Consolidated Financial Statements

First Quarter 2012

March 31, 2012

3MV ENERGY

Consolidated Statements of Financial Position

As at:

(Canadian dollars) (unaudited)	Note	March 31, 2012 $	December 31, 2011 $
ASSETS			
Current assets			
Cash and cash equivalents		**920,459**	15,021
Accounts receivable		**510,375**	1,217,666
Prepaid expenses and deposits		**78,396**	37,406
		1,509,230	1,270,093
Non-current assets			
Property and equipment	5	**14,446,331**	11,742,149
Exploration and evaluation assets		**314,780**	314,780
		14,761,111	12,056,929
Total Assets		**16,270,341**	13,327,022
LIABILITIES			
Current liabilities			
Bank indebtedness		-	104,004
Accounts payable and accruals		**6,064,122**	5,691,567
Bank operating loans	6	**4,400,000**	1,530,000
		10,464,122	7,325,571
Non-current liabilities			
Flow through premium liability		**40,312**	112,122
Decommissioning liabilities		**1,858,418**	1,743,075
		1,898,730	1,855,197
SHAREHOLDERS' EQUITY			
Share capital	7	**20,271,115**	18,551,791
Contributed surplus	8	**581,028**	400,007
Warrants	7	**168,208**	168,208
Deficit		**(17,112,862)**	(14,973,752)
		3,907,489	4,146,254
Total Liabilities and Shareholders' Equity		**16,270,341**	13,327,022
Going Concern	2		
Commitments	9		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statements of Comprehensive Loss

(Canadian dollars) (unaudited)	Notes	Three months ended March 31, 2012 $	April 30, 2011 $
Oil and natural gas revenues		**1,430,010**	1,300,125
Royalties		**(160,380)**	(154,021)
Total revenue		**1,269,630**	1,146,104
Production and operating		**510,279**	471,449
General and administrative		**625,277**	625,240
Depletion and depreciation	5	**561,503**	386,833
Transaction and share listing expense	4	**1,744,044**	-
Loss from operations		**(2,171,473)**	(337,418)
Interest and other income		-	536
Finance costs		**(39,446)**	(41,708)
Loss before income tax		**(2,210,919)**	(378,590)
Income tax (expense) - current		-	(2,516)
Income tax (expense) recovery- deferred		**71,809**	(49,620)
Total income tax (expense) recovery		**71,809**	(52,136)
Total comprehensive loss		**(2,139,110)**	(430,726)
Loss per share			
Basic and diluted	11	**(0.18)**	(0.14)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

(Canadian dollars) (unaudited)	Note	Number of shares outstanding #	Share capital $	Warrants $	Contributed Surplus $	Deficit $	Total Shareholders' equity $
As at January 31, 2011[(1)]		1,069,000	7,802,289	22,510	-	(598,567)	7,226,232
Cashless warrants exercised for shares		137,124	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	-	(430,726)	(430,726)
Expiration of warrants			22,510	(22,510)	-	-	-
As at April 30, 2011[(2)]		1,206,124	7,824,799	-	-	(1,029,293)	6,795,506
As at January 1, 2012[(3)]		**6,553,920**	**18,551,791**	**168,208**	**400,007**	**(14,973,752)**	**4,146,254**
Shares exchanged on reverse takeover		(6,553,920)					
Existing shares of Noravena Capital	7	6,500,010	-	-	-	-	-
Shares issued to shareholders of 3MV Energy Inc. upon reverse takeover		132,848,050	1,619,324				1,619,324
Shares issued to Agents of Noravena upon reverse takeover	7	540,540	100,000	-	-	-	100,000
Ten for one share consolidation		(125,899,740)					
Share based payment		-	-	-	181,021	-	181,021
Total comprehensive loss for the period		-	-	-	-	(2,139,110)	(2,139,110)
As at March 31, 2012		**13,988,860**	**20,271,115**	**168,208**	**581,028**	**(17,112,862)**	**3,907,489**

(1) At January 1, 2011 3 Martini had 524,500 class A common shares and 544,500 class B preferred shares.
(2) At April 30, 2011 3 Martini had 593,062 class A common shares and 613,062 class B preferred shares.
(3) At January 1, 2012 and March 31, 2012 there were no preferred shares outstanding.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statements of Cash Flows

(Canadian dollars) (unaudited)	Note	Three months ended March 31, 2012 $	April 30, 2011 $
Cash provided by (used for) the following activities			
Operating activities			
Income (loss) for the period		**(2,139,110)**	(430,726)
Add (deduct):			
Depletion and depreciation	5	**561,503**	386,833
Accretion		**10,683**	18,747
Share listing expense	4	**1,543,177**	-
Share-based payments	8	**181,021**	20,127
Deferred tax expense		**(71,809)**	2,516
Change in non-cash working capital	10	**1,341,922**	(2,619,330)
Cash from operating activities		**1,427,387**	(2,621,833)
Investing activities			
Purchase of property and equipment		**(3,161,026)**	(439,126)
Acquisition of Noravena	4	**139,721**	
Net change in non-cash working capital	10	**(266,640)**	579,096
Cash used in investing activities		**(3,287,945)**	139,970
Financing activities			
Proceeds from bank operating loans		**2,870,000**	(237,359)
Change in bank indebtedness		**(104,004)**	2,720,000
Cash from financing activities		**2,765,996**	2,482,641
Increase in cash and cash equivalents		**905,438**	778
Cash and cash equivalents, beginning of period		**15,021**	59,710
Cash and cash equivalents, end of period		**920,459**	60,488

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements
(unaudited)
For the three month period ending March 31, 2012 and the three month period ending April 30, 2011

1. Reporting entity

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 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 (the "**Seawall Exchange Ratio**") 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.

On January 29, 2012 3MV Energy Inc. ("**3MV Inc.**") and Noravena Capital Corporation ("**Noravena**"), a capital pool company completed an Amalgamation Agreement (the "**Amalgamation**") in which each 3MV Inc. share was acquired by Noravena, and each holder thereof was entitled to receive from Noravena the consideration comprised of such number of Noravena shares as determined in accordance with the exchange ratio as agreed upon by both Noravena and 3MV Inc. ("**The Noravena Ratio**"). The Noravena Ratio was 20.27 Noravena shares for each 3MV Inc. share through which the 3MV Inc. shareholders acquired a majority share of Noravena. Immediately following the transaction was a ten for one share consolidation resulting in the final share exchange ratio of 2.027. The consolidated financial statements are in the name of 3MV Energy Corp. (formerly Noravena), and are a continuation of the consolidated financial statements of 3MV Inc. Additional information on the Arrangement is available in note 4.

The financial year end of the Corporation was changed from April 30 to December 31. Accordingly, the comparative figures for the interim consolidated statement of comprehensive loss, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and the related notes to the financial statements are for three month period ended April 30, 2011.

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements for the three months ended March 31, 2012 are unaudited and have been prepared in accordance with International Accounting Standard ("**IAS**") 34 – "Interim Financial Reporting".

The condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2011.

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 30, 2012.

Notes to the Condensed Interim Consolidated Financial Statements
(unaudited)
For the three month period ending March 31, 2012 and the three month period ending April 30, 2011

2. Basis of preparation (continued)

Going concern

For the three months ended March 31, 2012, the Corporation reported a net loss of $2.1 million and had a working capital deficiency of $9.0 million. During the period, the Corporation obtained additional debt financing in the amount of $2.0 million however the amount was not sufficient to correct the working capital deficiency. The Corporation's banking arrangements in place are likely not sufficient to fund the exploration and development program for the next twelve months and the Corporation is in violation of bank covenants and forecasts bank covenant violations. These conditions create a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Additional equity, debt and/or farm-out arrangements will be required to meet the Corporation's obligations as they become due and there are no guarantees that such additional capital funding will be available when needed.

These interim condensed consolidated interim 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.

3. Summary of significant accounting policies and disclosures

Accounting policies and disclosures.

In preparing these condensed interim consolidated financial statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the periods ended December 31, 2011 and April 30, 2011.

The following disclosures are incremental to those included with the annual audited consolidated financial statements. Certain disclosures that are normally required in the notes to the annual audited consolidated financial statements have been condensed or omitted. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the periods ended December 31, 2011 and April 30, 2011.

4. Reverse takeover

On January 29, 2012, the Corporation closed the amalgamation between 3MV Inc. and Noravena. All of the issued and outstanding shares of 3MV Inc. were acquired on the basis of 20.27 pre-consolidation common shares of Noravena for each one common share of 3MV Inc. Following the transaction was a ten for one share consolidation resulting in the final share exchange ratio of 2.027. Noravena has changed its name to "3MV Energy Corp." and consolidated its common shares on the basis of one postconsolidation common share for each ten pre-consolidation common shares. Following the amalgamation, 3MV Energy Corp. resumed trading on the TSX Venture under the trading symbol TMV.

4. Reverse takeover (continued)

The following summarizes the reverse takeover acquisition of Noravena by 3MV Inc. and the assets acquired and liabilities assumed:

Net assets acquired:	**$**
Cash	139,721
Accounts receivable	55,685
Accounts payable and accruals	(19,259)
	176,147
Consideration paid:	
Share Capital	1,719,324
Share listing expense	(1,543,177)
	176,147

Included in the share capital amount of $1,719,324 are 54,054 shares valued at $100,000 which were issued to the agents of Noravena upon closing of the transaction.

The purchase price allocation has been done on a preliminary basis taking into account all relevant information available at the time these interim consolidated financial statements were prepared.

As the acquisition was not considered a business combination, the excess of the fair value of the consideration over the net assets of $1,543,177 is included as an expense on the statement of comprehensive loss. In addition, the Corporation incurred $200,867 in transaction costs relating to the reverse takeover transaction during the period ending March 31, 2012.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three month period ending March 31, 2012 and the three month period ending April 30, 2011

5. Property and equipment

	Petroleum and natural gas assets $	Corporate assets $	Total $
Cost:			
Balance at April 30, 2011	13,320,638	-	13,320,638
Additions	14,301,579	192,849	14,494,428
Transfers from exploration and evaluation assets	107,828	-	107,828
Assets given up in asset swap	(1,902,861)	-	(1,902,861)
Assets received in asset swap (net of liabilities incurred)	2,521,069	-	2,521,069
Change in decommissioning provisions	253,615	-	253,615
Balance at December 31, 2011	28,601,868	192,849	28,794,717
Additions	3,200,397	65,289	3,265,686
Balance at March 31, 2012	31,802,265	258,138	32,060,403
Accumulated depletion and depreciation and impairment loss:			
Balance at April 30, 2011	(1,213,366)	-	(1,213,366)
Depletion and depreciation for the period	(1,685,061)	(37,327)	(1,722,388)
Impairment of PPE	(14,116,814)	-	(14,116,814)
Balance at December 31, 2011	(17,015,241)	(37,327)	(17,052,568)
Depletion and depreciation for period	(545,900)	(15,603)	(561,503)
Balance at March 31, 2012	(17,561,141)	(52,930)	(17,614,071)
Net book value:			
December 31, 2011	11,586,627	155,522	11,742,149
March 31, 2012	14,241,123	205,208	14,446,331

Future development costs on proved plus probable reserves totalling approximately $11,375,000 (December 31, 2011 - $11,375,000) are included in the depletion calculation.

6. Bank operating loans

		Year of maturity	March 31, 2012 $	December 31, 2011 $
Operating loan facility	(a)	-	2,400,000	1,530,000
Credit facility	(b)	2013	2,000,000	-
			4,400,000	1,530,000

(a) Operating loan facility

As of March 31, 2012 the Corporation had drawn $2,400,000 on its operating loan facility bearing interest at prime plus 1.5%. Prime at March 31, 2012 was 3.00% (December 31, 2011 – 3.00%). The maximum principal amount on the facility is $4,000,000. The loan is a demand loan, secured by a general security agreement providing a security interest over all present and after acquired personal property and a floating charge on all lands. The Corporation is subject to a working capital ratio covenant calculated as: current assets plus undrawn availability under this facility divided by current liabilities, excluding any amount drawn under both facilities. As at March 31, 2012 the Corporation's working capital ratio was 0.5:1; which was in violation of the minimum 1.0:1 ratio required. Subsequent to the end of March 31, 2012, the Company has sought a waiver from the lender. The next renewal date is scheduled to be completed on May 31, 2013.

(b) Credit facility

During the three months ended March 31, 2012 the Corporation obtained a credit facility in the amount of $2,000,000. Interest is payable at 15.00% per annum through maturity of May 31, 2013. Interest is due and calculated monthly. The credit facility is subordinated to the operating loan facility and is also secured by a general security agreement providing a security interest over all present and after acquired personal property and a floating charge on all lands. The Corporation is subject to a working capital ratio covenant calculated in the same manner as the operating loan. As at March 31, 2012 the Corporation's working capital ratio was 0.5:1; which was in violation of the minimum 1.0:1 ratio required. The loan also requires the Corporation to maintain a secured debt to equity ratio of less than 1.0:1.0 at all times. The secured debt to equity ratio is calculated as consolidated debt in accordance with IFRS excluding interest, deferred taxes, amortization and other noncash items over consolidated shareholder's equity. At March 31, 2012 the Corporation's secured debt to equity ratio was 1.13:1.0. The Corporation is also subject to maintain a secured to debt to trailing cash flow ratio at or below 2.5:1.0 at all times. For the purposes of this covenant, trailing cash flow is defined as consolidated IFRS net income with deferred taxes, amortization, and other noncash charges added back. As at March 31, 2012 the Corporation had a secured debt to trailing cash flow ratio of 2.77:1.0. Subsequent to the end of March 31, 2012, the lender has waived the three covenant violations.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three month period ending March 31, 2012 and the three month period ending April 30, 2011

7. Share capital

Authorized

Common shares

Class A, unlimited, voting, no par value, subject to priority rights of any other class of shares.

Issued

	Number of Shares	$
Balance at January 31, 2011	1,069,000	7,802,289
Cashless warrants exercised for shares	137,124	-
Expiration of unexercised warrants	-	22,510
Balance at April 30, 2011	**1,206,124**	**7,824,799**
Shares exchanged on reverse takeover (3 Martini)	(1,206,124)	-
Existing shares of Seawall	929,430	-
Class A Shares issued for 3 Martini Shares (a)	3,662,255	4,173,002
Class A Shares issued November 9, 2011 (b)	1,962,235	7,541,119
Flow through share premium (b)	-	(182,738)
Share issuance costs (b)	-	(636,183)
Fair value of warrants on private placement (b)	-	(168,208)
Balance at December 31, 2011	**6,553,920**	**18,551,791**
Shares exchanged on reverse takeover	(6,553,920)	-
Existing shares of Noravena Capital	6,500,010	-
Shares issued to shareholders of 3MV Energy Inc. upon reverse takeover (c)	132,848,050	1,619,324
Shares issued to Agents of Noravena upon reverse takeover (c)	540,540	100,000
Ten for one share consolidation (c)	(125,899,740)	-
Balance at March 31, 2012	**13,988,860**	**20,271,115**

(a) As consideration of the Arrangement Agreement between Seawall and 3 Martini dated June 30, 2011, the shareholders of 3 Martini received 3.63 common shares of Seawall for each 3 Martini class A share held and 1.815 common shares of Seawall for each 3 Martini class B share held, resulting in the issuance of 3,662,255 common shares of Seawall at a value of $4,173,002.

(b) On November 9, 2011, the Corporation closed the private placement of 1,231,285 Class A common shares issued at a price of $3.75 per share. In addition 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, for gross proceeds of approximately $2.9 million. $182,738 or $0.25 per share was determined to be the implied premium on the flow-through shares. Of the $2.9 million raised in flow-through, $2.3 million has been expended to March 31, 2012. In conjunction with the private placement the Corporation issued 97,078 broker warrants that were determined to have a fair value of $168,208. Share issuance costs relating to the private placement totaled $636,183.

(c) On January 29, 2012 the Corporation completed the amalgamation arrangement with Noravena Capital Corporation. As a result of the transaction, all outstanding 3MV Energy Inc. shares were exchanged for Noravena Capital Corporation shares in accordance with the share exchange ratio of 20.27 times 3MV's outstanding share amount as at January 29, 2012. In addition, 540,540 shares with a value of $100,000 were issued to Noravena's broker agents as a result of the transaction. Following the completion of the qualifying transaction, a ten for one share consolidation occurred reducing the outstanding shares by 125,899,740.

7. Share capital (continued)

Warrants

	# of Warrants	$
As at April 30, 2011	-	-
Warrants Issued [(a)]	97,078	168,208
As at December 31, 2011	97,078	168,208
Warrants Converted at a ratio 2.027		
As at December 31, 2011 and March 31, 2012	196,777	168,208

(a) Pursuant to the private placement on November 9, 2011 the Corporation issued 97,078 broker warrants. Each warrant entitles the holder to purchase one common share at a price of $3.75 per share for a period of two years vesting immediately. As result of the reverse takeover of Noravena, the outstanding warrants were converted at a ratio of 2.027 resulting in an amount of 196,777 outstanding and exercisable at March 31, 2012.

8. Share-based payments

On December 21, 2011, the Corporation introduced an employee stock option plan under which employees, directors and consultants are eligible to purchase common shares of the Corporation. Options were granted using an exercise price equal to the $3.75 share price from the November 9, 2011 private placement issuance. The options have a term of five years and vest over a two year period starting on the first anniversary date of the grant with one third of the total amount vesting immediately upon granting. Following the qualifying transaction with Noravena Capital Corporation, the options were exchanged at the final post share consolidation exchange ratio of 2.027. The number of options outstanding at March 31, 2012 totaled 924,312 (April 31, 2011 – nil) and the exercise price was converted to $1.85 per share.

On February 17, 2012, the Corporation granted options. The options have a term of five years and vest over a three year period starting on the first anniversary date of the grant at an exercise price of $1.90. As of March 31, 2012 there were 411,000 options issued and outstanding relating to the issuance.

The fair value of the options was estimated using the Black-Scholes model with the following weighted average inputs:

		March 31, 2012
Fair value at grant date	$	1.28
Common share price	$	1.90
Exercise price	$	1.90
Volatility		86%
Option life		5 years
Dividends		0%
Risk-free interest rate		0.89%
Forfeiture rate		0%

This estimated forfeiture rate is adjusted to the actual forfeiture rate when each tranche vests. Share based compensation cost of $181,021 (April 30, 2011 – $nil) was expensed during the three months ended March 31, 2012.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three month period ending March 31, 2012 and the three month period ending April 30, 2011

9. Commitments

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

	March 31, 2012 $
2012	49,794
2013	66,392
2014	38,728

Capital Commitments

The Corporation has entered into "farm-in" agreements whereby the Corporation may earn working interests in oil and gas properties in exchange for undertaking capital spending programs to develop the properties. As at March 31, 2012 the Corporation is committed to fulfilling all of its farm-in obligations.

During the period ended December 31, 2011 the Corporation closed the private placement where Class A shares were issued on a "flow-through" basis with respect to Canadian exploration expenses for gross proceeds of approximately $2.9 million. Of the $2.9 million raised in flow-through, $2.3 million has been incurred to March 31, 2012. The remaining balance will be incurred prior to December 31, 2012.

10. Supplemental cash flow information

Changes in non-cash working capital from operating activities is comprised of:

Three months ended	March 31, 2012 $	April 30, 2011 $
Source (use) of cash:	-	-
Trade and other receivables	**762,975**	(479,468)
Inventory	-	(11,663)
Prepaid expenses and deposits	**(40,990)**	(30,365)
Trade and other payables	**619,937**	(2,090,843)
Income tax payable	-	(6,991)
Change in non-cash working capital	**1,341,922**	(2,619,330)

Changes in non-cash working capital from investing activities is comprised of:

Three months ended	March 31, 2012 $	April 30, 2011 $
Source (use) of cash:	-	-
Trade and other payables	**(266,640)**	579,096
Change in non-cash working capital	**(266,640)**	579,096

Notes to the Condensed Interim Consolidated Financial Statements
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For the three month period ending March 31, 2012 and the three month period ending April 30, 2011

11. Earnings per share

Basic and diluted income (loss) per share

	Loss for the period $	Weighted average number of shares	Per share amount $
Three months ended March 31, 2012			
Basic and diluted	(2,139,110)	11,675,768	(0.18)
Three months ended April 30, 2011			
Basic and diluted	(430,726)	3,018,041	(0.14)

The effect of warrants and stock options outstanding on loss per share for the periods ended March 31, 2012 and April 30, 2011 is anti-dilutive.

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