Highlights

Mountainview Energy Ltd. ("Mountainview" or the "Company") (TSXV: MVW) is pleased to announce its financial and operational results for the three and twelve months ended December 31, 2013.

	Three months ended December 31			**Twelve months ended December 31**		
	2013	2012	*% Change*	**2013**	2012	*% Change*
Financial (US $ 000's, except per share amounts)						
Petroleum and natural gas sales	**7,418**	690	*975%*	**20,527**	3,560	*477%*
Funds flow from operations (1)	**2,085**	150	*1290%*	**6,453**	(220)	*-3033%*
Per share basic	**0.02**	nil	*N/A*	**0.07**	nil	*N/A*
Per share diluted	**0.02**	nil	*N/A*	**0.06**	nil	*N/A*
Net income (loss)	**(3,141)**	(7,345)	*-57%*	**(5,974)**	(8,397)	*-29%*
Per share basic	**(0.04)**	(0.08)	*-58%*	**(0.07)**	(0.10)	*-29%*
Per share diluted (2)	**(0.04)**	(0.08)	*-49%*	**(0.07)**	(0.10)	*-30%*
Capital expenditures (3)	**16,584**	6,296	*163%*	**48,707**	10,365	*370%*
Net debt (4)	**59,244**	19,804	*199%*	**59,244**	19,804	*199%*
Operating						
Average daily production						
Light crude oil (bbl per day)	**1,039**	143	*627%*	**644**	147	*338%*
Natural gas (Mcf per day)	**864**	306	*182%*	**632**	285	*122%*
Barrels of oil equivalent (boe per day, 6:1)	**1,183**	194	*510%*	**749**	195	*285%*
% Oil and NGLs	**88%**	74%	123%	**86%**	76%	119%
Average sales price						
Light crude oil ($ per bbl)	**77.02**	52.26	*47%*	**86.20**	63.06	*37%*
Natural gas ($ per Mcf)	**2.94**	3.45	*-15%*	**2.98**	1.59	*87%*
Barrels of oil equivalent ($ per boe, 6:1)	**68.16**	44.55	*53%*	**75.08**	49.63	*51%*
Operating netback ($ per boe) (5)						
Petroleum and natural gas sales	**68.16**	44.55	*53%*	**75.08**	49.63	*51%*
Royalties	**(13.49)**	(5.88)	*-129%*	**(12.18)**	(4.21)	*-189%*
Operating expenses	**(20.08)**	(39.33)	*49%*	**(24.06)**	(25.09)	*4%*
Operating netback	**34.59**	(0.66)	*-5341%*	**38.84**	20.33	*91%*
Wells drilled						
Gross	**2.0**	-	-	**8.0**	9.0	*-11%*
Net	**1.4**	-	-	**4.8**	0.4	*1100%*
Success (%)	**100**	-	-	**100**	100	*0%*
Common Shares						
Shares outstanding, end of period	87,820,443	87,245,443	*1%*	87,820,443	87,245,443	*1%*

(1) Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with International Financial Reporting Standards as an indicator of Mountainview's performance. Funds flow from operations represents cash flow from operating activities prior to changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. Mountainview also presents funds flow from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.
(2) Due to the anti-dilutive effect of Mountainview's net loss for the three months and year ended December 31, 2013 and 2012, the diluted number of shares is equal to the basic number of shares. Therefore, diluted per share amounts of the net loss are equivalent to basic per share amounts. (2) Capital expenditures is a non-GAAP measure calculated as the purchase or sale price of an asset, plus development capital expenditures added to PP&E. Corporate acquisitions are excluded from this measure.
(3) Capital expenditures are a non-GAAP measure, calculated as the purchase or sale price of an asset, plus development capital expenditures added to PP&E. Corporate acquisitions are excluded from this measure.
(4) Net debt is a non-GAAP measure representing the total of bank indebtedness, accounts payables and accrued liabilities, less accounts receivables, deposits and prepaids.
(5) Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales plus realized gains on derivatives, less royalties, operating and transportation expenses.

Report to Shareholders

Patrick Montalban
President and C.E.O.
April 22, 2014

Reader Advisory

This management's discussion and analysis ("MD&A") contains non-GAAP financial measures and forward-looking statements and readers are cautioned that the MD&A should be read in conjunction with the Company's disclosure under "Non-GAAP Financial Measures" and "Forward-Looking Statements". Certain information regarding Mountainview set forth in this report including management's assessment of the Company's future plans and operations, the effect on the Company and on stakeholders of Mountainview, production increases and future production levels contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Mountainview's control including, without limitation, the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, lack of availability of qualified personnel, stock market volatility, and ability to access sufficient capital from internal and external sources. Mountainview's actual results, performance or achievements may differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Mountainview will derive there from. Additional information on these and other factors that could affect Mountainview's results are included in materials on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), or Mountainview's website (www.mountainviewenergy.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Mountainview does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Management's Discussion and Analysis

Dated as of April 22, 2014

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") is management's assessment of Mountainview Energy Ltd.'s ("Mountainview" or the "Company") consolidated financial and operating results and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2013 and the audited financial statements and MD&A as at and for the year ended December 31, 2012. This MD&A is presented in U.S. dollars (except where otherwise noted). Additional information relating to the Company can be found at www.sedar.com.

The Company's principal activity is the acquisition of, exploration for and the development and production of petroleum and natural gas properties in Montana and North Dakota.

Non-GAAP Measures – Certain measures in this document do not have a standardized meaning as prescribed by IFRS, such as operating netback, funds flow from operations, funds flow per share, and net debt and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in this document in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. The term funds flow from operations or funds flow should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management's use of these measures has been disclosed further in this document as these measures are discussed and presented.

Basis of Presentation – This MD&A and the consolidated audited financial statements and comparative information of the Company as at and for the year ended December 31, 2014 have been prepared in U.S. dollars, except where another currency has been indicated and have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. Production volumes are presented on a before royalties/ net profits interest basis.

BOE Presentation – All calculations converting natural gas to barrels of oil equivalent ("boe") have been made using a conversion ratio of six thousand cubic feet (six "Mcf") of natural gas to one barrel of oil, unless otherwise stated. The use of boe may be misleading, particularly if used in isolation, as the conversion ratio of six Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving Mountainview. Particularly, statements regarding Mountainview's future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

These statements are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. While management considers these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

Forward looking-information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what the Company currently expects. These factors include risk associated with oil and gas exploration, production, marketing, and transportation such as loss of market,

volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risk, and competition from other producers and ability to access sufficient capital from internal and external resources.

Other than as required under securities laws, the management does not undertake to update this information at any particular time.

All statements, other than statements of historical fact, which address activities, events, or developments that Mountainview expects or anticipates will or may occur in the future, are forward-looking statements within the meaning of applicable securities laws. These statements are subject to certain risks and uncertainties, and may be based on estimates or assumptions that could cause actual results to differ materially from those anticipated or implied.

Further, the forward-looking statements contained in this MD&A are made as of the date hereof, and 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, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Certain risk factors associated with these forward-looking statements include, but are not limited to, the following:

- fluctuations in natural gas and crude oil production levels;
- Mountainview's inability to successfully market its natural gas and crude oil;
- lower than expected market prices for natural gas and crude oil;
- adverse changes in foreign currency exchange rates and/or interest rates;
- uncertainties associated with estimating reserves;
- competition for capital, asset acquisitions, undeveloped lands, and skilled personnel;
- operational hazards characteristic of the oil and gas industry such as: geological and drilling problems; and well production, pipeline, and mechanical difficulties;
- lower than envisaged success in the finding and development of reserves and/or higher than expected costs;
- adverse changes in general economic conditions in Montana and/or North Dakota, the United States more generally, North America or globally;
- adverse weather conditions;
- the inability of Mountainview to obtain financing on favorable terms, or at all;
- adverse impacts from the actions of competitors;
- adverse impacts of actions taken and/or policies established by governments or regulatory authorities including changes to tax laws, incentive programs, royalty calculations, and environmental laws and regulations; and
- reliance on oil and/or natural gas processing, pipeline, and storage infrastructure not operated by Mountainview, the availability of which is essential to Mountainview's sales and marketing activities.

Additional information relating to Mountainview, including Mountainview's financial statements, can be found on SEDAR at www.sedar.com or the Company's website at www.mountainviewenergy.com.

2013 Overview

Mountainview experienced significant growth in 2013, through development drilling on its 12 Gage acreage in Divide County, North Dakota. The successful results of the six well spring-summer driling program translated into increased cash flow and capital spending in the fourth quarter of 2013.

Petroleum and Natural Gas Sales

Mountainview realized the following sales, production volumes, and commodity prices:

	Three months ended December 31		Twelve months ended December 31	
	2013	**2012**	**2013**	**2012**
Sales ($000's)				
Light oil	**7,363**	729	**20,263**	3,388
Natural gas	**55**	88	**264**	172
Total petroleum and natural gas sales	**7,418**	817	**20,527**	3,560
Average Daily Production				
Light oil (bbl/day)	**1,039**	143	**644**	147
Natural gas (Mcf/day)	**864**	306	**632**	285
Total (boe/d)	**1,183**	194	**749**	194
% oil and liquids production	**88%**	74%	**86%**	76%
Average Mountainview Realized Commodity Prices [1]				
Light oil ($ per bbl)	**77.02**	55.41	**86.20**	63.06
Natural gas ($ per Mcf)	**2.94**	3.45	**2.98**	1.59
Barrels of oil equivalent ($ per boe, 6:1)	**68.16**	44.55	**75.08**	49.63

(1) The average selling prices reported are before realized derivative instrument gains/losses and transportation charges.

Benchmark Pricing				
WTI crude oil (US$ per bbl)	**97.44**	88.18	**97.96**	94.21
Henry Hub natural gas (US$ per Mcf) [2]	**3.85**	3.40	**3.73**	2.75

(2) The NYMEX natural gas price reported is the average daily spot price.

Sales for the three months ended December 31, 2013 were $7.4 million, as compared to $0.8 million for the three months ended December 31, 2012, representing an increase of $6.6 million or 825%. Both production and the average realized commodity price increased from the prior period quarter, resulting in increased sales revenue. Excluding the impact of derivative instruments, the average realized commodity price increased from $44.55/boe in the fourth quarter of 2012 to $68.16/boe during the fourth quarter of 2013. While the annual average WTI benchmark increased by 4%, the 55% increase in realized price was primarily driven by a change in product mix with increased light oil production associated with the development drilling program in Divide County, N.D. Compared to the prior year quarter, the WTI crude oil benchmark increased 11%.

Production also increased from 194 boe/d in the three months ended December 31, 2012 to 1,183 boe/d for the three months ended December 31, 2013. This increase of 989 boe/d is due the Company's drilling program. The Company has not recently targeted gas-based drilling, however associated gas produced in Divide County, N.D. will be connected to a sales line in the first half of 2014. Natural gas sales from legacy properties have seen, and are expected to continue to see a steady decline from the comparative periods. However, overall corporate natural gas sales are expected to increase once the production in Divide County is connected to sales lines. Natural gas sales currently account for 6% of production volumes, and only 1% of sales revenue.

Sales for the year ended December 31, 2013 were $20.5 million, as compared to $3.6 million for the year ended December 31, 2012, representing an increase of $16.9 million or 469%. This increase in sales is

attributed to a 252% increase in production, increased realized commodity prices and an increase in oil and liquids weighting from 76% to 94%. Average daily production increased from 194 boe/d in the year ended December 31, 2012 to 827 boe/d in 2013. In line with increases in the WTI benchmark, the average realized commodity price before hedging increased from $49.63 per boe in the year ended December 31, 2012 to $74.37 per boe in 2013.

Royalties

	Three months ended December 31		Twelve months ended December 31	
($ 000's except per boe amounts)	**2013**	2012	**2013**	2012
Light oil	**1,461**	94	**3,301**	283
Natural Gas	**7**	11	**29**	15
Total Royalties	**1,468**	105	**3,330**	298
Total royalties per boe	**13.49**	5.88	**12.18**	4.21
% of P&NG Sales	**20%**	13%	**16%**	8%

Royalties for the three months ended December 31, 2013 were $1.5 million, as compared to $0.1 million for the three months ended December 31, 2012. As a percentage of sales, the average royalty rate for the fourth quarter of 2013 increased to 20% compared to 13% in the fourth quarter of 2012. Light oil royalties as a percentage of sales were 20% for the quarter ended December 31, 2013. Natural gas royalties as a percentage of sales were 13% for the quarter ended December 31, 2013. As the product mix became more oil weighted, the royalties per boe and royalties as a percent of sales increased. Royalty rates are negotiated on a lease by lease basis as Mountainview's acreage is entirely freehold.

Royalties for the year ended December 31, 2013 were $3.3 million, as compared to $0.3 million for the year ended December 31, 2012. As a percentage of revenues, the average royalty rate for the year ended December 31, 2013 was 16%, compared to 8% for the year ended December 31, 2012. The Company's oil weighting increased to 94% from 76% in the prior year. In addition, North Dakota has a higher average royalty environment when compared to the legacy oil production in Montana. The Company's focus on increasing production in North Dakota has resulted in higher royalties on a per boe basis.

Operating & Transportation Expense

	Three months ended December 31		Twelve months ended December 31	
($ 000's except per boe amounts)	**2013**	2012	**2013**	2012
Operating expense	**2,172**	687	**6,566**	1,800
Total operating expense	**2,172**	687	**6,566**	1,800
Operating expense per boe	**20.08**	39.33	**24.06**	25.09
Total per boe	**20.08**	39.33	**24.06**	25.09

Operating expenses were $2.2 million or $20.08 per boe for the quarter ended December 31, 2013 as compared to $0.7 million or $39.33 per boe for the three months ended December 31, 2012. In comparison to the prior year quarter, the Company has substantially increased overall production, resulting in fixed costs being allocated over a greater production base.

Operating expenses were $6.6 million or $24.06 per boe for the year ended December 31, 2013, as compared to $1.8 million or $25.09 per boe for the year ended December 31, 2012. The increase on an absolute dollar basis is mainly attributable to the production growth from internal drilling successes. On a per boe basis, cost increases are related to overall cost pressures.

General and Administrative ("G&A") Expenses

	Three months ended December 31		Twelve months ended December 31	
($ 000's except per boe amounts)	**2013**	2012	**2013**	2012
G&A expense	**786**	711	**2,220**	1,726
Total net G&A expense	**786**	711	**2,220**	1,726
Total net G&A expense per boe	**8.05**	40.70	**8.92**	24.07

G&A expenses were $0.8 million or $8.05 per boe for the current quarter as compared to $0.7 million or $40.70 per boe in the prior year comparative quarter. G&A expenses increased slightly due to staffing increases. On a per boe basis, G&A has decreased, as production increased at a greater rate than G&A due to drilling success. Net G&A expense for the year ended December 31, 2013 was $2.2 million or $8.92 per boe, compared to $1.7 million or $24.07 per boe in the prior year.

In line with continued production growth, the Company targets G&A for 2014 to be less than $7.00 per boe.

Share-Based Payment Expense

	Three months ended December 31		Twelve months ended December 31	
($ 000's except per boe amounts)	**2013**	2012	**2013**	2012
Total	**104**	94	**529**	94
Total per boe	**1.06**	5.29	**1.75**	1.33

During the three months ended December 31, 2013, the Company expensed $0.1 million in share-based payment expense as compared to $0.1 million in the three month period ended December 31, 2012. The Company awarded 0.8 million options in the fourth quarter of 2013 as compared to 2.8 million options in the fourth quarter of 2012.

During the year ended December 31, 2013, the Company expensed $0.5 million in stock-based compensation as compared to $0.1 million in the prior year.

At December 31, 2013, the Company has 6.4 million options outstanding, of which 3.9 million were exercisable.

Finance Expense

	Three months ended December 31		Twelve months ended December 31	
(000's except per boe amounts)	**2013**	2012	**2013**	2012
Interest and bank charges	**4**	-	**12**	-
Interest on line of credit	**73**	67	**427**	208
Interest on long-term debt	**1**	-	**5**	4
Interest on credit facility	**423**	-	**1,494**	-
Finance costs on credit facility	**601**	-	**601**	-
Interest on convertible debentures [1]	**22**	52	**88**	52
Interest on promissory notes	**217**	-	**770**	32
Accretion on decommissioning provision	**25**	-	**25**	-
Accretion on credit facility	**(114)**	121	**1,570**	-
Total finance expense	**1,252**	240	**4,992**	296
Total interest per boe	**6.80**	**6.67**	**10.23**	**16.58**
Total accretion per boe	**(0.82)**	**6.78**	**5.83**	**-**
Total finance expense per boe	**11.50**	**13.45**	**18.26**	**4.18**

[1] Convertible debentures were issued on December 13, 2013, resulting in 18 days of finance expenses in 2013.

For the three months ended December 31, 2013, finance charges were $1.3 million, compared to $0.2 million in the three month period ended December 31, 2012. This increase is due to increased credit facility debt for the quarter, which was $38.2 million compared to $1.0 million in the prior year quarter. For the year ended December 31, 2013, finance charges also increased and were $5.0 million, compared to $0.3 million in the prior year.

The Company's current interest charge on the operating line is bank prime of plus a margin of 1.25%, with a minimum interest rate of 5.25%. The Company's current interest charge on the credit facility is 8%. This is the minimum rate, however the rate is a floating rate based on amount drawn and current bank prime rates. The Company's convertible debentures pay an interest rate of 5% annually. Four of the Company's promissory notes pay an interest rate of 9% per annum and two promissory notes pay an interest rate of 5% per annum. The interest is paid quarterly. The combined effective interest rate for the quarter was 8.4%, as the credit facility is the largest outstanding debt, with the promissory notes having a minor upward impact on the effective rate.

In Q3, 2013, the Company recorded accretion of the credit facility based on the expected value of the after pay-out net profits interest (the "NPI") associated with the credit facility. At year end, the NPI was evaluated based on actual values and the accretion booked to date was higher than the accretion calculated at year end. As a result, there was a negative accretion amount booked for the credit facility in Q4, 2013.

Depletion, Depreciation & Impairment

	Three months ended December 31		Twelve months ended December 31	
($ 000's except per boe amounts)	**2013**	2012	**2013**	2012
Depletion & Depreciation	**1,772**	684	**6,000**	1,479
Depletion & Depreciation per boe	**16.28**	36.77	**21.94**	21.53

For the three month period ended December 31, 2013, depletion and depreciation of capital assets was $1.8 million or $16.28 per boe compared to $0.7 million or $36.77 per boe for the prior year comparative period. On an absolute basis, this increase relates to increased production associated with the drilling program in Divide County, N.D. The rate per boe decreased from the prior period quarter due to the production and reserve increases.

For the year ended December 31, 2013, depletion and depreciation of capital assets was $6.0 million or $21.94 per boe compared to $1.5 million or $21.53 per boe in the prior year. This increase on an absolute basis is due to the increase in production and reserves year over year.

At December 31, 2013, the Company assessed for indicators of impairment for all of its Cash Generating Units (CGUs). Reductions to future natural gas benchmark pricing in years following 2014 indicated that CGUs that produce a high percentage of natural gas may be impaired. Mountainview Energy estimated the recoverable amount for these CGUs based on the fair value less costs to sell, determined with an after-tax discount rate of 10%, forecasted cash flows over the estimated life of reserves, and an independent industry reserve engineer price deck. Based on the assessment, the carrying value of the Williams, Lake Francis and Snoose Coulee CGUs were determined to be lower than their respective recoverable amounts and a total non-cash impairment charge of $0.3 million was recognized.

Lease expiries of E&E leases were expensed based on the per acre value of comparable area land sales.

Income Taxes

In the year ended December 31, 2013, the Company has an unrecognized deferred income tax asset of $3.7 million compared to a $3.5 million unrecognized deferred income tax asset in 2012. The Company has existing tax losses and pools of approximately $8.0 million at December 31, 2013. These income tax pools are deductible at various rates and annual deductions associated with the initial pools will decline over time.

Net Income (Loss) and Comprehensive Income (Loss)

($000's except per share amounts)	Three months ended December 31		Twelve months ended December 31	
	2013	2012	**2013**	2012
Net Income (loss)	**(3,141)**	(7,345)	**(5,974)**	(8,397)
Net Income (loss) per share	**(0.04)**	(0.08)	**(0.07)**	(0.10)

Net and comprehensive income for the three month period ended December 31, 2013 was $3.1 million, compared to a net loss of $7.3 million in the prior year comparative period. This change was due to increased oil production in the current quarter and impairment losses in the prior year comparative period. The net and comprehensive loss for the year ended December 31, 2013 was $6.0 million, compared to a net loss of $8.4 million in the prior year. This decrease is also due to increased oil production and prior year impairment losses.

Selected Annual Information

($000's except per share amounts)	Twelve months ended December 31		
	2013	2012	2011
Petroleum and natual gas sales	**20,527**	3,560	3,440
Net Income (loss)	**(5,974)**	(8,397)	(4,736)
Per share basic	**(0.07)**	(0.10)	(0.05)
Per share diluted	**(0.07)**	(0.10)	(0.05)
Funds flow from operations	**6,453**	(220)	(568)
Total assets	**84,744**	49,056	19,152
Total non-current financial liabilities	**51,775**	9,462	544

Quarterly Financial Summary

The following table highlights Mountainview's performance for each of the past eight quarters:

	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
($ 000, except per share amounts)								
Average production (boe/d)	**1,183**	711	703	391	194	190	157	141
Petroleum and natural gas sales	**7,418**	5,993	5,107	2,009	778	933	739	1,071
Operating netback (per boe) (1)	**34.39**	26.13	24.98	24.12	(0.66)	26.93	22.25	42.80
Funds flow from operations (2)	**2,085**	2,156	2,419	(207)	150	(177)	(72)	(121)
Per share basic	**0.02**	0.02	0.03	nil	nil	nil	nil	nil
Per share diluted	**0.02**	0.02	0.02	nil	nil	nil	nil	nil
Net income (loss)	**(3,141)**	(387)	(1,065)	(1,381)	(7,345)	(428)	(362)	(262)
Per share basic	**(0.04)**	nil	(0.01)	(0.02)	(0.08)	nil	nil	nil
Per share diluted (3)	**(0.04)**	nil	(0.01)	(0.02)	(0.08)	nil	nil	nil
Capital expenditures (4)	**16,584**	7,262	1,682	21,401	6,489	1,137	2,814	284
Total assets	**84,744**	74,265	67,253	65,131	49,056	49,360	47,945	21,249
Net debt excluding financial derivatives (5)	**59,244**	46,883	35,772	33,287	19,804	18,605	15,619	2,124

(1) Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales plus realized gains on derivatives, less royalties, operating and transportation expenses.
(2) Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with International Financial Reporting Standards as an indicator of Mountainview's performance. Funds flow from operations represents cash flow from operating activities prior to changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. Mountainview also presents funds flow from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.
(3) Due to the anti-dilutive effect of Mountainview's net loss for the three months and year ended December 31, 2013 and 2012, the diluted number of shares is equal to the basic number of shares. Therefore, diluted per share amounts of the net loss are equivalent to basic per share amounts. (2) Capital expenditures is a non-GAAP measure calculated as the purchase or sale price of an asset, plus development capital expenditures added to PP&E. Corporate acquisitions are excluded from this measure.
(4) Capital expenditures are a non-GAAP measure, calculated as the purchase or sale price of an asset, plus development capital expenditures added to PP&E. Corporate acquisitions are excluded from this measure.
(5) Net debt is a non-GAAP measure representing the total of bank indebtedness, accounts payables and accrued liabilities, less accounts receivables, deposits and prepaids.

Quarterly variances in sales are connected to changes in production volumes and prices. In Q1, Q2 and Q4 2013, the Company added production volumes by successfully bringing on production from drilling operations in Divide County, N.D. The Company exited 2013 with an average of 1,183 boe/d of production.

Funds flow from operations became positive as production from Divide County, N.D. was brought on in Q2 2013. Initial production declines resulted in decreases in funds flow from operations from Q2 through Q4, however the increased production year over year resulted in positive funds flow from operations throughout the same period. There was also an unrealized loss on financial derivatives due to a mark to market difference at year-end 2013 of $0.1 million.

Quarterly variances in net income are largely driven by growing production volumes and non-cash items such as depletion. Unrealized losses on derivatives and lease expiries reduced net income in Q4 2013.

Netbacks

The following table summarizes netbacks for the past eight quarters on a barrel of oil equivalent basis:

($ per boe)	**Q4 2013**	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Petroleum and natural gas sales	**68.16**	83.47	73.72	66.45	54.98	58.01	54.33	60.23
Royalties	**(13.49)**	(12.96)	(11.57)	(7.77)	(5.62)	(2.77)	(3.86)	(5.48)
Operating expense	**(20.08)**	(26.57)	(29.73)	(21.40)	(36.94)	(20.84)	(15.83)	(32.81)
Operating netback (1)	**34.59**	**43.94**	**32.42**	**37.28**	**12.42**	**34.40**	**34.64**	**21.94**
General and administrative expense	**(8.05)**	(5.25)	(7.72)	(16.43)	(36.94)	(20.84)	(15.83)	(32.81)
Interest and bank charges	**(11.50)**	(28.21)	(15.89)	(24.95)	(6.28)	(8.19)	(2.29)	(0.10)
Funds flow from operations (2)	**15.04**	**10.48**	**8.81**	**(4.10)**	**(30.80)**	**5.37**	**26.13**	**21.92**

(1) Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales plus realized gains on derivatives, less royalties, operating and transportation expenses.
(2) Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with International Financial Reporting Standards as an indicator of Mountainview's performance. Funds flow from operations represents cash flow from operating activities prior to changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. Mountainview also presents funds flow from operations per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.

Capital Expenditures and PP&E Additions

($ 000's)	Three months ended December 31 2013	2012	Twelve months ended December 31 2013	2012
Land acquisition	**1,049**	-	2,102	410
Geological and geophysical	**-**	-	-	-
Drilling and completions	**9,649**	607	26,238	4,878
Equipping and facilities	**3,899**	121	2,494	5,326
Other	**135**	60	506	110
Development capital	**14,732**	788	**31,340**	10,724
Property acquisitions - Cash paid	**-**	-	**-**	-
Property dispositions - Cash received	**-**	-	**-**	-
Capital expenditures (1)	**14,732**	788	**31,340**	10,724
Net other additions to PP&E (2)	**3,630**	-	**17,367**	-
Corporate acquisition additions to PP&E	**-**	-	**-**	-
Total net additions to PP&E	**18,362**	788	**48,707**	10,724

(1) Capital expenditures are a non-GAAP measure, calculated as the purchase or sale price of an asset, plus development capital expenditures added to PP&E. Corporate acquisitions are excluded from this measure.
(2) Net other additions to PP&E reconciles the Non-GAAP Capital Expenditures measure to the IFRS measure of capital additions, and is the net adjustments made to account for the assets purchased under IFRS 3 - Business Combinations, assets sold for cash, reclassification of E&E assets, and corresponding changes in PP&E due to changes in the decommissioning liability.

During the fourth quarter of 2013, the Company invested $14.7 million on development capital, an increase from $0.8 million in development capital invested in Q4 2012. The Company's development capital expenditures for the quarter were focused in the 12 Gage area in Divide County, N.D., with successful drilling of 2 (1.4 net) oil wells at 12 Gage.

For the year ended December 31, 2013, the Company continued to focus on the development of 12 Gage asset, drilling 8 wells (4.8 net) with 100% success. The Company completed and equipped six of those eight wells, resulting in an average daily production of 1,183 boepd in Q4, an increase of 989 boepd over the Q4, 2012 daily average of 194 boepd.

Drilling Results

Three months ended December 31	2013 Gross	Net	2012 Gross	Net
Crude oil	**2**	**1.4**	-	-
Dry and abandoned	**-**	**-**	-	-
Total	**2**	**1.4**	-	-
Success rate (%)		**100%**		

Twelve months ended December 31	2013 Gross	Net	2012 Gross	Net
Crude oil	**8**	**4.8**	9	0.4
Dry and abandoned	**-**	**-**	-	-
Total	**8**	**4.8**	9	0.4
Success rate (%)		**100%**		100%

Undeveloped Land

The Company's undeveloped land holdings have decreased from the December 31, 2012 due to lease expiries and conversions from undeveloped to developed land as a result of drilling operations. In 2013, 9,184 gross undeveloped acres (4,648 net) were acquired at a total cost of $1.3 million.

	At December 31, 2013	At December 31, 2012
Gross Acres	**106,535**	157,362
Net Acres	**58,411**	68,014

Liquidity and Capital Resources

The Company reviews capital expenditures on an on-going basis to ensure that funds flow will provide adequate funding. In cases where funds flow is not adequate, the Company may adjust capital expenditures to manage debt levels. Diligent monitoring of funds flow from operations, as well as debt levels, allows Mountainview Energy to maintain an undrawn portion of $11.9 million on the Company's available $51.2 million of a dedicated credit facility with a ceiling of $75 million. Due to the undrawn portion on the credit facility, the Company believes it has the ability to meet its current obligations.

In the management of capital, the Company includes working capital and net debt in the definition of capital. The Company's share capital is not subject to external restrictions; however, its credit facility value is based primarily on its petroleum and natural gas reserves and covenants detailed below. The Company confirms there are no off-balance sheet financing arrangements.

Line of Credit

On April 17, 2012, the Company entered into a revolving line of credit for $5,500,000 and on June 27, 2012, increased the line of credit to $8,700,000. The outstanding balance at December 31, 2013 was $8,660,000. The Company's US subsidiary provided a general security over its assets and, a director and officer of the Company and major shareholder have provided security over the assets of the Company as collateral for the line of credit. The carrying amount of the collateral is $16,452,749. Interest is payable monthly at a variable rate of prime plus 1.25%. The minimum interest rate is 5.25%. Subsequent to the year the line of credit was extended to May 17, 2014.

Credit Facility

As at December 31, 2013 the Company's dedicated facility consisted of a line of credit of up to $75 million, with $51.2 million available at December 31, 2013. Of the $51.2 million available, $39.3 million was drawn at year end. The credit facility review is performed monthly and the expiry of the current facility is July 1, 2015.

The credit facility is with one international bank and provides that advances may be made by way of U.S. base rate loans. The facility matures on July 1, 2015, and amounts borrowed bear interest at a floating rate with an 8% minimum. Monthly repayments of outstanding interest plus principle are required based on 85% of net revenues from the 12-Gage Project. In connection with the facility, the lender and the Company will have an area of mutual interest ("AMI"), which will be in northern Divide County, North Dakota. This facility can be drawn on only to fund capital expenditures in the AMI. In addition, pursuant to the facility, upon the earlier of the maturity date or the date the facility is paid in full, the Lender will trigger the start of a 39% after pay-out net profits interest (the "NPI") in all of the Company's oil and gas properties within Divide County, North Dakota.

The NPI is defined as all revenues received by the Company, less all operating costs, production taxes, and capital costs incurred by the Company. Payments on the NPI shall commence upon repayment in full of the outstanding facility. The NPI will be reduced from 39%to 20% once the lender achieves a 0.65 x return on investment (ROI is based on principal plus interest and fees). At December 31, 2013 the return on investment required to trigger this reduction in NPI is $27.6 million. The facility is secured by a first priority mortgage and security interest in the 12-Gage properties. The borrowing base under the facility will be subject to re-determination in the absolute discretion of the lender. The Company's US subsidiary, Mountain Divide LLC, is required to maintain a current ratio of 1.0: 1.0. As at December 31, 2013 the US subsidiary's current ratio was 2.85:1.0. At December 31, 2013, the Company has met all covenants pertaining to this loan agreement. Mountainview Energy is not in default in relation to this agreement.

Convertible Debentures

On May 28, 2012, the Company acquired from a related company, a compressor, plant and equipment for consideration of $2,660,000. The Company paid $283,000 and agreed to issue a $2,377,000 debenture

convertible into common shares of the Company at a price of $2.50 per common share (the actual convertible debenture issued was $2,072,053, which was reduced by costs incurred of $304,947 on behalf of the related company prior to the transaction closing). During the year ended December 31, 2013 the original Convertible Debenture was cancelled and a new Convertible Debenture was signed to extend the maturity date to June 1, 2015. As at December 31, 2013 the convertible debenture was $2,072,053 plus accrued interest of $139,693. At December 31, 2013, if the convertible debenture had been converted the Company would have issued 828,821 additional common shares of the Company.

Promissory Notes

The Company entered into two unsecured promissory notes payable with major shareholders of the Company, each for $4,000,000 (total $8,000,000), bearing interest at 9% per annum and drawdown of the full principal balance. The principal was originally due and payable on or before May 30, 2014. During the year ended December 31, 2013, both of the major shareholders signed a new promissory note to extend the maturity date to May 30, 2015. The interest on the promissory notes is still payable quarterly. At the year ended December 31, 2013, the balance due on the promissory notes was $7,850,000 plus accrued interest of $918,554. During 2012 the Company paid interest of $209,178 on two of the notes in addition to $150,000 in principle on one of the promissory notes. Interest accrued during 2012 was $211,005.

On March 12, 2013, the Company entered into two unsecured promissory notes payable with major shareholders of the Company and a Company with a director and officer in common, for $250,000, bearing interest at 5% per annum. The principal is payable on or before March 12, 2015. During the year ended December 31, 2013, the balance due on the promissory notes is $250,000 plus accrued interest of $10,034.

On November 26, 2013, the Company signed three unsecured promissory notes payable with a major shareholder of the Company, for $460,949, $248,204, and $96,000, bearing interest at 9% per annum. The principal is payable on or before March 15, 2015, May 7, 2015 and June 6, 2015. During the year ended December 31, 2013, the balance due on the promissory notes is $805,123 plus accrued interest of $52,790.

Long-term Debt

The Company has various vehicle loans outstanding as at December 31, 2013 and December 31, 2012 of $391,167 and $179,032, respectively. The current portion of vehicle loans as at December 31, 2013 is $109,187. There are twelve vehicle loans with fixed rates on the loans that vary from 0% interest to 3.90% and will be repaid after five years.

Share Capital

During the year ended December 31, 2013, 750,000 stock options were issued to employees of the Company.

As of March 20, 2014 the Company has 87.8 million Common Shares and 6.4 million stock options outstanding, of which 3.9 million were eligible to be exercised as at December 31, 2013.

Contractual Obligations and Contingencies

The Company enters into short term contractual obligations in the normal course of business, including purchase of assets and services, operating agreements, transportation commitments, sales commitments, royalty obligations, lease rental obligations and employee agreements. These obligations are of a recurring, consistent nature and impact cash flows in an ongoing manner.

Mountainview Energy also has long-term contractual obligations and commitments. The Company is responsible for the retirement of long-lived assets related to its oil and gas properties at the end of their useful lives. Mountainview Energy has recognized a liability of $1.2 million (December 31, 2012 – $0.3 million) based on current legislation and estimated costs. Actual costs may differ from those estimated due to changes in legislation or actual costs.

Additional contractual obligations and commitments are as follows:

As at December 31, 2013 (000's)	Less than one year	One to three years	Three to five years	Total
Line of credit (1)	8,660		-	8,660
Long term debt (2)	109	274	8	391
Credit facility - principal (3)	-	39,283	-	39,283
Credit facility - interest	3,143	1,571	-	4,714
Convertible debentures - principal (4)	-	2,072	-	2,072
Convertible debentures - coupon	-	140	-	140
Promissory notes - principal (5)	-	8,905	-	8,905
Promissory notes - interest	-	981	-	981
	11,912	53,226	8	65,146

(1) Repayment of this principal amount is due on May 17, 2014. Management fully expects the line of credit to be extended.
(2) Repayment of this long term debt takes place over five years. The long term debt represents loans on vehicle purchases paid monthly over five year periods from the date of purchase.
(3) Repayment of this principal amount in one to three years is based on the debt agreement currently in place and does not consider any redeterminations or refinancing. Redeterminations may take place at any time at the discretion of the lender, however at current commodity prices, Management does not foresee a redetermination.
(4) Repayment of the Convertible Debentures assumes that all holders of the debentures will not convert their holdings into shares.
(5) Repayment of the promissory notes is due and payable on May 30, 2015. The Company may repay these amounts at any time prior to the maturity date.

The Company has income tax filings that are subject to audit and potential reassessment. The findings may impact the tax liability of the Company. The final results are not reasonably determinable at this time and management believes that it has adequately provided for current and deferred income taxes.

Related Party Transactions

During the year ended December 31, 2013 the Company paid or accrued $5,619,250 (December 31, 2012 - $719,900) to three companies owned by one of its major shareholders for services provided in the drilling of the wells in the 12-Gage Property. These services were provided at a competitive market rate.

During the year ended December 31, 2013, the Company had a joint interest receivable of $351,097 (December 31, 2012 - $Nil) from two companies owned by two of its major shareholders. The companies are participants in certain joint venture activities.

During the year ended December 31, 2013, the Company had a joint interest receivable of $60,774 (December 31, 2012 - $Nil) from three companies owned by a Director and officer in common. The companies are participants in certain joint venture activities.

During the year ended December 31, 2013, the Company had a joint interest payable of $258,594 (December 31, 2012 - $Nil) to two companies owned by two of its major shareholders. The companies are participants in certain joint venture activities.

On January 19, 2012, the Company, entered into a Purchase and Sale Agreement with eight vendors whereby the Company, agreed, through one of its wholly-owned subsidiaries, to purchase the Medicine Lake property from the vendors in exchange for, among other things, 23,110,020 of the Company's common shares. Two of such vendors, Stewart Geological, Inc. ("Stewart Geological") and MBI Oil & Gas, LLC ("MBI"), were shareholders holding in excess of five percent of the Company's issued and outstanding common shares as of the date of such agreement. The transactions contemplated by such agreement were completed on May 28, 2012. Of the 23,110,020 shares issued in such transactions, 6,921,867 and 5,794,377 shares were issued to Stewart Geological and MBI, respectively, which shares had an approximate market value of $CAD 2,353,434 and $CAD 1,970,088, respectively, based on the closing trading price of Mountainview Energy common shares on the TSX Venture Exchange as of May 28, 2012.

On January 19, 2012, the Company, entered into a Purchase and Sale Agreement and a related Amending Agreement with Genesis Energy, Inc. ("Genesis") whereby the Company, agreed to purchase property from Genesis in exchange for $283,000 in cash and convertible debentures having an aggregate face amount of

$2,377,000. The transactions contemplated by this agreement with Genesis were closed on May 28, 2012. Patrick M. Montalban, the President, Chief Executive Officer, Director and significant shareholder of Mountainview, is a 50% owner of Genesis. During the year ended December 31, 2013 the original Convertible Debenture was cancelled and a new Convertible Debenture was signed to extend the maturity date to June 1, 2015.

On January 19, 2012, the Company, entered into a Contribution Agreement with Mountainview Energy (USA) Ltd. ("MVUSA") and various contributors whereby, the Company, its affiliates and various other contributors agreed to contribute property or other assets to MVUSA in exchange for shares of MVUSA. After the transaction, MVUSA became a subsidiary, with all of its Class A Shares held by the Company. At the closing of the transactions contemplated by the Contribution Agreement on May 28, 2012, MVUSA issued 7,822,727 Class B Shares to Altamont Energy, Inc., one of the contributors. Altamont Energy, Inc. is 100% owned by Patrick M. Montalban, the President, Chief Executive Officer, Director and significant shareholder of Mountainview Energy. The Class B Shares of MVUSA can be exchanged at the option of the holder, on a share for share basis with common stock of the Company or, at the option of the Company, be paid in cash at the current market value calculated as weighted average price per common stock of the Company for 20 consecutive trading days of the TSX-V. The exchange dates are as follows: (i) June 4, 2012 to June 4, 2013 (33%), (ii) June 5, 2013 to June 5, 2014 (66%), (iii) June 6, 2014 to June 6, 2019 (100%) and (iv) June 8, 2019 to June 9, 2022 (100% mandatory exchangeable or payable by cash).

On April 30, 2012, the Company, entered into a Guaranty and Indemnity Agreement with James R. Arthaud, Carter Steward and Patrick M. Montalban whereby, the Messrs. Arthaud, Stewart and Montalban agreed to jointly and severally guarantee the transfer or payment to the Company of $12,579,000 on or before May 30, 2012, to be used for the acquisition of a 100% working interest in the 12 Gage Prospect pursuant to the Murex Purchase and Sale Agreement. In connection with the Guaranty and Indemnity Agreement, on May 30, 2012, each of Stewart Geological and James R. Arthaud loaned the Company, $4 million pursuant to a Promissory Note bearing interest at nine percent with a maturity date of May 30, 2014. Each of Stewart Geological and James R. Arthaud is a significant holder of Mountinview Energy issued and outstanding common shares. During the year ended December 31, 2013, both of the major shareholders signed a new promissory note to extend the maturity date to May 30, 2015.

On April 17, 2012, the Company, entered into a revolving line of credit with First Interstate Bank that, as amended, permits Company borrowings of up to $8.7 million. Patrick M. Montalban, the President, Chief Executive Officer, Director and significant shareholder of Mountainview Energy, and Carter Stewart, a major shareholder, personally guaranteed the Company's obligations under the Line of Credit.

During the prior year the ended December 31, 2012, the Company issued a note payable to one of its major shareholders for $2,000,000. During the year ended December 31, 2012 this note payable was repaid plus $31,564 in interest was paid.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, and differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the annual Financial Statements for the year ended December 31, 2013 is included in the following notes:

- Note 5 – valuation of financial instruments;
- Note 9 – valuation of property and equipment;

- Note 13 – measurement of decommissioning provision;
- Note 14 – measurement of share-based compensation; and
- Note 19 – income tax expense.

The Company's significant areas of estimation uncertainty have not changed during the period. In accordance with new standards adopted, the Company has provided additional estimation and assumption disclosure regarding the valuation of financial instruments in Note 5 to the financial statements.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

(a) Exploration and evaluation assets
The decision to transfer assets from exploration and evaluation to property and equipment is based on the estimated proved and probable reserves used in the determination of an area's technical feasibility and commercial viability.

(b) Reserves base
The oil and gas development and production properties are depreciated on a unit of production ("UOP") basis at a rate calculated by reference to proved and probable reserves determined in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporate the estimated future cost of developing and extracting those reserves. Proved plus probable reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities and other capital costs (Note 9).
Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is highly likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

(c) Depletion of oil and gas assets
Oil and gas properties are depleted using the UOP method over proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production based on proved plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves (Note 9).

(d) Determination of cash generating units
Oil and gas properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil and gas properties of the Company, and grouped the properties into cash generating units on the basis of their ability to generate independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure.

(e) Impairment indicators and calculation of impairment
At each reporting date, Mountainview Energy assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. At December 31, 2013, Management exercised judgement and determined that there were impairment indicators present for certain CGUs. When management judges that circumstances clearly indicate impairment, property and equipment and exploration and evaluation assets are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including

information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs.

New standards and interpretations not yet adopted

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

ii) IFRS 10 Consolidated Financial Statements replaces IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. IFRS 10 revises the definition of control and focuses on the need to have power and variable returns for control to be present. Adoption did not result in any change in consolidation status, as the Company does not have subsidiaries or investees.

iii) IFRS 11 Joint Arrangements requires a company to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the company will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31 Interests in Joint Ventures, and SIC-13 Jointly Controlled Entities—Non-monetary Contributions by Venturers. The Company has analyzed its joint arrangements and concluded that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements.

iv) IFRS 12 Disclosure of Interest in Other Entities replaces the disclosure requirements previously included in IAS 27, IAS 31, and IAS 28 Investments in Associates. It sets out the extensive disclosure requirements relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Company assessed its interests in other entities on January 1, 2013 and determined that no additional disclosure was necessary.

iv) IFRS 13 Fair Value Measurement is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013. The Company has complied with the new disclosure requirements of IFRS 13 in Note 5 – Financial Instruments, as applicable to interim financial statements in accordance with IAS 34.

v) IAS 36 Impairment of Assets was amended in May 2013, effective retrospectively for annual periods beginning on or after January 1, 2014. The amendment removes certain disclosures of the recoverable amount of a CGU containing goodwill, and adds disclosures of the recoverable amount of a CGU with impairment. As allowed by the standard, the Company early adopted the amendment in the current period. Refer to Note 9 for the amended disclosures.

The following standards have been amended but are not yet effective up to the date of issuance of the Company's financial statements. The Company reasonably expects these standards to be effective at a future date and intends to adopt when they become effective:

vi) IFRS 9 Financial Instruments contains three phases, of which phase one, relating to accounting for financial assets and financial liabilities, and phase 2, relating to hedge accounting, have been published. The third phase will address impairment of financial instruments. For financial assets, IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements; however, where the fair value option is applied to financial liabilities, the change in fair value resulting from an entity's own credit risk is recorded in OCI rather than net earnings, unless this creates an accounting mismatch. IFRS 9 also introduces a simplified hedge accounting model, aligning hedge accounting more closely with risk management. Mountainview Energy does not currently apply hedge accounting. A mandatory effective date for IFRS 9 in its entirety will be announced when the project is closer to completion. Early adoption of the two completed

phases is permitted only if adopted in their entirety at the beginning of a fiscal period. The Company is currently evaluating the impact of adopting IFRS 9 on the Consolidated Financial Statements.

vii) IFRS 32 Financial Instruments: Presentation was amended in December 2011 to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right to offset must be available on the current date and cannot be contingent on a future event. The amendments to IAS 32 ware effective for annual periods beginning on or after January 1, 2014, requiring retrospective application. IAS 32 will not have a significant impact on Mountainview Energy.

Assessment of Business Risks

The following are the primary risks associated with the business of Mountainview Energy. These risks are similar to those affecting other companies competing in the conventional oil and natural gas sector. Mountainview Energy's financial position and results of operations are directly impacted by these factors and include:

Operational risk associated with the production of oil and natural gas:

- Reserve risk in respect to the quantity and quality of recoverable reserves;
- Exploration and development risk of being able to add new reserves economically;
- Market risk relating to the availability of transportation systems to move the product to market;
- Commodity risk as crude oil and natural gas prices fluctuate due to market forces;
- Financial risk such as volatility of interest rates and debt service obligations;
- Environmental and safety risk associated with well operations and production facilities;
- Changing government regulations relating to royalty legislation, income tax laws, incentive programs, operating practices and environmental protection relating to the oil and natural gas industry; and
- Continued participation of Mountainview Energy's lenders.

Mountainview Energy seeks to mitigate these risks by:

- Acquiring properties with established production trends to reduce technical uncertainty as well as undeveloped land with development potential;
- Maintaining a low cost structure to maximize product netbacks and reduce impact of commodity price cycles;
- Diversifying properties to mitigate individual property and well risk;
- Maintaining product mix to balance exposure to commodity prices;
- Conducting rigorous reviews of all property acquisitions;
- Monitoring pricing trends and developing a mix of contractual arrangements for the marketing of products with creditworthy counterparties;
- Maintaining a hedging program to hedge commodity prices with creditworthy counterparties;
- Adhering to the Company's safety program and adhering to current operating best practices;
- Keeping informed of proposed changes in regulations and laws to properly respond to and plan for the effects that these changes may have on the Company's operations;
- Carrying industry standard insurance;
- Establishing and maintaining adequate resources to fund future abandonment and site restoration costs; and
- Monitoring the Company's joint venture partners' obligations to us and cash calling for capital projects to limit the Company's credit risk.

Disclosure Controls over Financial Reporting

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified under the Canadian securities law.

Mountainview Energy's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation, that the disclosure controls and procedures as of December 31, 2013 are effective and provide reasonable assurance that material information related to the Company is made known to them by others within Mountainview Energy.

It should be noted that a control system, including Mountainview Energy's disclosure controls and procedures, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.