MOUNTAINVIEW ENERGY LTD

Management's Discussion and Analysis

Six Months Ended June 30, 2012

Expressed in US Dollars

Management's Discussion and Analysis ("MD&A"), dated August 29, 2012, 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 consolidated financial statements and the accompanying notes for the three months and six months ended June 30, 2012 and 2011. 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.

BASIS OF PRESENTATION

The condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

The reporting and the measurement currency is the US dollar. For the purpose of calculating unit costs, natural gas is converted to a barrel equivalent ("boe") using six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The following MD&A compares the results of the three and six months ended June 30, 2012 ("2012") to the three and six months ended June 30, 2011 ("2011").

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 5% of revenues from sales of natural gas.

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 through the drilling of horizontal Three Forks and Bakken wells on the Company's acreage located in the South Alberta Bakken Play in the State of Montana and the Williston Basin in Montana and North Dakota, 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 2012 capital budget and allocation thereof; projected average production volumes for 2012; anticipated prices for oil and natural gas, including heavy oil; anticipated 2012 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 2012 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.

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.

Capital Expenditures, Acquisitions and Dispositions

The Company entered into a revolving line of credit for $5,500,000 and during the period increased it to $8,700,000. The Company has drawn $5,400,000 to pay the promissory note of $2,000,000 in full and to acquire additional acreage. Subsequent to June 30, 2012 the Company had drawn down $8,500,000. The Company, a director and officer and a major shareholder have provided security over the assets of the Company as collateral for the line of credit. Interest is payable monthly at a variable rate of prime plus 1.25%. The minimum interest rate is 5.25%. The line of credit is due on June 17, 2013.

On May 14, 2012 the Company received Shareholder approval on the following acquisitions:

- acquisition of certain oil and gas assets located in the Williams and Lake Frances areas of Pondera County, Montana, which consist of: (i) 15,520 gross (15,520 net) acres of developed land producing approximately 66 gross (42 net) boe/d of natural gas; and (ii) 40,583 gross (31,593 net) acres of undeveloped land (the "Pondera Assets");

  Mountainview agreed to acquire all of the outstanding shares of three separate private Alberta corporations that owned, directly or indirectly, an aggregate interest of approximately 39% in the Pondera Assets in exchange for an aggregate of 5,027,273 Common Shares; and Mountainview agreed to indirectly acquire the remaining 61% interest in the Pondera Assets in exchange for an aggregate of 7,822,727 Class "B" shares ("Class B Shares") of Mountainview Energy (USA) Ltd. ("New Mountainview USA

- acquisition of a certain compressor plant, related ancillary equipment and field wellhead equipment and pipelines related to the Pondera Assets (the "Pondera Equipment"); the aggregate consideration for the Pondera Equipment is USD$283,000 in cash, which has been paid by Mountainview to the Pondera Equipment Vendor, plus USD$2,377,000 principal amount of debentures of the Company that are payable within one (1) year from the closing date of the Transaction (the "Closing Date"), earn interest at a rate of prime plus 1% per annum and are convertible into Common Shares at a deemed price of $2.50 per Common Share (the "Debentures");

- acquisition of certain non-producing oil and natural gas assets located in the Medicine Lake prospect in Divide County, North Dakota and Sheridan County, Montana, consisting of approximately 44,181 gross (8,836 net) acres of undeveloped land (the "Medicine Lake Assets;" Mountainview agreed to acquire the Medicine Lake Assets in exchange for an aggregate of 23,110,020 Common Shares;

During the three months ended June 30, 2012, the Company acquired 990 Net Acres in Pondera County, Montana. The Company acquired this acreage under two leases for a total purchase price of $45,300.00.

(Reported in US Dollars, unless otherwise indicated)

During the three months ended June 30, 2012, the Company acquired a 5% interest in 588.40 Gross Acres (29.42 Net) in the Sentinel Project. The Company acquired these leases for a total purchase price of $11,032.50.

During the three months ended June 30, 2012, the Company acquired 1,280.64 Net Acres in Glacier County, Montana. The Company acquired these leases for a total purchase price of $55,540.70.

During the three months ended June 30, 2012, the Company acquired 224.23 Net Acres in Sheridan County, Montana. The Company acquired these leases for a total purchase price of $165,488.

On May 30, 2012 the Company closed on the acquisition of 10,222 net acres of oil and gas leaseholds in Divide County, North Dakota from a private oil and gas company for $10 million (the "Transaction"). Mountainview expects to acquire the remaining 2,556 net acres of this asset package on June 30, 2012 for cash consideration of USD$2,579,000 (paid subsequent to June 30, 2012) subject to satisfactory completion of the Company's title due diligence.

Mountainview funded the acquisition from its working capital, its bank line of credit and entered into two separate unsecured loan arrangements with two separate affiliates of insiders of the Company (the "Lenders"), pursuant to which Mountainview has borrowed an aggregate of USD $8 million from the Lenders for a term of 2 years at an annual interest rate of 9.0% (the "Loans"). Mountainview used the proceeds from the Loans to partially fund the Transaction. Pursuant to the Loans, Mountainview is not required to repay any portion of the principal amount or any interest thereon prior to maturity, but may, at its option, repay any or all principal and interest amounts owing under the Loans at any time prior to maturity.

Average Daily Production

	Q2 2012	**Q1 2012**	**Q4 2011**	**Q3 2011**
Crude oil (Bbls per day)	117	136	143	109
Oil and liquids as a percentage of production	**100%**	**100%**	**100%**	**100%**

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

(Reported in US Dollars, unless otherwise indicated)

Average Benchmark and Realized Pricing

	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Average benchmark prices				
Oil - WTI crude oil USD ($/Bbl)	93.48	102.89	97.82	84.89
Oil - CHS crude oil USD ($/Bbl)	73.20	85.51	83.64	78.12
Natural gas - AECO-C Daily spot ($/mcf)	1.82	2.52	3.37	3.86
Mountainview Average Realized Prices				
Crude oil ($/Bbl)	71.95	84.55	82.60	77.03
Natural gas ($/Mcf)	0.97	1.52	1.78	2.14
Average realized price ($/Boe)	**$ 72.92**	**$ 86.07**	**$ 84.38**	**$ 79.17**

	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Average benchmark prices				
Oil - WTI crude oil USD ($/Bbl)	96.23	94.13	85.09	76.21
Oil - CHS crude oil USD ($/Bbl)	90.85	82.38	72.64	71.72
Natural gas - AECO-C Daily spot ($/mcf)	3.89	3.71	3.63	3.55
Mountainview Average Realized Prices				
Crude oil ($/Bbl)	91.04	81.10	71.72	64.85
Natural gas ($/Mcf)	2.04	2.01	1.85	1.88
Average realized price ($/Boe)	**$ 93.08**	**$ 83.11**	**$ 73.57**	**$ 66.73**

Mountainview's crude oil production consists of medium gravity oil which ranges in quality from 22 degree to 34 degree API, seen in the Montana, South Alberta properties. Mountainview markets its oil based on refiners' posted prices for CHS Inc ("CHS") adjusted for quality The oil production in the Stateline acreage located in the Montana and North Dakota, Williston Basin properties is 42 degree API, sweet crude oil quality and is marketed by the Operator.

The price of CHS crude oil decreased by 19% in Q2 2012 from an Average of US$71.95/bbl compared to $91.04/bbl in Q2 2011. Mountainview realized a decrease in the price of crude oil of 15% from Q4 2011.

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 $0.97/mcf in Q2 2012 a decrease of $1.07 over the $2.04/mcf received in Q2 2011.

Revenue

	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Crude oil sales	$ 738,729	$1,061,329	$ 928,840	$ 796,781
Natural gas	34,900	10,057	9,562	10,892
Gross petroleum and natural gas revenues	**$ 773,629**	**$1,071,386**	**$ 938,402**	**$ 807,673**

(Reported in US Dollars, unless otherwise indicated)

	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Crude oil sales	$ 931,991	$ 734,200	$ 771,244	$ 687,156
Natural gas	9,919	10,769	12,379	13,520
Gross petroleum and natural gas revenues	**$ 941,910**	**$ 744,969**	**$ 783,623**	**$ 700,676**

Total oil and gas revenue during the three months ended Q2 2012 decreased by 18% at $773,269 from the $941,910 reported in Q2 2011, due to a 15% decrease in average realized price and 0% increase 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 expense during the three months ended Q2 2012 were $68,970 an increase from the royalty expenses for Q2 2011 of $41,062.

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 months ended Q2 2012 decreased by 44% to $282,571 from $426,621 in Q2 2011. Operating expenses decreased due to production and property taxes.

	Three months ended June 30,		Six months ended June 30,	
			2012	2011
Repairs and maintenance	$ 89,619	$ 77,300	$ 201,800	$ 140,393
Production and property taxes	7,049	107,534	89,731	190,756
Labour and consulting	87,915	78,785	159,582	144,625
Electrical	26,184	38,398	73,765	79,382
Materials	43,371	55,447	81,814	82,661
Engineering	(19,013)	28,042	9,513	29,478
Vehicle	23,105	23,566	45,891	44,147
Insurance	42	3,785	22,790	12,953
Other production costs	6,300	11,504	23,980	28,891
Beginning Inventory	-	-	23,665	5,014
Ending Inventory	17,999	2,260	(16,421)	(24,152)
	$ 282,571	$ 426,621	$ 716,110	$ 734,148

(Reported in US Dollars, unless otherwise indicated)

General and Administrative Expense

The Company recorded G&A expenses for the three months ended in Q2 2012 of $376,312 an decrease of $15,007 from the $391,319 in Q2 2011.

As set out below the G&A expenses from the current and prior period.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Salaries and Wages	$ 130,452	$ 87,823	$ 233,953	$ 148,995
Professional fees	36,921	100,073	92,082	138,715
Travel and promotion	74,816	52,240	126,424	101,092
Office expense	29,203	69,999	60,094	111,581
Shareholder relations	63,767	48,161	84,350	59,236
Insurance	8,144	-	24,035	-
Investor Relations	10,628	12,165	26,095	22,519
Listing and filing fees	3,026	1,326	6,178	12,326
Director fees	15,534	11,618	15,534	11,618
Transfer Agent Fees	3,821	7,914	5,376	12,023
	$ 376,312	$ 391,319	$ 674,121	$ 618,105

The large increase in salaries and wages, travel and promotion, shareholder relations and insurance relate to the growth of the Company as a result of several acquisitions that have been completed and/or are in the process of closing.

The Company saw a significant increase in salaries and wages and travel and promotion during the period. These costs were necessary to facilitate the growth of the Company with the acquisition transactions completed during the period along with securing financing to move forward with the Company's development plan in the South Alberta Bakken Play in Montana and the Three Forks/Bakken Play in the Williston Basin, located in Montana and North Dakota.

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 Q2 2012 $nil and Q2 2011 $3,597,911 of share-based compensation.

Depletion, accretion and Depreciation Expense

Depletion, accretion 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, accretion and depreciation expense in the three months ended Q2 2012 increased to $267,023 an increase over $127,095 from Q2 2011. Increase in depletion, accretion and depreciation expense relates to the purchase of additional vehicles and an additional well that the company has a joint interest in.

(Reported in US Dollars, unless otherwise indicated)

Net Earnings (Loss)

	Three months ended June 30		Six months ended June 30,	
	2012	2011	2012	2011
Net (income) loss for the period	$ (362,013)	$ 16,640	$ (624,318)	$ (3,632,440)
Weighted average shares - basic and diluted	69,002,582	53,057,397	64,055,366	28,754,013
Loss per share - basic and diluted	$ (0.01)	$ 0.00	$ (0.01)	$ (0.13)

The Company reported a net loss in Q2 2012 of $362,013 or $0.01per share. The Company's net income for the three months ended Q2 2011 was $16,640 or $0.00 per share.

Liquidity

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. Mountainview generally uses operating cash flows and equity financings to fund its ongoing capital programs and operating requirements. The Company has a working capital deficiency of $10,360,865 as at June 30, 2012, of the $10,360,865, $7,471,261 will be due in June 2013. The Company has long-term debt as disclosed in Note 8.

Equity

The Company's equity structure consists of common shares 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.

	August 29, 2012	June 30, 2012	December 31, 2011
Number of securities outstanding			
Common Shares	87,245,442	87,245,442	59,108,150
Total exercisable stock options	4,130,000	4,130,000	4,130,000

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 June 30, 2012 and the accounting treatment of the Company's financial instruments are disclosed in the notes to the consolidated financial statements as at and for the three months ended June 30, 2012.

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

Depletion and depreciation expense

Accumulated costs are depleted using the unit-of-production method based on estimated proved reserves. Depletion and depreciation is calculated based on individual components (i.e. fields or combinations thereof and other major components with different useful lives).

Impairment of non-current assets

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment, if any. The recoverable amount of an asset is evaluated at the Cash Generating Unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized in earnings for the period to the extent that the carrying amount of the asset (or CGU) exceeds the recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset (or CGU) does not exceed the carrying amount that would have been determined, net of depletion and depreciation, had no impairment loss been recognized for the asset (or CGU). A reversal of an impairment loss is recognized immediately in earnings.

E&E assets are assessed for impairment when they are reclassified to property, plant and equipment, or if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation (“E&E”) costs

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of an oil and gas resource is considered to be established when proved and/or probable reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, the impairment costs are charged to exploration and evaluation expense. Upon determination of proved and/or probable reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to oil and gas development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

E&E assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount, and upon transfer to property, plant and equipment whereby they are allocated to cash-generating units based on geographical proximity and other factors.

Decommissioning liabilities

Decommissioning liabilities are recognized for the future legal or constructive obligation to abandon and reclaim the Company's oil and natural gas properties. The amount of the decommissioning liabilities represents the net present value of the estimated future expenditures required to abandon and reclaim the Company's net ownership in wells and facilities determined in accordance with local conditions, current technology and current requirements. The liabilities are calculated using currently estimated abandonment and reclamation costs inflated to the estimated decommissioning date and then discounted using a risk free discount rate. A liability is recorded in the period in which an obligation arises with a corresponding decommissioning cost added to the carrying amount of the related asset. The liability is progressively accreted over time as the effect of discounting unwinds, creating an accretion expense which is recognized as part of finance expense. The related decommissioning cost capitalized in property, plant and equipment is depreciated in a manner consistent with the depletion and depreciation of the underlying asset.

Changes in the estimated liability resulting from revisions to estimated timing of decommissioning, expected amount of cash flows or changes in the discount rate are recognized as a change in the decommissioning liability and the related decommissioning cost.

Actual decommissioning expenditures incurred are charged against the accumulated liability to the extent recorded.

Share-based payments

The grant date fair value of options to employees and directors is recognized as share-based compensation expense, with a corresponding increase in contributed surplus, over the vesting period of the options. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. Each tranche in an award is considered a separate grant with its own vesting period and grant date fair value. Fair value is determined using the Black-Scholes option pricing model. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the consideration received by the Company plus the associated amount recorded in contributed surplus are transferred to common shares within equity.

Deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case, the tax is also recognized in other comprehensive loss or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Subsequent Events

There were no subsequent events

(Reported in US Dollars, unless otherwise indicated)

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 year ended December 31, 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

Controls and procedures

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure controls and procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

(Reported in US Dollars, unless otherwise indicated)

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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

Selected Quarterly Information

	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net Revenue	$ 928,840	$ 796,781	$ 941,910	$ 647,331
Net Income (Loss)	$ (363,013)	$ (503,778)	$ 28,140	$ (3,649,080)
Income (Loss) per Share - Basic	$ (0.01)	$ (0.01)	$ 0.00	$ (0.13)
Income (Loss) per Share - Diluted	$ (0.01)	$ (0.01)	$ 0.00	$ (0.13)
Total Assets	$47,945,130	$ 19,000,075	$ 17,499,702	$ 17,362,720
Total Liabilities	$20,083,623	$ 692,017	$ 680,864	$ 614,708

	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Net Revenue	$ 771,244	$ 687,156	$ 662,682	$ 779,171
Net Income (Loss)	$ (315,857)	$ (103,618)	$ 743,568	$ 47,377
Income (Loss) per Share - Basic	$ (0.03)	$ (0.01)	$ 0.08	$ 0.00
Income (Loss) per Share - Diluted	$ (0.03)	$ (0.01)	$ 0.08	$ 0.00
Total Assets	$ 6,634,616	$ 4,785,899	$ 4,691,001	$ 4,660,242
Total Liabilities	$ 582,915	$ 534,274	$ 529,280	$ 524,235

Selected Annual Information

(Reported in US Dollars, unless otherwise indicated)

Set out below is selected annual information for Mountainview for the last three years:

		2011		2010		2009 (1)
Petroleum and natural gas sales	$	3,439,500	$	2,900,253	$	2,357,475
Royalties		314,559		246,015		338,067
Operating expense		1,584,852		1,171,588		998,073
Depletion, accretion and depreciation		872,482		698,982		745,188
		667,607		783,668		276,147
General and administrative expense		1,940,116		878,964		681,972
Interest		15,896		10,756		11,650
Funds (loss) from operations		(1,256,613)		(84,540)		(394,175)
Per share - Basic and diluted		(0.03)		(0.01)		(0.04)
Net income (loss)	$	(4,736,238)	$	371,470	$	(291,692)
Per share - Basic and diluted		(0.10)		0.04		(0.03)
Exploration and evaluation assets		6,397,705		512,927		-
Property, plant and equipment		255,389		54,453		134,172
Oil and gas property		1,250,378		-		523,182
Dispositions		-		(174,149)		-
Net debt		180,292		83,614		110,401
Total assets	$	19,162,857	$	6,634,614	$	4,674,388
Weighted Average Shares outstanding						
Basic and diluted		49,208,929		9,766,850		9,766,850

(1) 2009 comparatives were those derived under GAAP and have not been restated to IFRS.