

November 29, 2012



## 3MV Energy Announces Third Quarter 2012 Results and Announces Closing of Second Tranche of Unit Offering

Calgary, AB – 3MV Energy Corp. (“3MV” or the “Company”) (TSXV: TMV) is pleased to report its financial and operating results for the three and nine month periods ended September 30, 2012. 3MV’s unaudited financial statements and related management’s discussion and analysis for the three and nine month periods ended September 30, 2012 have been filed and are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.3mvenergy.com](http://www.3mvenergy.com).

3MV announces the following highlights:

- 3MV produced 162 boe/d during the quarter, a decrease of 19% from the three month period ended October 31, 2011. Over the nine months period ended September 30, 2012, 3MV produced 191 boe/d, a slight increase of 2% from the nine month period ended October 31, 2011.
- Revenues decreased by 15% to \$0.8 million when compared to the three month period ended October 31, 2011. For the nine month period ended September 30, 2012, 3MV’s revenues decreased 10% when compared to the nine month period ended October 31, 2011.
- Operating expenses decreased by 21% to \$24.20/boe during the quarter when compared to the three month period ended October 31, 2011. Nine months ended September 30, 2012 saw a 2% decrease compared to nine months ended October 31, 2011.

	Three months ended September 30, 2012	Three months ended October 31, 2011 <sup>(5)</sup>	Nine months ended September 30, 2012	Nine months ended October 31, 2011 <sup>(5)</sup>
<b>Average Daily Production</b>				
Crude oil & NGL (bbl/d)	110.6	136.2	149.1	138.5
Natural gas (Mcf/d)	309.1	375.7	250.0	289.0
Total (boe/d)	162.1	198.8	190.7	186.6
<b>Operating Netbacks (\$/boe)</b>				
Average realized sales price	55.84	65.92	63.95	72.70
Royalty expense	5.66	7.06	7.21	8.04
Operating & transportation expense	24.15	30.72	26.35	26.84
Operating netback <sup>(1)</sup>	26.03	28.15	30.39	37.82
<b>(\$000s, except per share numbers)</b>				
Petroleum & natural gas revenues, before royalties	833	1,206	3,342	3,703
Cash flow from operations	(82)	1,666	46	90
Per share – basic and diluted	(0.00)	0.00	0.36	0.02
Funds flow from operations <sup>(2)</sup>	(56.26)	1.33	(30.30)	(11.72)
Net earnings (loss)	(1,328)	(303)	(4,774)	(1,689)
Per share – basic and diluted <sup>(3)</sup>	(0.09)	(0.37)	(0.07)	(0.43)
Net debt (working capital) <sup>(4)</sup>	(10,875)	(8,643)	(10,875)	(8,643)
Total assets	15,308	22,511	15,308	22,511
<b>Shares outstanding</b>				
Basic and diluted	13,989	4,592	13,989	4,592

- 1) Operating netbacks (calculated on a per unit basis as oil, gas and natural gas liquids revenues, less royalties, transportation and operating costs) is not a recognized measure under IFRS.
- 2) Funds flow from operations is not a prescribed IFRS or GAAP measure and is calculated as cash flow from operating activities before the change in non-cash working capital, transaction costs, share based payments and decommissioning provision expenditures incurred.
- 3) Net earnings (loss) per share number is calculated using weighted average shares outstanding.
- 4) Net debt (working capital) is an industry term, and is calculated as current assets less current liabilities, and is not a recognized measure under IFRS.
- 5) Certain figures have changed from prior released information as a result of reclassification and IFRS adjustments.

3MV is also pleased to announce that it has closed the second tranche of its previously announced non-brokered private placement (the “**Offering**”) of up to 20,000,000 units (the “**Units**”) at a price of \$0.25 per Unit for aggregate gross proceeds of up to \$5,000,000. 3MV issued 1,200,000 Units for gross proceeds of \$300,000. Each Unit is comprised of one common share and one common share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.50 per common share for a period of 18 months following the date of issuance. To date the Company has issued 1,640,000 Units for aggregate gross proceeds of \$410,000.

The Company will continue to offer the Units for sale at a price of \$0.25 per Unit for gross proceeds of up to an additional \$5,000,000.

The Offering has been conditionally approved by the TSX Venture Exchange (“**TSXV**”) and is subject to its final approval. According to TSXV rules and applicable securities legislation, the securities issued pursuant to the Offering are subject to a four-month and one day hold period, commencing on the closing date and ending on March 29, 2013.

### **Subsequent Events and Outlook**

*Subsequent to Quarter Ended September 30, 2012*

#### *Debt Repayment*

Subsequent to the end of the quarter, 3MV announced that both its lenders under its secured credit facility and secured subordinated credit facility made a demand on the Corporation for repayment of all indebtedness under such facility, which amounted to \$6 million plus any unpaid accrued interest, by October 19, 2012. The demand came as a result of the Corporation being in breach of certain financial covenants under the facilities.

The Corporation repaid in full the indebtedness under the senior facility on October 23, 2012 and the Corporation repaid in full the indebtedness under its secured subordinated credit facility on November 14, 2012.

#### *Financings*

Prior to repayment of the Senior Lender, on October 19, 2012 the Corporation announced the initial closing of a non-brokered private placement of 20,000,000 units at a price of \$0.25 per Unit for gross proceeds of \$5,000,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Corporation at an exercise price of \$0.50 per common share for a period of 18 months following the date of issuance. A director of the Corporation was the sole subscriber to the Offering and will become a new "Control Person" as defined in the TSX Venture Exchange ("TSXV") Corporate Finance Manual.

According to TSXV rules and applicable securities legislation, the securities issued pursuant to the Offering are subject to a four-month and one day hold period, commencing on the closing date and ending on February 20, 2013.

The TSXV requires that 3MV obtain disinterested shareholder approval for the creation of a new "Control Person." A special meeting of shareholders of 3MV has been scheduled for December 5, 2012 for the purpose of obtaining disinterested shareholder approval. Until approval is obtained, the subscriber is limited in the exercise of voting shares to a limit of no greater than 15% of the post offering number of outstanding 3MV Energy Shares.

On November 14, 2012 the Corporation announced the closing of a \$1,000,000 non-brokered private placement financing of convertible debentures. A director of the Corporation is the sole subscriber to the private placement.

The convertible debenture is a secured, interest-bearing loan of \$1,000,000. The interest rate will be 12% per annum, calculated and payable monthly. The term is for 2 years, with the Corporation having a right to prepayment upon thirty (30) days' notice. The loan is convertible at any time by the lender until maturity into common shares of the Corporation at a conversion price of \$0.29 per share.

Additionally, on November 14, 2012 the Corporation issued 1,640,000 Units for gross proceeds of \$410,000 under its non-brokered private placement offering. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Corporation at an exercise price of \$0.50 per common share for a period of 18 months following the date of issuance. The Company is continuing to offer up to an additional 20,000,000 Units for sale at a price of \$0.25 per Unit for gross proceeds of up to an additional \$5,000,000.

### *Operations*

October 18, 2012 the Corporation announced it intends to exercise, subject to Board of Directors and regulatory approval, the right to exchange 3MV Energy shares and warrants for FarmCo shares and warrants thereby re-acquiring the 75% interest in the two wells, by issuing units at \$0.25 per unit, each unit is comprised of a share and a warrant exercisable at \$0.50 for 18 months. In total there are 3,600,000 shares and warrants in 1696704 Alberta Ltd. outstanding. These two wells are currently awaiting completion.

Subsequent to the period ended September 30, 2012, the Corporation announced the intention to settle trade debt by issuing units of the Corporation at a conversion price of \$0.25 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Corporation at an exercise price of \$0.50 per common share for a period of 18 months following the date of issuance. Trade creditors considered to be a related party to the Corporation will not be entitled to the warrants. As of the date of release of the interim consolidated financial statements for the period ended September 30, 2012 the Corporation has agreed to convert \$1,023,795 of trade and professional services into an aggregate of 4,755,186 common shares and 3,993,626 warrants. 3MV is continuing to solicit its creditors for conversion.

As of November 27, 2012 the Corporation has reduced its working capital deficiency by \$7.1 million as detailed above. This was financed through a \$5 million private placement and \$1 million in convertible debentures. The Corporation currently has no debt facilities and will aim to further reduce the working capital deficiency in the fourth quarter of 2012.

### **Outlook**

3MV Energy intends to focus its drilling and production efforts on its highly productive Fiske light oil discovery for the remainder of 2012 and into 2013. With 34.25 net sections of land subject to a farm out agreement (of which the Corporation has earned and participated in 2.65 net sections) and another section (crown lease) owned by 3MV Energy, and a recent 19.9 km<sup>2</sup> 3D seismic program, 3MV Energy has identified 17 future drilling locations, eight of which the Corporation considers to be infill locations. The Corporation is currently pursuing strategic farm out arrangements to generate cash flow with limited capital outlay. This will aid in further reducing debt levels and create more efficiencies in 3MV's operating activities.

## **About 3MV**

3MV is an oil and gas exploration and development company with assets throughout west central Saskatchewan's Viking oil play.

### **For Further Information Please Contact:**

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### **Forward-Looking Statements**

*Certain statements in this news release constitute forward-looking statements. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by 3MV. Although 3MV believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because 3MV can give no assurance that they will prove to be correct.*

*Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect 3MV's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).*

*The forward-looking statements contained in this document are made as of the date hereof and 3MV undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

### **Oil and Gas Disclosure**

*For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel of oil equivalent ("BOE") using six thousand cubic feet equal to one barrel unless otherwise stated. A BOE conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. BOEs may be misleading, particularly if used in isolation.*

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