Management's Discussion & Analysis
December 31, 2011

The following Management's Discussion and Analysis ("MD&A") as provided by the management of 3MV Energy Inc. formerly Seawall Energy Management Corporation. ("3MV Energy", or the "Company") reports on the financial condition and the results of operations for the 8 month period ended December 31, 2011 and the 12 month period ended April 30, 2011 and should be read in conjunction with the December 31, 2011 audited annual consolidated financial statements and notes thereto as well as the audited consolidated financial statements and notes thereto for the year ended April 30, 2011. The aforementioned audited financial statements for the year ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Previously, the Company prepared its April 30, 2011 annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"). All references to Canadian GAAP refer to Canadian GAAP prior to the adoption to IFRS. All financial measures are expressed in Canadian dollars unless otherwise indicated. This commentary is based on the information available as at and is dated April 30, 2012.

Description of the Company

Seawall Energy Management Corp., ("Seawall") was incorporated under the Business Corporations Act (Alberta) on March 4, 2010. Seawall was extra–provincially registered in British Columbia on March 29, 2010 under the assumed name "Seawall Oil & Gas Corporation" and extra-provincially registered in Saskatchewan on March 31, 2010. Seawall is based in Calgary and engaged in the exploration, development, production and acquisition of petroleum and natural gas reserves in Western Canada. On September 1, 2011 Seawall Energy Management Corp. changed its legal name to 3MV Energy Inc. (the "Corporation"). The address of the registered office is #250, 305-10 Ave SE Calgary, Alberta T2G 0W2.

3 Martini Ventures Inc. ("3 Martini") was incorporated under the Business Corporations Act (Alberta) on March 31, 2008. 3 Martini is also extra–provincially registered in the province of Saskatchewan. 3 Martini owns and operates oil and gas properties in Saskatchewan. 3 Martini has a wholly owned subsidiary, Buckhorn Resources Ltd.

On June 30, 2011 Seawall and 3 Martini completed an Arrangement Agreement (the "Arrangement") in which each 3 Martini share was transferred to Seawall, and each holder thereof were entitled to receive from Seawall the consideration comprised of such number of Seawall shares as determined in accordance with the Exchange Ratio. The Exchange Ratio was 3.63 Seawall Shares for each 3 Martini Class A Share and 1.815 Seawall Shares for each 3 Martini Class B Share through which the 3 Martini shareholders acquired a majority share of Seawall. For accounting purposes, 3 Martini is considered the acquirer and Seawall the acquiree. In accordance with IFRS 3, the consolidated financial statements are in the name of 3MV Energy Inc. (formerly Seawall Energy Management Corp.), however are a continuation of the consolidated financial statements of 3 Martini Ventures Inc., the accounting acquirer.

BASIS OF PRESENTATION

On February 23, 2012, 3MV Energy filed its notice as required to change its yearend. As such the Company's yearend has been changed from April 30 to December 31 in order to be more consistent with peer companies. Notice of this change can be viewed on SEDAR at www.sedar.com. The consolidated financial statements and comparative information have been prepared in accordance with IFRS. 3MV Energy adopted IFRS on May 1, 2011 with a transition date of May 1, 2010. Previously, the Company prepared its consolidated financial statements in accordance with Canadian GAAP. 3MV Energy has provided IFRS accounting policies and prepared reconciliations between Canadian GAAP and IFRS in note 26 of its December 31, 2011 audited annual consolidated financial statements. Further information on the IFRS impacts is provided in the Change in Accounting Policies section of this MD&A. The following MD&A compares the results of the eight months ended December 31, 2011 to the year ended April 30, 2011. The term "Q4 of fiscal 2011" or similar terms are used throughout this document and refer to the three-month period ended April 30, 2011.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements. More particularly, this document contains statements concerning the anticipated exploration and development activities of the Company.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the application of regulatory regimes,

prevailing commodity prices and exchange rates, availability and cost of labour and services, the timing and receipt of regulatory approvals, the performance of existing wells, the success obtained in drilling new wells, the performance of new wells and the sufficiency of budgeted capital expenditures in carrying out planned activities.

Although 3MV Energy 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 as the Company 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.

Such factors include, but are not limited to: the 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; health and safety and environmental risks; commodity price and exchange rate fluctuations; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; and regulatory risks including royalty regimes).

Forward-looking statements contained in this document are made as of the date hereof and 3MV Energy undertakes no obligation to update 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.

BOE CONVERSION

Where amounts are expressed on a barrel of oil equivalent ("boe") basis, natural gas volumes have been converted to boe using a ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an industry standard energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Boe figures may be misleading, particularly if used in isolation.

NON-IFRS MEASUREMENTS

Certain financial measures referred to in this MD&A, such as funds generated from operations, are not prescribed by IFRS or previous Canadian GAAP. Funds generated from operations is calculated based on cash flows from operating activities before changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. 3MV Energy uses funds generated from operations to analyze operating performance and leverage, and considers funds generated from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and repay debt.

This MD&A also contains other industry benchmarks and terms, such as working capital (deficiency) (calculated as current assets less current liabilities) and operating netbacks (calculated on a per unit basis as oil, gas and natural gas liquids revenues, less royalties, transportation and operating costs), which are not recognized measures under IFRS. Management believes that in addition to net income and cash flow from operating activities, working capital, and operating netbacks are useful supplemental measures as they provide an indication of 3MV Energy's operating performance, leverage and liquidity. Investors should be cautioned, however, that these measures should not be construed as an alternative to both net income and cash flow from operating activities, which are determined in accordance with IFRS, as indicators of 3MV Energy's performance.

RESULTS OF OPERATIONS

Production

	Two Months Ended December 31, 2011	Three Months Ended April 30, 2011	Eight Months Ended December 31, 2011	Twelve Months Ended April 30, 2011
Daily Production:				
Light crude oil (bbls/d)	**207.7**	146.0	**153.6**	127.0
Natural gas (Mcf/d)	**281.9**	272.1	**292.1**	269.1
Natural gas liquids (bbls/d)	**6.9**	4.7	**5.8**	6.0
Total Boe/d (6:1)	**260.0**	196.0	**208.1**	177.8
% Increase/(Decrease) over prior period	**32%**		**17%**	

Production in Q4 of fiscal 2011 was 196 boe/d, representing a 25 percent increase in the 2 months ended December 31, 2011 over Q4 2011. The increase in production was a result of 3MV Energy's successful drilling program in the Fiske area which produced higher than average initial production rates compared to historical results in the Dodsland area. 3MV drilled 8 gross (8 net) wells in the 8 month Fiscal 2011 period, with 5 gross (5 net) wells coming into production in the Fiske area. The Company focused its drilling efforts in the Fiske area after discovery of the play in August 2011. In Fiscal 2011 the company brought 9 gross (9 net) wells on to production.

Production for the two months ended December 31, 2011 was comprised of 2156 bbls/d of light crude oil and natural gas liquids ("NGLs") and 282 thousand cubic feet per day of natural gas ("Mcf/d"). 3MV Energy's product volume mix during the 2 month period ended December 31, 2011 was 83 percent oil and natural gas liquids and 17 percent natural gas compared to 69 percent oil and natural gas liquids and 31 percent natural gas in Q2 fiscal 2012.

Revenues

For the two months ended December 31, 2011, 3MV Energy's revenues decreased 1 percent to $1.28 million from $1.30 million for the 3 months ended fiscal Q4 2011. For the eight months ended December 31, 2011, revenues decreased 10 percent to $3.67 million from $4.11 million for the fiscal 2011 year. Over the two month period ending December 31, 2011 the Company averaged sales of $640 thousand compared to $433 thousand over the three month period ending April 30, 2011. The increase in sales, period over period relates directly to the drilling of 5 gross (5 net) wells in the Fiske area leading to increased oil production volumes. Consistent with the eight month period December 31 compared to the twelve month period April 30 the Company realized average sales per month of $460 thousand and $342 thousand respectively with the increase directly attributed to the tie in of production at Fiske. The decrease in revenue earned is a product of the decreased amount of months in the 8 month period ended December 31, 2011 compared to the twelve month period ended April 30, 2011.

($)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
Revenues by product						
Light crude oil	**1,207,368**	1,191,735	1%	**3,370,644**	3,707,912	-9%
Natural gas	**48,905**	86,677	-44%	**225,174**	329,345	-32%
Natural gas liquids	**27,586**	19,713	40%	**90,924**	68,476	33%
Total revenues	**1,283,859**	1,298,125	-1%	**3,686,742**	4,105,733	-10%
Total revenues per boe ($)	**80.94**	74.41	9%	**74.70**	63.31	18%

Commodity Prices

3MV's realized price for its light crude oil and NGLs in the last two months ending of 2011 was $95.03/bbl (3 months ending April 30, 2011 – $88.88/bbl) compared to a WTI price of $100.29/bbl Canadian (3 months ending April 30, 2011 – $98.23/bbl). This 7 percent increase was primarily due to the increased pentane sales over the period which yielded higher realized prices as well as an increase to the WTI pricing over the compared periods. For the eight months ending December 31, 2011 the Company's realized price for its light crude oil and NGLs was $92.62 compared to the realized price of $77.89/bbl for the 12 months ending April 30, 2011 compared to a WTI price of $95.72 and $81.8 respectively. The increase follows the increase in benchmark prices over the comparable periods.

The Company realized a gas price of $2.84/Mcf for the two month period ended December 31, 2011 compared to $3.58/Mcf in the last quarter of fiscal 2011.

($)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
Revenues by product						
Crude oil – WTI (US$ per bbl)	**97.87**	100.84	-3%	**92.01**	87.1	-6%
Crude oil – WTI (CDN$ per bbl)	**100.29**	98.23	2%	**91.48**	88.16	-4%
Crude oil – Edmonton Par ($ per bbl)	**99.47**	97.07	2%	**95.72**	81.8	17%
Natural gas – AECO-C Spot ($ per Mcf)	**2.92**	3.82	-24%	**3.48**	3.73	-7%
Exchange rate – (US/CAD)	**1.03**	0.97	6%	**0.99**	1.01	2%
3MV's Average Realized Prices						
Crude oil and natural gas liquids ($ per bbl)	**95.03**	88.88	7%	**92.62**	77.89	-19%
Natural gas ($ per Mcf)	**2.84**	3.58	-21%	**3.13**	3.35	-7%

Royalties

Royalty payments are made to the owners of the mineral rights on leases, which include provincial governments and freehold landowners, as well as to other third parties by way of contractual overriding royalties. Overriding royalties are generally paid to third parties where 3MV Energy has entered into agreements to earn an interest in their mineral rights by investing capital in their property.

For the two months ended December 31, 2011, total royalties increased 19 percent to $243 thousand from $154 thousand for Q4 fiscal 2011 due primarily to higher average realized prices and volume for the period. In addition the Company accrued for the Saskatchewan Resource Surcharge of 1.7% of total income earned in the province, in which did not affect the Company in the previous fiscal year. The Company's average royalty rate for the two months ended December 31, 2011 was 19 percent of revenue compared to 12 percent for Q4 fiscal 2011. For the eight months ended December 31, 2011, royalties were $499 thousand or 14 percent of revenue as compared to $458 thousand or 11 percent of revenue for the twelve months ended April 30, 2011. Royalties increased as a percentage of revenue as a result of the Company incurring higher overriding costs than in previous periods due to the activity on Fiske lands and higher royalty rates associated to production from these lands, as well as the Saskatchewan Resource Surcharge as noted above. With the Company's continued interest in the Fiske area the Company expect to incur similar rates in the coming quarter.

($)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
Royalty expenses	**243,454**	154,022	58%	**499,122**	457,670	9%
$ per boe	**15.35**	8.83	74%	**10.11**	7.06	43%
% of revenue	**19%**	12%	60%	**14%**	11%	21%

Operating and Transportation Expenses

Operating expenses totaled $461 thousand or $29/boe for the two months ended December 31, 2011 as compared to $463 thousand or $27/boe for Q4 fiscal 2011, representing a 9 percent increase per boe.. For the eight months ended December 31, 2011, operating expenses totaled $1.32 million or $27/boe compared to $1.13 million or $17/boe for the same Fiscal 2011 year. The increase in operating expenses is attributable to higher trucking costs as a result of the Company's latest drilling location and its proximity to sale points off grid roads. This also increased equipment rentals and man power needed to operate the new well locations. 3MV has recently constructed a tank battery, pipeline and improved roads in the area in order to help mitigate these costs on a go forward basis. It is the Company's expectation that these improvements will help decrease operating and trucking costs in the future.

($)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
Operating and transportation expenses						
Operating expenses and transportation	**461,065**	463,649	-1%	**1,324,716**	1,133,260	17%
Total operating costs per boe ($)	**29.07**	26.58	9%	**26.84**	17.48	54%

General and Administrative ("G&A") Expenses

During the two months ended December 31, 2011, G&A amounts were $1.1 million or $69/boe as compared to the quarter ended April 30, 2011 where G&A expenses were $731 thousand or $42/boe. Eight months ended December 31, 2011, G&A, was $2.3 million or $47/boe as compared to the year ended April 30, 2011 amounts of $1.07 million or $16/boe. The significant increase in G&A compared to fiscal 2011 is the result of costs incurred relating to the plan of arrangement between 3MV Energy and 3 Martini Ventures Inc ("3 Martini") and the amalgamation between 3MV and a capital pool company that occurred subsequent to year end. The Company incurred legal and professional fees of approximately $658 thousand dollars in the 8 months ended December 31, 2011 period. The Company also incurred $318 thousand in share based compensation expense that relates to stock options issued to employees and directors of the Company. These costs, in addition to the growth of the Company, account for the increase in G&A expenses over the same period last year. The Company believes the substantial transaction costs associated with the corporate re-structuring are not ongoing fees, and that the Company should see a decreased G&A amount over the upcoming quarter ends in 2012.

($)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
General and administrative expenses	**1,091,636**	730,775	49%	**2,298,168**	1,065,612	116%
General and administrative expenses ($/boe)	**68.82**	41.89	64%	**46.56**	16.43	183%

Share-Based Compensation

On October 24, 2011, the Company's Board of Directors approved the issuance and allocation of 456,000 options to management, staff and directors of the Company. Upon acceptance and execution of the option issuance, the grant entitles the option holders the option to acquire Class A common shares at an exercise price of $3.75 per share for a period of 5 years from issuance date. The options vest as to 1/3 upon the date of grant, 1/3 one year from the date of grant, and the remaining 1/3 two years from the date of grant. During the two month period ending December 31, 2011, the Company expensed $318 thousand in share-based compensation and capitalized $82 thousand relating to the same issuance. Share based payments have not been issued in previous years. Under IFRS, the Company is required

to recognize the expense related to share-based payments over the individual vesting periods for the graded vesting awards. This results in an expense that is more heavily weighted to the early life of each option grant.

Depletion and Depreciation

For the two months ended December 31, 2011, depletion and depreciation expense was $539 thousand or $34/boe as compared to the quarter ended April 30, 2011 in which the expense was $387 thousand or $22/boe. Depletion and depreciation expense for the eight month period ended December 31, 2011 was $1.7 million or $35/boe as compared to $1.2 million or $18/boe for the twelve month period ended April 30, 2011. Comparatively, 3MV Energy retained a net book value of its property, plant and equipment of $12.1 million as at April 30, 2011 and as at December 31, 2011, largely related to the $14.2 million in impairment recognized by the Company at December 31, 2011 as discussed below. Over the eight month period 3MV had approximately $13.0 million of capital additions which increased the depletable base over the eight month period, December 31, 2011, before decreasing the depletable base due to impairment.

($)	**Two months ended December 31, 2011**	Three months ended April 31, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 31 2011	% change
Total depletion and depreciation	**539,554**	386,733	40%	**1,722,388**	1,213,366	42%
Depletion and depreciation ($/boe)	**34.02**	22.17	53%	**34.90**	18.71	87%

Impairment

Impairment of $14.1 million was recognized in the year ended December 31, 2011. The impairment was relating to the Dodsland area Cash Generating Unit ("**CGU**"). More specifically, the impairment arose as a result of reduced reserve values of certain properties due to capital expenditures being shifted to the Company's Fiske discovery and to poorer than expected production rates than were forecast from some of the areas' wells. Of the total amount recognized, $0.33 million related to an impairment loss on a well recently drilled and completed. Conversely, the reserve value at the Company's Fiske CGU is significantly larger than its capital expenditures in the area to date. The result of this is that the fair value of the Fiske property appears to be much greater than what the Company is able to record on its balance sheet under IFRS policies. In an effort to realize and increase the full fair value of the Fiske property, the Company plans to expend the majority of its 2012 and 2013 capital budget in the development of the play.

Interest on Debt

Interest and bank charges for the two months ended December 31, 2011 were $23 thousand compared to $33 thousand for Q4 Fiscal 2011. The decrease in interest expense is a product of the months associated with the comparative periods, however monthly charges between the two months ended period ended December 31, 2011 and 3 months ended April 30, 2011 are virtually unchanged. For the eight month period ended December 31, 2011 interest and bank charges were $178 thousand compared to $44 thousand for fiscal 2011. The increase in interest expense was due to the Company utilizing a bridge loan financing which incurred higher interest rates over the December 31, 2011 period in order to support the capital spending during 2011. The Company repaid the high interest loan in full in December 2011. Subsequent to year end the Company secured a similar bridge loan financing to assist in the 2012 drilling program.

Accretion on Decommissioning Provisions

Accretion expense for the two months ended December 31, 2011 was $7.3 thousand compared to $8.8 thousand for Q4 fiscal 2011. Accretion expense for the eight months ended December 31, 2011 was $28.0 thousand compared to $24.9 thousand for the year ended April 30, 2011. The accretion expense represents the change in the time value of the underlying decommissioning provision. Accretion expense on decommissioning provisions increased for the two months ended December 31, 2011 due to new obligations incurred on wells drilled over the previous year in addition to the wells acquired through acquisitions.

Income Taxes

For the eight months ended December 31, 2011, 3MV recorded a net tax recovery of $2.0 million compared to a net tax expense of $52 thousand in fiscal 2011 or year ended April 30, 2011.

As at December 31, 2011, 3MV Energy had approximately $15,179,574 of available tax pools to offset future taxable income. The following table details the tax pools for the periods ended December 31, 2011 and April 30, 2011:

($)	**December 31, 2011**	April 30, 2011
Canadian oil and gas property expense	**630,316**	71,478
Canadian development expense	**10,904,692**	3,782,881
Canadian exploration expense	**1,136,188**	535,834
Undepreciated capital cost	**2,508,378**	1,789,957
Total tax pools	**15,179,574**	6,180,150

Funds Generated by Operations and Net Loss

For the two months ended December 31, 2011, funds generated by operations decreased 545% percent to $(555) thousand compared to $(86) thousand during the Q4 April 30, 2011 period primarily due to significant legal and professional fees incurred in the period. The Company views these costs to be not ongoing in nature and expects normalized funds per boe in 2012.

The following table summarizes the netbacks on a barrel of oil equivalent basis for the two and three month periods as well as for the eight and twelve month periods ended December 31, 2011 and April 30, 2011.

($ per boe)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
Petroleum and natural gas revenues	**80.94**	74.41	9%	**74.70**	63.31	18%
Royalties	**15.35**	8.83	74%	**10.11**	7.06	43%
Operating costs	**29.07**	26.58	9%	**26.84**	17.48	54%
Operating netback	**36.52**	39.01	-6%	**37.75**	38.78	-3%
General and administrative expenses	**68.82**	41.89	64%	**46.56**	16.43	183%
Interest income (expense)	**-1.49**	-1.90	22%	**-3.46**	-1.00	894%
Income taxes - current	**1.20**	0.14	732%	**0.39**	0.04	-159%
Funds generated from operations	**-34.99**	-4.93	545%	**-12.66**	21.31	-145%

SUMMARY OF QUARTERLY RESULTS

	Two months ended	Three months ended						
	Dec. 31, 2011	Oct. 31, 2011	Jul. 31, 2011	Apr. 30, 2011	Jan. 31, 2011	Oct. 31, 2010	Jul. 31, 2010	Apr. 30, 2010 [2]
Petroleum & natural gas revenues, before royalties[1]	**1,283,859**	1,205,784	1,197,099	1,300,125	660,589	1,275,220	471,977	696,605
Funds flow from operations [1]	**-34.99**	7.13	-15.10	-4.93	3.93	35.87	13.92	19.68
Operating netback[1]	**36.52**	28.14	48.47	39.01	21.36	38.83	27.73	36.99
Capital Expenditures[1]	**4,660,838**	3,204,855	1,393,927	428,842	1,760,913	3,674,807	1,012,604	226,586

(1) This financial information has been extracted from 3MV's unaudited quarterly financial statements and previously disclosed amounts included in management discussion and analysis. The Company was private as at December 31, 2011 and quarterly information for previous periods is disclosed as was available.

(2) These figures have been prepared according to Canadian Generally Accepted Accounting Principles.

SUMMARY OF ANNUAL RESULTS

	8 month period ended	Year ended	
	Dec. 31, 2011	Apr. 30, 2011[2]	Apr. 30, 2010[2]
Petroleum & natural gas revenues, before royalties	**3,686,742**	4,105,732	1,296,657
Funds flow from operations [1]	**-624,990**	1,382,077	395,063
- per share basic and diluted	**-0.13**	0.48	0.38
Cash flow from (used in) operations [1]	**1,014,742**	1,256,115	751,415
- per share basic and diluted	**0.22**	0.43	0.72
Net Earnings (loss) [1]	**(13,944,459)**	119,088	(63,316)
- per share basic and diluted	**(2.97)**	0.04	(0.06)
Total assets	**13,327,022**	13,958,493	9,749,784
Net debt (working capital) [1]	**6,055,478**	3,088,369	2,177,102

(1) See "Non-IFRS Measurements" at the beginning of the MD&A.

(2) Amounts for April 30, 2011were restated for the effects of IFRS. Amounts for April 30 were calculated in accordance with Canadian GAAP and were not restated.

3MV Energy's total assets, petroleum and natural gas revenues, cash flow, funds flow from operations, net loss and net debt have changed significantly from the period ending April 30, 2010 to December 31, 2011. During the 8 month period ending December 31, 2011 3 Martini Ventures acquired Seawall Energy Management. The acquisition combined with internal drilling led to an increase total assets and production, which therefore led to increases in revenues, cash flow and funds flow from operations. As discussed above, the large net loss in the current period is the result of an impairment loss on assets that the Company does not plan to further develop in the coming periods. Additionally, to a lesser extent, there was also an increase to G&A as a result of legal expenses relating the acquisition

of Seawall Energy Management. As a method to fund the growth strategy, the Company has used its credit facility as a form of leverage, thus increasing to total net debt year over year.

CAPITAL EXPENDITURES

The following table details the capital additions relating to the Company's property and equipment for the two month period ended December 31, 2011 and 3 month period April 30, 2011, as well eight months ended December 31, 2011 and year ended April 30, 2011:

($)	**Two months ended December 31, 2011**	Three months ended April 30, 2011	% change	**Eight months ended December 31, 2011**	Twelve months ended April 30, 2011	% change
Capital expenditures:						
Drilling and completions	**4,073,515**	72,208	5541%	**7,157,586**	4,869,933	47%
Facilities and equipment	**472,237**	294,419	60%	**993,615**	1,727,922	-42%
Land and seismic	**89,432**	62,216	44%	**899,260**	455,467	97%
Other	**25,654**	-	100%	**192,846**	-	-100%
Total capital expenditures	**4,660,838**	428,843	987%	**9,243,307**	7,053,322	31%

Total capital expenditures for the two months ending December 31, 2011 was $4.7 million compared to $428 thousand for the quarter ending April 30, 2011. The increase in the period compared to Q4 2011 is directly related to the timing of our capital program. The Company drilled 4 gross (4 net) wells in the two months period alone whereas the Q4 period incurred minor expenditures mainly related to facilities and equipment. Over the eight month period the company incurred higher capital expenditures compared to the twelve months ended April 30, 2011 period as the cost to drill increased in the Fiske area compared to typical Dodsland type wells and the inefficiencies related to developing the new location. The Company expects to see drilling and completion costs decrease as we develop the area.

Drilling and completions costs for the two month period ending December 31, 2011 were $7 million compared to $72 thousand for the three months ending April 30, 2011. As discussed the increase is directly related to the timing of our drilling program in Fiske.

Facilities and equipment expenditures for the two month period December 31, 2011 totaled $472 thousand compared to $294 thousand for the last quarter of fiscal 2011.

CAPITAL RESOURCES

Capital Resources and Credit Facility

As at December 31, 2011, the Company had $2.47 million available in respect of its credit facility of which $1.53 million was drawn. The credit facility is a revolving demand credit facility that is determined based on, among other things, the Company's current reserve report, results of operations, current and forecasted commodity prices and the current economic environment. The facility requires the Company maintain an adjusted working capital ratio of 1.0:1.0, calculated by taking current assets for the period plus amount available in the facility at period end divided by current liabilities less amount drawn on the facility at period end. As of December 31, 2011 the Company had an adjusted working capital ratio of 0.70:1.0. Subsequent to the end of the year, the lender waived the covenant violation. Additionally, subsequent to year end the Company secured a $2.0 million dollar mezzanine loan in which will be put towards correcting the deficiency at Q1 2012.

The Company plans to fund its 2012 capital program from a combination of cash flow generated from operations, use of debt financing and room on existing credit facilities as well as exploring funds from share issuances and equity raise opportunities.

The credit facility is subject to periodic review by the bank, with the next review scheduled on or before May 31, 2013.

Future Operations

For the year ended December 31, 2011, the Company reported a net loss of $13.9 million and had a working capital deficiency of $6.1 million. The Company's banking arrangements in place are likely not sufficient to fund the exploration and development program for the next twelve months and the Company forecasts bank covenant violations. These conditions create a material uncertainty ability to continue as a going concern. Additional equity, debt and/or farm-out arrangements will be required to meet the Company's obligations as they become due and there are no guarantees that such additional capital funding will be available when needed.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business and does not reflect adjustments that would otherwise be necessary if the going concern assumption was not valid. Management believes that the going concern assumption is appropriate for these financial statements. If this assumption were not appropriate, adjustments to the carrying amounts of assets and liabilities, and expenses and the statement of financial position classifications used may be necessary.

Outlook

As previously stated in 3MV's report on reserves data for the year ended December 31, 2011, the Company's Fiske area has an assigned Net Present Value or Future Net Revenue (before tax, discounted at 10%) ("**NPV**") of $17.7 million as assigned by its external reserve evaluators. The increased NPV at Fiske offsets the majority of the impairment incurred on the Company's Dodsland area assets. As a result of the positive reserve value, and high well productivity 3MV Energy's focus for the remainder of 2012 and into 2013 will continue to be its discovery at Fiske. With 37 net sections of land under its control, and a recent 19.9 km² 3D seismic program, 3MV has identified and licensed 20 future drilling locations, eight of which the Company considers to be infill locations. The Company's recent success in the play, with three wells producing over 100 boe/d during the first 30 days of production, has led to significant reserves additions in the area and 3MV intends to build off that momentum as quickly as is practicable.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any hedging contracts. The Company does not have any special purpose entities nor is it a party to any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. 3MV Energy's management reviews its estimates frequently and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. However, the emergence of new information and changed circumstances may result in actual results or changes to estimate amounts that differ materially from current estimates. 3MV Energy attempts to mitigate this risk by employing individuals with the appropriate skill set and knowledge to make reasonable estimates, developing internal control systems and comparing past estimates to actual results.

A summary of the significant accounting policies used by the Company is disclosed in note 3 of the December 31, 2011 audited annual consolidated financial statements.

The Company's financial and operating results include estimates of the following:

Reserve Estimates

The Company's reserves have been evaluated in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGEH") and comply with the standards that govern all aspects of reserves as prescribed in National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Under NI 51-101 standards, proved plus probable are considered a "best estimate" of future recoverable reserves.

The estimation of oil and gas reserves is an inherently complex process requiring significant judgment. Proved and probable reserves are estimated based on geological data, geophysical data, engineering data, projected future rates of production, estimated commodity prices, costs, discount rates and the timing of future expenditures. Reserves estimates, although not reported as part of the Company's financial statements, can have a significant effect on net income (loss), assets as a result of their impact on depletion and impairment, decommissioning provisions, deferred taxes and business combinations. Accordingly, the impact to the consolidated financial statements in future periods could be material.

Impairment

An impairment of $14.1 million was recognized in the year ended December 31, 2011. Under IFRS, impairment testing is conducted at a cash generating unit ("CGU") level, rather than on a company wide basis. The impairment was relating to the Dodsland area CGU as a result of reduced reserve values of certain properties due to capital expenditures being shifted to the Company's Fiske discovery and to poorer than expected production rates from some of the areas' wells. Of the total amount recognized, $0.33 million related to an impairment loss on a well recently drilled and completed. The reserve value at the Company's Fiske CGU is significantly larger than its capitalized costs in the area to date. In an effort to realize and increase the full fair value of the Fiske property, the Company plans to expend the majority of its 2012 and 2013 capital budget in the development of the play.

Exploration and Evaluation Assets ("E&E")

The decision to transfer assets from E&E to property, plant and equipment is based on the estimated proved plus probable reserves which are in part used to determine a projects technical feasibility and commercial viability.

Decommissioning Costs

Amounts recorded for decommissioning provisions will be incurred by the Company at the end of the operating life of the facilities and properties and upon retirement of its oil and natural gas assets. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The provision and related asset and expense are impacted by estimates with respect to the costs and timing of decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Share-Based Compensation

Compensation costs recognized for the Company's share-based compensation plan is subject to the estimation of what the ultimate payout will be using the Black-Scholes option pricing model which is based on significant assumptions such as volatility, dividend yield, forfeiture rate and expected term.

Income Taxes

The Company follows the asset/liability method for calculating deferred income taxes. Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The eight month period ended December 31, 2011 was the annual period for which the Company has prepared its financial statements under IFRS as issued by the International Accounting Standards Board. The Company adopted IFRS on May 1, 2011. Previously, 3MV Energy prepared its financial statements in accordance with Canadian GAAP. The Company has provided IFRS accounting policies and prepared reconciliations between Canadian GAAP and IFRS in note 3 and note 26 of its December 31, 2011 audited annual consolidated financial statements.

The Company's audited annual consolidated financial statements for the 8 months ended December 31, 2011 provide the following reconciliations from Canadian GAAP to IFRS:

- Consolidated Statement of Equity as at May 1, 2010;
- Consolidated Statement of Equity as at April 30, 2011; and
- Consolidated Statement of Loss and Comprehensive Loss for the year ended April 30, 2011;

Reconciliation of the Statement of Equity as at May 1, 2010

			Effect of transition to IFRS		
	Canadian GAAP $	**Canadian GAAP reclassification $**	**Flow-through shares $**	**Decommissioning liabilities $**	**IFRS $**
ASSETS					
Current assets					
Cash and cash equivalents	1,772,714	-	-	-	1,772,714
Accounts receivable	1,974,759	-	-	-	1,974,759
Inventory	13,453	-	-	-	13,453
Prepaid expenses and deposits	11,211	-	-	-	11,211
	3,772,137	-	-	-	3,772,137
Non-current assets					
Property and equipment	5,977,647	-	-	-	5,977,647
Total Assets	9,749,784	-	--	-	9,749,784
LIABILITIES					
Current liabilities					
Accounts payable and accruals	1,595,033	-	-	-	1,595,033
Non-current liabilities					
Deferred tax liability	624,626	458,012	-	(11,490)	1,071,148
Decommissioning liabilities	567,129	-	-	42,556	609,685
	1,191,755	458,012	-	31,066	1,680,833
SHAREHOLDERS' EQUITY					
Share capital	7,253,823	(22,510)	368,478	-	7,599,791
Contributed surplus	22,510	(22,510)	-	-	-
Warrants	-	22,510	-	-	22,510
Deficit	(313,337)	(435,502)	(368,478)	(31,066)	(1,148,381)
	6,962,996	(458,012)	-	(31,066)	6,473,918
Total Liabilities and Shareholders' Equity	9,749,784	-	-	-	9,749,784

Reconciliation of the Consolidated Statement of Equity as at April 30, 2011

			Effect of transition to IFRS			
	Canadian GAAP $	**Canadian GAAP reclassification $**	**Flow-through shares $**	**Decommissioning liabilities $**	**Depletion $**	**IFRS $**
ASSETS						
Current assets						
Cash and cash equivalents	-	60,488	-	-	-	60,488
Accounts receivable	1,724,639	-	-	-	-	1,724,639
Inventory	28,339	-	-	-	-	28,339
Prepaid expenses and deposits	37,755	-	-	-	-	37,755
	1,790,733	60,488	-	-	-	1,851,221
Non-current assets						
Property and equipment	11,532,176	-	-	191,646	383,450	12,107,272
Total Assets	13,322,909	60,488	-	191,646	383,450	13,958,493
LIABILITIES						
Current liabilities						
Bank Indebtedness	522,153	60,488	-	-	-	582,641
Accounts payable and accruals	1,636,949	-	-	-	-	1,636,949
Bank operating loan	2,720,000	-	-	-	-	2,720,000
	4,879,102	60,488	-	-	-	4,939,590
Non-current liabilities						
Deferred tax liability	586,871	458,012	-	(23,616)	99,498	1,120,768
Decommissioning liabilities	866,083	-	-	236,546	-	1,102,629
	1,452,954	458,012	-	212,933	99,498	2,223,397
SHAREHOLDERS' EQUITY						
Share capital	7,478,831	(22,510)	368,478	-	-	7,824,799
Deficit	(487,978)	(435,502)	(368,478)	(21,287)	283,953	(1,029,293)
	6,990,853	(458,012)	-	(21,287)	283,953	6,795,506
Total Liabilities and Shareholders' Equity	13,322,909	60,488	-	191,646	383,450	13,958,493

Reconciliation of the Consolidated Statement of Loss and Comprehensive Loss for the year ended April 30, 2011

		Effect of transition to IFRS			
	Canadian GAAP	**Reclassification**	**Decommissioning liabilities**	**Depletion**	**IFRS**
	$	**$**	**$**	**$**	**$**
Oil and natural gas revenues	4,105,732	-	-	-	4,105,732
Royalties	(457,670)	-	-	-	(457,670)
Total revenue	3,648,062	-	-	-	3,648,062
Production and operating	(1,133,262)	-	-	-	(1,133,262)
General and administrative	(1,065,612)	-	-	-	(1,065,612)
Depletion and depreciation	(1,621,679)	24,863	-	383,450	(1,213,366)
Income (loss) from operations	(172,491)	24,863		383,450	235,822
Interest and other income	6,478	-	-	-	6,478
Finance costs	(43,869)	(24,863)	(2,344)	-	(71,076)
Loss before income tax	(209,882)	-	(2,344)	383,450	171,224
Income tax (expense) - current	(2,516)	-	-	-	(2,516)
Income tax (expense) recovery – deferred	37,755	-	12,123	(99,498)	(49,620)
Total comprehensive income (loss)	(174,643)	-	9,779	283,953	119,088

CHANGES IN ACCOUNTING POLICIES

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2011 or later periods. The standards impacted that are applicable to the Company are as follows:

a) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2013, with early adoption permitted. In October 201 0, additional requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through profit or loss. If this option is elected, entities would be required to reverse the portion of the fair value change due to own credit risk out of profit or loss and recognize the change in other comprehensive income.

   On August 4, 2011, the IASB issued an exposure draft proposing to change the mandatory effective date of I FRS 9 to annual periods beginning on or after January 1, 2015 from the original effective date of January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. The implementation of the issued standard is not expected to have a significant impact on the Company's financial position or results.

b) IFRS 10, 'Consolidated Financial Statements' was issued in May 2011 and will supersede the consolidation requirements in SIC-12 'Consolidation – Special Purpose Entities' and IAS 27 'Consolidated and Separate Financial Statements' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing the impact of this standard however the standard is not expected to have a significant impact on the Company's financial position or results.

c) IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual period beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Company is currently assessing the impact of this standard.

d) IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as 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. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

e) IAS 1, Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in order comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual period beginning on or after July 1, 2012. The Company is currently assessing the impact of this standard.

f) IAS 12, Income Taxes ("IAS 12") was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset.

The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. The Company is currently assessing the impact of this standard.

BUSINESS RISKS

There are numerous risks facing participants in the oil and gas industry. Some of the risks are common to all businesses while others are specific to a sector. While the Company realizes that these risks cannot be eliminated, it is committed to monitoring and mitigating these risks. The following reviews the general and specific risks to which the Company is exposed.

Financial risks

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (foreign exchange, interest rates and commodity prices). The Company manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical.

Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is primarily related to the Company's receivables from oil and natural gas marketers and joint venture partners and the risk of financial loss if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations. Receivables from oil and natural gas marketers are normally collected on the 25th day of the month following production. To mitigate credit risk associated with the sale of its production to petroleum and natural gas marketers, the Company maintains a policy transacting with large credit-worthy purchasers. The Company historically has not experienced any collection issues with its oil and natural gas marketers. The Company strives to maintain high working interests in its production assets to mitigate the risks associated with joint venture relationships. For the minimal activity performed within our joint ventures, receivables are typically collected within one to three-months of the joint venture bill being issued to the partner. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital expenditures prior to expenditure.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking harm to the Company's reputation.

As at December 31, 2011, April 30, 2011 and May 1, 2010 all of the Company's financial liabilities are due within one year and are therefore classified as current liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments.

Foreign exchange risk

Foreign currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates.

As at December 31, 2011, April 30, 2011 and May 1, 2010 the Company had no monetary assets or liabilities denominated in foreign currency.

Commodity price risk

Commodity price risk is the risk that the fair value or future funds flow will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are impacted by the local, national and international economy and other events that dictate the levels of supply and demand. The Company has not attempted to mitigate commodity price risk through the use of financial derivative contracts.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in interest rates. The Company is exposed to interest rate risk on its operating loan facility bearing interest at prime plus 1.75%. A 1% increase/decrease in the prime lending rate during the period ended December 31, 2011 would have resulted in an increase/decrease in comprehensive loss of approximately $19,639 (Fiscal 2011: $3,326).

OUTSTANDING SHARE DATA

Common Shares

3MV Energy is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. Holders of common shares are entitled to one vote per share at meetings of shareholders of 3MV Energy.

As at December 31, 2011, a total of 6,553,920 common shares were issued and outstanding

As at the date hereof, the Company has 456,000 options to acquire common shares and issued 97,078 broker warrants.

RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of 3 Martini (accounting acquirer) and its subsidiaries, listed in the following table:

	Country of	% equity interest	
Name	**incorporation**	**December 31, 2011**	**April 30, 2011**
3MV Energy Inc.	Canada	100%	-
Buckhorn Resource Ltd.	Canada	100%	100%

Balances and transactions between 3 Martini and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period were as follows:

	December 31, 2011	April 30, 2011
	$	**$**
Salaries and payments to contractors	298,789	319,695
Share based payments	213,600	-
Total	512,389	319,695
Capitalized portion of key management personnel	(292,796)	(319,659)
Total	219,593	-

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Corporation has operating lease commitments for office premises that expire in 2014. The future minimum lease payments are as follows:

	December 31, 2011 $
< 1 years	66,392
1-3 years	105,120

Capital Commitments

The Company has entered into “farm-in” agreements whereby the Company may earn working interests in oil and gas properties in exchange for undertaking capital spending programs to develop the properties. In certain farm-in agreements, the Company is subject to non-performance fees if it does not fulfill its capital spending obligations. As at December 31, 2011 the Company is committed to fulfilling the all of its farm-in obligations.

On November 9, 2011, the Company issued 730,950 Class A shares were issued on a “flow-through” basis with respect to Canadian exploration expenses at a price of $4.00 per share. The tax deductions related to the flow through shares will be renounced to flow through shareholders and booked to the accounts in December 2011. The Company is required to spend $2.9 million on qualifying Canadian Exploration Expenditures by December 31, 2012 to satisfy the flow through obligation in connection with this issue. As at December 31, 2011, the Company had $0.8 million remaining to spend on qualifying expenditures related to the November 9, 2011 flow through issue.

SUBSEQUENT EVENTS

The Corporation had entered into a letter of intent (LOI) with Noravena Capital Corporation ("Noravena") (TSX VENTURE:NRV.P) a capital pool company dated August 26, 2011 and amended November 1, 2011 with respect to a proposed business combination in conjunction with a best-efforts private placement. Subsequent to year end, the Corporation closed the amalgamation between 3MV and Noravena on January 29, 2012. All of the issued and outstanding shares of 3MV were acquired on the basis of 20.27 pre-consolidation common shares of Noravena for each one common share of 3MV. Noravena has changed its name to "3MV Energy Corp." and consolidated its common shares on the basis of one post-consolidation common share for each ten pre-consolidation common shares. The Corporation trades under the name 3MV Energy Corp. and under the symbol “TMV”.

On February 23, 2012, the Corporation filed a notice on SEDAR to change its corporate year end from April 30th to December 31st. More information regarding subsequent financial period dates and comparative dates can be found on SEDAR at www.sedar.com.

On March 29, 2012 the Corporation closed a $2 million subordinated debt facility with a capital corporation at a rate of 15% per annum and calculated daily and compounded and payable monthly on the last day of each month. The funds will be used to bridge finance the 2012 capital drilling program.

OTHER INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.