAP for these assets. The remaining full cost pool has been allocated to oil and gas development and production assets by component pro rata using proved plus probable reserve values.

b) Exploration and evaluation ("E&E") assets

Upon transition to IFRS, Mountainview Energy Ltd reclassified all E&E assets that were included in the property, plant and equipment balance on the statement of financial position. This consisted of the carrying amounts for Mountainview's land and related seismic which did not have proved or probable reserves attributed to the related exploration properties. E&E assets will not be depleted, and will be assessed for impairment when indicators of impairment exist. This resulted in a transfer of $3.2 million from E&E assets to property, plant and equipment at January 1, 2010 and an expense of $259,989. At June 30, 2010, the transfer was $3.4 million and at December 31, 2010, the transfer was $3.3 million, which included additions to unproved properties during the respective periods net of expires, unsuccessful exploration and amounts transferred to property, plant and equipment upon establishment of proved or probable reserves. Total exploration expenses totaled $nil for the period ended September 30, 2010 and $nil for the year ended December 31, 2010.

c) Property, plant and equipment ("PP&E") and impairment

For the purpose of impairment testing under IFRS, Mountainview's oil and gas property and equipment were allocated to its cash-generating units ("CGUs") unlike Previous GAAP where all property and equipment was accumulated into one cost centre by country. The deemed cost of Mountainview's oil and gas development and production assets were allocated to its defined CGUs based on Mountainview's total proved plus probable reserve values discounted at 10% as at January 1, 2010, in accordance with IFRS 1. These CGUs are aligned within the major geographic regions in which Mountainview Energy Ltd operates and could change in the future as a result of acquisitions or dispositions. Under Previous GAAP, impairment was recorded if the carrying amount of the PP&E balance exceeded the recoverable amount, which was calculated using undiscounted expected cash flows from proved reserves. Under IFRS, impairment tests of PP&E must be performed at the CGU level as opposed to the entire PP&E balance, and the recoverable amount of the CGU is determined based on the higher of value-in-use calculations and fair value less costs to sell. For Mountainview Energy Ltd, the recoverable amounts were determined using fair value less costs to sell based on discounted future cash flows of proved plus probable reserves using forecast prices and costs. There was no impairment to PP&E on transition at January 1, 2010, or at September 30, 2010 or December 31, 2010.

(Reported in US Dollars, unless otherwise indicated)

d) Depletion and depreciation expense

Upon transition to IFRS, Mountainview Energy Ltd adopted a policy of depleting its oil and gas development and production assets on a unit of production basis over proved plus probable reserves, as compared to using only proved reserves under Previous GAAP. In addition, depletion and depreciation was calculated at the country cost center level under Previous GAAP while IFRS requires depletion and depreciation to be calculated based on individual components (i.e. fields or combinations thereof and other major components with different useful lives). As a result of depleting the oil and gas assets over proved plus probable reserves at the component level, depletion and depreciation expense decreased by $Nil for the three months ended September 30, 2010 and decreased $36,891 for the year ended December 31, 2010.

Subsequent Events

Subsequent events have been disclosed in note 12 to the condensed interim financial statements.

Future Changes in Accounting Policies

The following accounting standards have been issued or amended and are effective for future reporting periods. The Company is evaluating the impact of these new or amended standards and a more detailed description of these policies is disclosed in note 3 o) to the condensed interim financial statements for the period ended September 30, 2011:

IFRS 7	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IAS 12	Income Taxes
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interest in Other Entities
IFRS 13	Fair Value Measurement
IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Management reported on its disclosure controls and procedures and the internal controls over its financial reporting in the year end 2010 MD&A. There has been no material change to the Company's disclosure controls or procedures or to the design of internal controls over financial reporting since that time. Minimal changes to the Company's control systems were required resulting from the transition to IFRS.

Risk Factors

The business of acquisition, development, exploration and production of oil and natural gas reserves involved a number of business risks which may impact Mountainview's results and several of which are beyond the control of the Company. A detailed discussion of risk factors can be found under the heading "Risk Factors" in the Company's annual MD&A for the year ended December 31, 2010 available on SEDAR at www.sedar.com