

MNP PETROLEUM CORP

FORM 10-Q (Quarterly Report)

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Sector	Energy
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 333-107002

MNP PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

91-1918324

(I.R.S. Employer Identification No.)

Bahnhofstrasse 9, 6341 Baar, Switzerland

(Address of principal executive offices) (Zip Code)

41 (44) 718 10 30

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 172,592,292 shares of common stock as of May 14, 2014.

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PART I. —FINANCIAL INFORMATION

Item 1. Financial Statements.

MNP PETROLEUM CORPORATION
(AN EXPLORATION STAGE COMPANY)

CONSOLIDATED BALANCE SHEETS

	03.31.2014 USD	12.31.2013 USD
ASSETS		
Cash and cash equivalents	8,993,359	3,063,947
Restricted cash	103,700	46,738
Accounts receivable	15,929	32,508
Transaction prepayment		
Investment in associate (Petromanas)	1,482,395	7,478,799
Other prepaid expenses	531,352	302,713
Total current assets	11,126,735	10,924,705
Tangible fixed assets	128,585	132,374
Investment in associate	-	-
Oil and gas properties (unproved)	567,590	772,855
Investment in associate (Petromanas)		
Transaction prepayment	10,111,656	10,111,656
Total non-current assets	10,807,831	11,016,885
TOTAL ASSETS	21,934,566	21,941,590
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	735,423	447,736
Accrued expenses exploration costs	-	312,000
Other accrued expenses	84,655	332,835
Refundable deposits	-	-
Total current liabilities	820,078	1,092,571
Pension liabilities	142,271	142,271
Total non-current liabilities	142,271	142,271
TOTAL LIABILITIES	962,349	1,234,842
Common Stock (600,000,000 shares authorized as of March 31, 2014 and 600,000,000 shares authorized as of December 31, 2013, USD 0.001 par value, 172,592,292 and 172,592,292 shares, respectively, issued and outstanding)	172,592	172,592
Additional paid-in capital	78,549,137	78,527,990
Retained deficit accumulated during the exploration stage	(57,800,513)	(58,044,835)
Currency translation adjustment	51,001	51,001
TOTAL SHAREHOLDERS' EQUITY	20,972,217	20,706,748
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,934,566	21,941,590

MNP PETROLEUM CORPORATION
(AN EXPLORATION STAGE COMPANY)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	03.31.2014 USD	03.31.2013 USD	Period from 05.2004 (inception) to 03.31.2014
OPERATING REVENUES			
Other revenues	-	-	1,375,728
Total revenues	-	-	1,375,728
OPERATING EXPENSES			
Personnel costs	(399,660)	(722,927)	(33,160,688)
Exploration costs	(292,428)	(175,098)	(20,560,309)
Depreciation	(12,150)	(11,930)	(397,948)
Consulting fees	(331,396)	(476,874)	(15,117,381)
Administrative costs	(310,561)	(374,443)	(18,553,913)
Total operating expenses	(1,346,195)	(1,761,272)	(87,790,239)
Gain from sale of investment	-	-	3,864,197
Loss from sale of investment	-	-	(900)
			-
Operating loss	(1,346,195)	(1,761,272)	(82,551,214)
NON-OPERATING INCOME / (EXPENSE)			
Exchange differences	(26,479)	(24,010)	81,682
Changes in fair value of warrants	-	-	(10,441,089)
Warrants issuance expense	-	-	(9,439,775)
Gain from sale of subsidiary	-	-	57,850,918
Change in fair value of investment in associate	1,619,803	(7,148,060)	(15,948,306)
Interest income	(68)	78	609,133
Interest expense	-	-	(2,637,321)
Loss on extinguishment of debt	-	-	(117,049)
Loss from sale of investment in associate	-	-	(3,507,397)
Income/(Loss) before taxes and equity in net loss of associate	247,061	(8,933,264)	(66,100,418)
Income taxes	(2,739)	-	(148,292)
Equity in net loss of associate	-	-	(24,523)
Net income/(loss) from continuing operations	244,322	(8,933,264)	(66,273,233)
DISCONTINUED OPERATIONS			
Gain from divestiture	-	-	51,663
Operating expenses	-	-	(647,213)
Income/(Loss) from discontinued operations	-	-	(595,550)
Net income/(loss)	244,322	(8,933,264)	(66,868,783)
Net loss attributable to non-controlling interest	-	-	(18,700)
Net income/(loss) attributable to Manas	244,322	(8,933,264)	(66,887,483)
Currency translation adjustment attributable to Manas	-	-	51,001
Net comprehensive income/(loss) attributable to Manas	244,322	(8,933,264)	(66,836,482)
Net comprehensive loss attributable to non-controlling interest	-	-	18,700
Net comprehensive income/(loss)	244,322	(8,933,264)	(66,817,782)
Weighted average number of outstanding shares (basic)	172,592,292	172,592,292	128,102,529
Weighted average number of outstanding shares (diluted)	172,592,292	172,592,292	128,102,529
Basic earnings/(loss) per share attributable to Manas	0.00	(0.05)	(0.52)
Basic earnings/(loss) per share - continuing operations	0.00	(0.05)	(0.51)
Basic earnings/(loss) per share - discontinued operations	-	-	(0.01)
Diluted earnings/(loss) per share attributable to Manas	0.00	(0.05)	(0.52)
Diluted earnings/(loss) per share - continuing operations	0.00	(0.05)	(0.51)
Diluted earnings/(loss) per share - discontinued operations	-	-	(0.01)



MNP PETROLEUM CORPORATION
(AN EXPLORATION STAGE COMPANY)

CONSOLIDATED CASH FLOW STATEMENT

	03.31.2014 USD	03.31.2013 USD	Period from 05.2004 (inception) to 03.31.2014 USD
OPERATING ACTIVITIES			
Net income/(loss)	244,322	(8,933,264)	(66,868,783)
To reconcile net income/(loss) to net cash used in operating activities			
Gain from sale of subsidiary	-	-	(57,850,918)
Gain from sale of investment	-	-	(3,864,197)
Loss from sale of investment	-	-	3,508,297
Gain from divestiture of discontinued operations	-	-	(72,000)
Change in fair value of investment in associate	(1,619,803)	7,148,060	15,948,306
Equity in net loss of associate	-	-	262,828
Depreciation	12,150	11,930	397,948
Amortization of debt issuance costs	-	-	349,910
Warrant issuance expense / (income)	-	-	19,880,864
Exchange differences	26,479	24,010	(81,682)
Non cash adjustment to exploration costs	-	-	(204,753)
Non cash interest income	-	-	(25,619)
Interest expense on contingently convertible loan	-	-	236,798
Loss on extinguishment of contingently convertible loan	-	-	83,202
Interest expense on debentures	-	-	764,142
Loss on extinguishment of debentures	-	-	33,847
Stock-based compensation	21,147	294,499	28,054,323
Decrease / (increase) in receivables and prepaid expenses	(212,060)	(48,406)	(543,716)
(Decrease) / increase in accounts payables	287,687	84,097	226,054
(Decrease) / increase in accrued expenses	(248,180)	56,593	10,446
Change in pension liability	-	-	142,271
Cash flow used in operating activities	(1,488,258)	(1,362,481)	(59,612,433)
INVESTING ACTIVITIES			
Transaction prepayment	-	-	(10,111,656)
Capitalized exploration expenditure	(106,735)	-	(567,590)
Purchase of tangible fixed assets and computer software	(11,740)	(37,900)	(649,403)
Sale of tangible fixed assets and computer software	-	-	100,813
Proceeds from sale of investment	7,570,842	-	40,179,792
Decrease / (increase) restricted cash	(56,962)	4,429	(103,700)
Acquisition of investment in associate	-	-	(67,747)
Cash flow from investing activities	7,395,405	(33,471)	28,780,509
FINANCING ACTIVITIES			
Contribution share capital founders	-	-	80,019
Issuance of units	-	-	37,282,734
Issuance of contingently convertible loan	-	-	1,680,000
Issuance of debentures	-	-	3,760,000
Issuance of promissory notes to shareholders	-	-	540,646
Repayment of contingently convertible loan	-	-	(2,000,000)
Repayment of debentures	-	-	(4,000,000)
Repayment of promissory notes to shareholders	-	-	(540,646)
Proceeds from exercise of options	-	-	240,062
Issuance of warrants	-	-	670,571
Proceeds from exercise of warrants	-	-	2,260,959
Cash arising on recapitalization	-	-	6,510
Shareholder loan repaid	-	-	(3,385,832)
Shareholder loan raised	-	-	4,653,720
Repayment of bank loan	-	-	(2,520,000)
Increase in bank loan	-	-	2,520,000
Increase in short-term loan	-	-	917,698
Payment of unit issuance costs	-	-	(2,348,250)
Payment of debt issuance costs	-	-	(279,910)
Increase / (decrease) in refundable deposits	-	(149,636)	-
Cash flow (used in) / from financing activities	-	(149,636)	39,538,281
Net change in cash and cash equivalents	5,907,147	(1,545,588)	8,706,357

Cash and cash equivalents at the beginning of the period	3,063,947	2,842,495	-
Currency translation effect on cash and cash equivalents	22,265	(24,010)	287,002
Cash and cash equivalents at the end of the period	8,993,359	1,272,897	8,993,359
Supplement schedule of non-cash operating, investing and financing activities:			
Forgiveness of debt by major shareholder	-	-	1,466,052
Deferred consideration for interest in CJSC South Petroleum Co.	-	-	193,003
Warrants issued to pay unit issuance costs	-	-	280,172
Warrants issued to pay placement commission expenses	-	-	2,689,910
Debenture interest paid in common shares	-	-	213,479
Forgiveness of advance payment from Petromanas Energy Inc.	-	-	917,698
Initial fair value of shares of investment in Petromanas	-	-	46,406,821
Offset of impairment of oil and gas properties and renegotiation of accrued expenses	312,000		312,000
Forgiveness of receivable due from Manas Adriatic GmbH	-	-	(3,449,704)

MNP PETROLEUM CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY/(DEFICIT)

SHAREHOLDERS' EQUITY/(DEFICIT)	Number of shares	Share capital	Additional paid-in capital	Deficit accumulated during the development stage	Accumulated Comprehensive Income/(Loss)	Other Total share-holders' equity/(deficit)
Balance May 25, 2004	-	-	-	-	-	-
Contribution share capital from founders	80,000,000	80,000	19	-	-	80,019
Currency translation adjustment	-	-	-	-	(77,082)	(77,082)
Net loss for the period	-	-	-	(601,032)	-	(601,032)
Balance December 31, 2004	80,000,000	80,000	19	(601,032)	(77,082)	(598,095)
Balance January 1, 2005	80,000,000	80,000	19	(601,032)	(77,082)	(598,095)
Currency translation adjustment	-	-	-	-	218,699	218,699
Net loss for the year	-	-	-	(1,993,932)	-	(1,993,932)
Balance December 31, 2005	80,000,000	80,000	19	(2,594,964)	141,617	(2,373,328)
Balance January 1, 2006	80,000,000	80,000	19	(2,594,964)	141,617	(2,373,328)
Forgiveness of debt by major shareholder	-	-	1,466,052	-	-	1,466,052
Currency translation adjustment	-	-	-	-	(88,153)	(88,153)
Net income for the year	-	-	-	1,516,004	-	1,516,004
Balance December 31, 2006	80,000,000	80,000	1,466,071	(1,078,960)	53,464	520,575
Balance January 1, 2007	80,000,000	80,000	1,466,071	(1,078,960)	53,464	520,575
Recapitalization transaction	20,110,400	20,111	(356,732)	-	-	(336,621)
Stock-based compensation	880,000	880	7,244,409	-	-	7,245,289
Private placement of units, issued for cash	10,330,152	10,330	9,675,667	-	-	9,685,997
Private placement of units	10,709	11	(11)	-	-	-
Private placement of units, issued for cash	825,227	825	3,521,232	-	-	3,522,057
Currency translation adjustment	-	-	-	-	3,069	3,069
Net loss for the year	-	-	-	(12,825,496)	-	(12,825,496)
Balance December 31, 2007	112,156,488	112,157	21,550,636	(13,904,456)	56,533	7,814,870
Balance January 1, 2008	112,156,488	112,157	21,550,636	(13,904,456)	56,533	7,814,870
Stock-based compensation	2,895,245	2,895	9,787,978	-	-	9,790,873
Private placement of units, issued for cash	4,000,000	4,000	1,845,429	-	-	1,849,429
Issuance of warrants	-	-	10,110,346	-	-	10,110,346
Beneficial conversion feature	-	-	557,989	-	-	557,989
Currency translation adjustment	-	-	-	-	(13,212)	(13,212)
Net loss for the period	-	-	-	(30,296,106)	-	(30,296,106)
Balance December 31, 2008	119,051,733	119,052	43,852,378	(44,200,563)	43,322	(185,811)
Balance January 1, 2009	119,051,733	119,052	43,852,378	(44,200,563)	43,322	(185,811)
Adoption of ASC 815-40	-	-	(9,679,776)	9,086,972	-	(592,804)
Reclassification warrants	-	-	10,883,811	-	-	10,883,811
Stock-based compensation	-	-	4,475,953	-	-	4,475,953
Currency translation adjustment	-	-	-	-	7,679	7,679
Net loss for the year	-	-	-	(21,618,015)	-	(21,618,015)
Balance December 31, 2009	119,051,733	119,052	49,532,366	(56,731,606)	51,001	(7,029,187)
Balance January 1, 2010	119,051,733	119,052	49,532,366	(56,731,606)	51,001	(7,029,187)
Exercise of warrants	3,832,133	3,832	2,257,127	-	-	2,260,959
FV adjustment of exercised warrants	-	-	72,644	-	-	72,644
Reclassification warrants	-	-	77,439	-	-	77,439
Stock-based compensation	2,103,527	2,103	4,174,558	-	-	4,176,661
Shares to be issued	-	-	240,062	-	-	240,062
Redeemable shares	-	-	(2,517,447)	-	-	(2,517,447)
Net loss for the year	-	-	-	74,442,353	-	74,442,353
Balance December 31, 2010	124,987,393	124,987	53,836,749	17,710,747	51,001	71,723,484
Balance January 1, 2011	124,987,393	124,987	53,836,749	17,710,747	51,001	71,723,484
Stock-based compensation	2,106,082	2,106	797,190	-	-	799,296
TSX listing units, issued for cash	44,450,500	44,451	19,552,378	-	-	19,596,829
Exercise of options	923,317	923	(923)	-	-	-
Redeemable shares	-	-	2,517,447	-	-	2,517,447
Net loss for the year	-	-	-	(53,015,719)	-	(53,015,719)
Balance December 31, 2011	172,467,292	172,467	76,702,841	(35,304,972)	51,001	41,621,337
Balance January 1, 2012	172,467,292	172,467	76,702,841	(35,304,972)	51,001	41,621,337
Stock-based compensation	125,000	125	1,126,045	-	-	1,126,170
Net loss for the year	-	-	-	(11,778,750)	-	(11,778,750)
Balance December 31, 2012	172,592,292	172,592	77,828,886	(47,083,722)	51,001	30,968,757

Balance January 1, 2013	172,592,292	172,592	77,828,886	(47,083,722)	51,001	30,968,757
Stock-based compensation	-	-	699,104	-	-	699,104
Net loss for the year	-	-	-	(10,961,113)	-	(10,961,113)
Balance December 31, 2013	172,592,292	172,592	78,527,990	(58,044,835)	51,001	20,706,748
Balance January 1, 2014	172,592,292	172,592	78,527,990	(58,044,835)	51,001	20,706,748
Stock-based compensation	-	-	21,147	-	-	21,147
Net loss for the year	-	-	-	244,322	-	244,322
Balance March 31, 2014	172,592,292	172,592	78,549,137	(57,800,513)	51,001	20,972,217

1. BASIS OF PRESENTATION

The financial statements presented in this Form 10-Q comprise MNP Petroleum Corporation (“MNP” or the “Company”) and its subsidiaries (collectively, the “Group”). The unaudited interim *Consolidated Financial Statements* included in this Form 10-Q have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and present our financial position, results of operations, cash flows and changes in stockholder’s equity. These financial statements should be read in conjunction with the consolidated financial statements and the notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013.

In terms of the oil and gas industry lifecycle, the Company considers itself to be an exploration stage company. Since it has not realized any revenues from its planned principal operations, the Company presents its financial statements in conformity with US GAAP that apply in establishing operating enterprises, i.e. development stage companies. As an exploration stage enterprise, the Company discloses the deficit accumulated during the exploration stage and the cumulative statements of operations and cash flows from inception to the current balance sheet date.

The Company, formerly known as Express Systems Corporation, was incorporated in the State of Nevada on July 9, 1988.

On April 10, 2007, the Company completed the Exchange Transaction whereby it acquired its then sole subsidiary DWM Petroleum AG (“DWM Petroleum”) pursuant to an exchange agreement signed in November 2006 whereby 100% of the shares of DWM Petroleum were exchanged for 80,000,000 common shares of the Company. As part of the closing of this exchange transaction, the Company issued 800,000 shares as finder’s fees at the closing price of USD 3.20.

The acquisition of DWM Petroleum was accounted for as a merger of a private operating company into a non-operating public shell. Consequently, the Company was the continuing legal registrant for regulatory purposes and DWM Petroleum was treated as the continuing accounting acquirer for accounting and reporting purposes. The assets and liabilities of DWM Petroleum remained at historic cost. Under US GAAP in transactions involving the merger of a private operating company into a non-operating public shell, the transaction is equivalent to the issuance of stock by DWM Petroleum for the net monetary assets of the Company, accompanied by a recapitalization. The accounting is identical to a reverse acquisition, except that no goodwill or other intangibles are recorded.

The Group has a focused strategy on exploration and developing oil and gas resources in Central Asia (Tajikistan and Mongolia). The Company holds an investment in associate in Petromanas Energy Inc.

2. ACCOUNTING POLICIES

The accompanying financial data as of March 31, 2014 and December 31, 2013 and for the three -month period ended March 31, 2014 and 2013 and for the period from inception, May 25, 2004, to March 31, 2014, has been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC).

The complete accounting policies followed by the Group are set forth in Note 2 to the audited consolidated financial statements contained in the Group’s Annual Report on Form 10-K for the year ended December 31, 2013.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures, if any, of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

In the opinion of management, all adjustments (which include normal recurring adjustments, except as disclosed herein) necessary to present a fair statement of financial position as of March 31, 2014 and December 31, 2013, results of operations for the three -month period ended March 31, 2014 and 2013 and for the period from inception,



May 25, 2004, to March 31, 2014, cash flows for the three-month period ended March 31, 2014 and 2013 and for the period from inception, May 25, 2004, to March 31, 2014 and statement of shareholders' equity (deficit) for the period from inception, May 25, 2004, to March 31, 2014, as applicable, have been made. The result of operations for the three -month period ended March 31, 2014 is not necessarily indicative of the operating results for the full fiscal year or any future periods.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recently adopted accounting pronouncements

For the period ended March 31, 2014 the Company was not impacted by any new accounting standards.

4. CASH AND CASH EQUIVALENTS

	USD (held in USD)	USD (held in EUR)	USD (held in CHF)	USD (held in other currencies)	USD Total Mar 31, 2014	USD Total Dec 31, 2013
Cash and cash equivalents	7,367,961	3,449	1,617,280	4,669	8,993,359	3,063,947

Cash and cash equivalents are available to the Group without restriction or limitation on withdrawal and/or use of these funds. The Group's cash equivalents are placed with high credit rated financial institutions. The carrying amount of these assets approximates their fair value.

5. PLAN FOR ACQUISITION

Plan for Acquisition

On December 31, 2012, DWM Petroleum AG, our wholly-owned Swiss subsidiary, entered into a Share Purchase Agreement with an unrelated third party, a small, private company known only in Tajikistan, to purchase, for USD 21,000,000 in cash, 80% of the equity interest in a Swiss company which, at the time of closing of the transaction described in the Share Purchase Agreement, will own a Tajik company ("target company") which in turn will own 100% of the interest in certain producing oilfield assets located in Tajikistan. The seller's ("Kavsar") wholly-owned subsidiary, a small, private company known only in Tajikistan, currently owns the majority of the equity in the target company.

As previously disclosed, DWM Petroleum has already advanced an aggregate of USD 10,111,656 as a deposit on account of the purchase price. If the seller satisfies certain conditions ("Conditions for the next Advance"), DWM Petroleum will be required to make an additional advance of USD 7,000,000 to the seller. DWM Petroleum will be required to pay the remaining balance (USD 3,888,344) of the purchase price to the seller on the closing date, no later than the seventh Business Day after the closing conditions are satisfied.

If the transaction is not completed because the seller does not satisfy the conditions to the next advance, the seller must refund to DWM Petroleum the USD 10,111,656 deposit, subject to payment by DWM Petroleum of a termination fee in the amount of USD 2,000,000 intended to compensate the seller for expenses it has incurred in connection with the transaction. The conditions for the next advance were originally required to be fulfilled on or before March 31, 2013. Effective December 31, 2012, this date was extended to May 30, 2013 pursuant to Amendment 1 to the Share Purchase Agreement. Effective April 30, 2013, this date was further extended to June 30, 2013 pursuant to Amendment 3 to the Share Purchase Agreement. Effective June 27, 2013, seller has fulfilled all conditions for the next payment. Effective June 27, 2013 pursuant to Amendment 4, the date for next advance payment is ninety days of the date the seller has satisfied the requisite conditions.

If DWM Petroleum is required to make the next advance but fails to do so, the seller will be required to refund to DWM Petroleum the USD 10,111,656 deposit previously paid by delivering to DWM Petroleum 65% shares of the company that is the majority owner of the producing oilfield assets being purchased. In that event, DWM

Petroleum will also be required to pay to the seller the sum of USD 2,000,000, which is intended to compensate the seller for its expenses.

Completion of the purchase is subject to conditions and the completion of certain ancillary transactions by the seller in respect of the assets to be owned at closing by the target company ("the closing conditions"). These conditions were originally required to be fulfilled or waived on or before April 30, 2013. Effective December 31, 2012, this date was extended to June 27, 2013 pursuant to Amendment 1 to the Share Purchase Agreement. Effective April 30, 2013, this date was further extended to September 27, 2013 pursuant to Amendment 3 to the Share Purchase Agreement.

Effective April 30, 2013, pursuant to Amendment 2 to the Share Purchase Agreement, a condition for the next advance that requires the target company to enter into a certain contract with the Tajik government was changed to the extent that the seller is only required to confirm to DWM Petroleum that the target company has agreed with the responsible government authority, the terms for the aforementioned contract – and not actually signed such contract.

Effective June 27, 2013, the seller has met all conditions and completed certain ancillary transactions required for the next advance payment. Pursuant to the SPA and the amendments mentioned above, the payment of USD 7,000,000 is due by September 27, 2013.

DWM did not make the next advance payment by September 27, 2013. Accordingly pursuant to the SPA effective September 27, 2013 DWM has opted to take a 65% interest in the company that owns the majority of shares in the Tajik operating company holding the oilfield assets subject to that the target company is debt free as well as government approvals. After the closing of the transaction pursuant to the SPA, DWM has agreed to compensate Seller for its expenses capped at USD 2,000,000.

On March 31, 2014 DWM Petroleum and Kavsar signed a Supplement Agreement which is effective September 27, 2013 to the Share Purchase Agreement. The Supplement Agreement outlines pursuant to Article 3.4.2 of the Share Purchase Agreement that DWM Petroleum is entitled to receive from Kavsar 65% of the participation certificates in Energy Partners Austria, the beneficial owner of 57.42% shares in Petroleum Sugd, a joint venture with limited liability incorporated under the laws of Tajikistan and operator of the oil fields in Tajikistan, subject to the payment of USD 2 million by DWM Petroleum. Furthermore, the Supplement Agreement outlines that Kavsar shall transfer all shares from TF Petroleum AG, a company incorporated under the Laws of Switzerland, including the assets for zero consideration to DWM Petroleum. In return DWM Petroleum shall waive USD 100,000 from the prepayment. Starting January 1, 2014 DWM Petroleum will be eligible to future profits and dividends from Energy Partners Austria. The closing of the transaction is subject to the capital restructuring requirement of Energy Partners Austria by Kavsar, the notary act and regulatory approval. After the finalization of the Supplement Agreement the Share Purchase Agreement is concluded.

Management currently takes the position that no amendments are required to the line item "Transaction Prepayment" for the period ended March 31, 2014.

6. TANGIBLE FIXED ASSETS

2014 (in USD)	Office equipment & furniture	Vehicles	Leasehold improvements	Computer software	Total
Cost at Dec 31, 2013	157,717	140,366	47,375	35,697	381,155
Additions	4,614	-	3,747	-	8,361
Disposals	-	-	-	-	-
Cost at March 31, 2014	162,330	140,366	51,122	35,697	389,515
Accumulated depreciation at Dec 31, 2013	(124,364)	(55,567)	(47,375)	(21,474)	(248,780)
Depreciation	(2,272)	(4,969)	(69)	(4,840)	(12,150)
Disposals	-	-	-	-	-
Accumulated depreciation at March 31, 2014	(126,636)	(60,536)	(47,444)	(26,314)	(260,930)
Net book value at Dec 31, 2013	33,353	84,799	-	14,223	132,374
Net book value at March 31, 2014	35,695	79,830	3,678	9,383	128,585

Depreciation expense for the three-month period ended March 31, 2014 and 2013 was USD 12,150 and USD 11,930 respectively.

7. OIL AND GAS PROPERTIES

Capitalized exploration costs	Mar 31, 2014	Dec 31, 2013
Unproved, not subject to depletion	567,590	772,855
Proved subject to depletion	-	-
Accumulated depletion	-	-
Total capitalized exploration costs	567,590	772,855

During 2012, two wells were drilled as part of one large campaign which included three drillings in Mongolia. At the beginning of the year, the Company had no recorded unproved properties in Mongolia. During 2012, the Company capitalized USD 2,998,636 of which USD 2,225,781 was expensed as "Exploration Costs" in the Statement of Operations during the third quarter of 2012 as the two wells were found dry. The Company had a remaining capitalized balance of USD 772,855 as of December 31, 2013. This balance relates to specific costs for wells still to be drilled including capitalized costs recorded as accruals for USD 312,000. These costs have not been paid due to the current moratorium in place.

If the third well is found to be a dry hole, all remaining capitalized costs related to the campaign will de facto be expensed, with the exception of the tangible equipment, which will continue to have a salvage value (it will be either sold or written off). If the well is found to have proven reserves, the capitalized drilling costs will be reclassified as part of the cost of the well.

As of June 27, 2013, we entered into a Moratorium with the Petroleum Authority of Mongolia. The exploration term was suspended for a period of one year and the initial five year exploration term, extended until May 20, 2015; thereafter we would have the possibility to extend the licenses for an additional two years if required. The basis for the Moratorium was the lack of drillable economic structures to fulfill our outstanding PSC commitments. Drilling activities will commence once the full evaluation of the new area is completed and drillable economic structures are available to fulfill our outstanding commitments, which is currently four wells.

As of March 31, 2014 the Company has impaired USD 312,000 relating to 3 well designs out of the remaining 4 well designs initially capitalized. These have been recorded under exploration costs. Furthermore, during the three-month period ended March 31, 2014 the Company has renegotiated the cost related to 4 well designs due to the fact that the supplier did not fulfill its responsibilities as per contract. It was agreed to offset the penalty that the supplier should have paid with the remaining outstanding accrual of USD 312,000 and to record the penalty as a credit to exploration costs.

Additionally, as of March 31, 2014 the Company has capitalized USD 106,735 relating to the well site preparation of Kayrakkum I in the Republic of Tajikistan.

8. STOCK COMPENSATION PROGRAM

Amended 2011 Stock Option Plan

The Amended 2011 Stock Option Plan, which was approved at Annual Shareholders Meeting dated February 20, 2014, authorizes the Company to issue options to purchase such number of the Company's common shares as is equal to on aggregate, together with options issued under any prior plan, of up to 20% of the number of issued and outstanding shares of the Company's common stock (it is the type of stock option plan referred to as a "fixed" stock option plan).

If all or any portion of any stock option granted under the 2011 Stock Option Plan expires or terminates without having been exercised in full, the unexercised balance will be returned to the pool of stock available for grant under the 2011 Stock Option Plan.

During the three-month period ended March 31, 2014 we have not granted any stock options under our Amended 2011 Stock Option Plan.

Recognition of Stock-based Compensation Costs

Stock-based compensation costs are recognized in earnings using the fair-value based method for all awards granted. For employees fair value is estimated at the grant date and for non-employees fair value is re-measured at each reporting date. Compensation costs for unvested stock options and unvested share grants are expensed over the requisite service period on a straight-line basis.

Grants

8.1. Stock Option Grants

The Company calculates the fair value of options granted by applying the Black-Scholes option pricing model. Expected volatility is based on the Company's own historical share price volatility. The Company's share price data can be traced back to April 2, 2007, and the Company believes that this set of data is sufficient to determine expected volatility as input for the Black-Scholes option pricing model.

During the three-month period ended March 31, 2014 the Company did not grant any options. During the same period in 2013, the Company granted 3,500,000 options.

The following table shows the Company's outstanding and exercisable stock options as of March 31, 2014:

Outstanding Options 2014	Shares under option	Weighted-average exercise price	Weighted-average remaining contractual term (years)
Outstanding at December 31, 2013	12,100,000	USD 0.35	6.81
Granted	-	-	-
Exercised	-	-	-
Forfeited, canceled or expired	-	-	-
Outstanding at March 31, 2014	12,100,000	USD 0.25	6.81
Exercisable at March 31, 2014	11,037,500	USD 0.26	6.87

The following table depicts the Company's non-vested options as of March 31, 2014 and changes during the period:

Non-vested options	Shares under option	Weighted-average grant date fair value
Non-vested at December 31, 2013	1,468,750	USD 0.06
Non-vested granted	-	-
Vested	(406,250)	USD 0.05
Non-vested, forfeited or canceled	-	-
Non-vested at March 31, 2014	1,062,500	USD 0.06

As of March 31, 2014, the expected total of unrecognized compensation costs related to unvested stock-option grants was USD 48,094. The Company expects to recognize this amount over a weighted average period of 0.76 years.

8.2. Share Grants

The Company calculates the fair value of share grants at the grant date based on the market price at closing. For restricted share grants, the Company applies a prorated discount of 12% on the market price of the shares over the restriction period. The discount rate is an estimate of the cost of capital, based on previous long-term debt the Company has issued.

As of March 31, 2014, there were no unrecognized compensation costs related to unvested share grants.

8.3. Summary of Stock-based Compensation Expenses

A summary of stock-based compensation expense for the respective reporting periods is presented in the following table:

Stock based compensation expenses	Three-month period ended	
	Mar 31, 2014	Mar 31, 2013
Option grants	21,147	294,499
Share grants	-	-
Total	21,147	294,499
Recorded under "Personnel"	8,375	302,872
Recorded under "Consulting fees"	12,772	(8,373)

9. WARRANTS

Warrants outstanding

The following table summarizes information about the Company's warrants outstanding as of March 31, 2014:

Warrant series	Number of warrants	Exercise price	Grant date	Expiry date
Unit warrants	44,450,500	0.70	May 6, 2011	May 6, 2014
Total warrants outstanding	44,450,500			

The Company has enough shares of common stock authorized in the event these warrants are exercised.

Warrant activity

The following table summarizes the Company's warrant activity for the three-month period ended March 31, 2014:

Warrants 2013	Number of warrants	Weighted average exercise price
Outstanding at December 31, 2013	44,450,500	USD 0.70
Granted	-	-
Exercised	-	-
Forfeit or expired	-	-
Outstanding at March 31, 2014	44,450,500	USD 0.70

10. INVESTMENT IN PETROMANAS

On February 12, 2010, the Company's wholly-owned subsidiary DWM Petroleum A.G., signed a Share Purchase Agreement and completed the sale of all of the issued and outstanding shares of Manas Adriatic to Petromanas Energy Inc. ("Petromanas"). After closing, the Share Purchase Agreement was amended by an amending agreement dated May 25, 2010. As a result of this transaction, the Company acquired 200,000,000 common shares of Petromanas. 100,000,000 of these were issued on March 3, 2010 pursuant to the original terms of the Share Purchase Agreement; the additional 100,000,000 were received on May 26, 2010, pursuant to the amending agreement. The shares were subject to a hold period expiring September 24, 2011 and bore a legend to that effect.

In addition, all of these shares were deposited into an escrow pursuant to the requirements of the TSX Venture Exchange which provided for the release of the shares from escrow according to the following schedule:

Release dates	Number of shares released from escrow
June 24, 2010	10,000,000
August 24, 2010	15,000,000
February 24, 2011	15,000,000
June 24, 2011	40,000,000
August 24, 2011	30,000,000
February 24, 2012	30,000,000
August 24, 2012	30,000,000
February 24, 2013	30,000,000
Total	200,000,000



On July 6, 2012, DWM Petroleum sold 10,000,000 of these shares to one unrelated party at a price of CAD 0.17 per common share for gross proceeds of CAD 1,700,000 (USD 1,670,598). On August 17, 2012, pursuant to agreements dated August 13, 2012, DWM Petroleum sold an additional 90,000,000 of these Petromanas shares to twelve purchasers at a price of CAD 0.115 per common share for gross proceeds of CAD 10,350,000 (USD 10,445,050) together with the right to receive 22.5% of the Performance Shares if and when any Performance Shares are issued by Petromanas. As of December 31, 2012 no proceeds were allocated to these performance shares as they are only issuable upon achievement of certain conditions and the likelihood of the contingent event is not reasonably determined.

During the Period of October 18, 2013 to October 29, 2013, DWM Petroleum sold 1,000,000 shares at a price of CAD 0.12 per common share for gross proceeds of CAD 120,000 (USD 114,900) on the open market. On October 25, 2013, DWM Petroleum sold an additional 3,000,000 shares at a price of CAD 0.10 per common shares for gross proceeds of CAD 300,000 (USD 288,510) on the open market.

On November 8, 2013, DWM Petroleum sold an additional 46,000,000 shares at a volume weighted price of CAD 0.12 per common shares for gross proceeds of CAD 5,595,710 (USD 5,366,286) on the open market.

On December 31, 2013, DWM Petroleum owned and controlled 50,000,000 common shares of Petromanas and it had the right to acquire a further 38,750,000 common shares (referred to as "Performance Shares") upon the occurrence of certain conditions. The 50,000,000 common shares represent approximately 7.2% of the issued and outstanding common shares of Petromanas.

Since February 25, 2013 the fair value of the investment in Petromanas has been reclassified to Level 1 and no additional discount rate is being used for the current calculation of the investment.

Between February 26, 2014 and February 27, 2014 DWM Petroleum sold 1,500,000 shares of Petromanas (PMI) at a weighted average price of CAD 0.23 per common share for gross proceeds of CAD 337,500 (USD 300,602). On March 5, 2014, DWM Petroleum sold an additional 40,000,000 shares at a price of CAD 0.20 per common share for gross proceeds of CAD 8,000,000 (USD 7,214,632) on the open market. On March 06, 2014 DWM Petroleum sold 500,000 shares at a price of CAD 0.22 for gross proceeds of CAD 110,000 (USD 98,751).

As of March 31, 2014 DWM Petroleum holds 8,000,000 million shares in Petromanas, representing 1.2% of the outstanding shares. Additionally, it has the right to acquire a further 38,750,000 common shares (referred to as "Performance Shares") upon the occurrence of certain conditions.

The quoted market price for one common share of Petromanas on March 31, 2014 was CAD 0.205 (USD 0.185) .

11. RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of MNP Petroleum Corporation and the entities listed in the following table:

Company	Country	Equity share Mar 31, 2014	Equity share Dec 31, 2013
DWM Petroleum AG, Baar (1)	Switzerland	100%	100%
DWM Energy AG Baar (2)	Switzerland	100%	100%
Petromanas Energy Inc., Calgary (3)	Canada	1.2%	7.2%
CJSC South Petroleum Company, Jalalabat (4)	Kyrgyz Republic	25%	25%
CJSC Somon Oil Company, Dushanbe (5)	Republic of Tajikistan	90%	90%
Manas Management Services Ltd., Nassau Bahamas (6)		100%	100%
Manas Chile Energia Limitada, Santiago (7)	Chile	100%	100%
Gobi Energy Partners LLC, Ulaan Baator (8)	Mongolia	74%	74%
Gobi Energy Partners GmbH (9)	Switzerland	74%	74%

(1) Included Branch in Albania that was sold in February 2010

- (2) Founded in 2007
- (3) Petromanas Energy Inc. participation resulted from partial sale of Manas Adriatic GmbH; fair value method applied.
- (4) CJSC South Petroleum Company was founded by DWM Petroleum AG; equity method investee that is not consolidated
- (5) CJSC Somon Oil Company was founded by DWM Petroleum AG. As CJSC Somon Oil has been in a loss position since its inception and MNP is legally required to fund the losses, no no-controlling interest has been recorded.
- (6) Founded in 2008
- (7) Manas Chile Energia Limitada was founded by Manas Management Services Ltd.; founded in 2008
- (8) Gobi Energy Partners LLC was founded in 2009 by DWM Petroleum AG (formerly Manas Gobi LLC). Gobi Energy Partners GmbH holds record title to 100% of Gobi Energy Partners LLC.
- (9) Gobi Energy Partners GmbH was founded in 2010. DWM Petroleum AG holds 74% of Gobi Energy Partners GmbH. The Company determined that no value needs to be ascribed to the non-controlling interest due to the fact that the non-controlling parties do not carry any costs.

- CJSC South Petroleum Company

On October 4, 2006 a contract was signed with Santos International Holdings PTY Ltd. (“Santos”) to sell a 70% interest in CJSC South Petroleum Company, Jalalabat for a payment of USD 4,000,000, a two phase work program totalling USD 53,500,000 (Phase 1: USD 11,500,000, Phase 2: USD 42,000,000), additional working capital outlays of USD 1,000,000 per annum and an earn-out of USD 1,000,000 to former DWM shareholders to be settled in shares of Santos if they elect to enter into Phase 2 of the work program. If Santos does not exercise the option to enter into Phase 2, the 70% interest is returned to DWM Petroleum at no cost. On December 2, 2008, Santos announced to enter into Phase 2 and the earn-out was paid to former DWM shareholders.

In phase 2 of the work program, in the event Santos spends in excess of USD 42,000,000 on the appraisal wells, the Company would be obligated to pay 30% of the excess expenditure.

The Group is not recording its share of the losses.

Due to political uncertainty in the country Santos and DWM have decided to exit Kyrgyzstan. On July 2013 the board of directors took the decision to exit Kyrgyzstan. Since then all of the licenses have expired and Santos is in the process of winding up South Petroleum at its expense. There will be no liquidated damages as a result of exiting the venture. We wrote off our investment in associate of USD 238,304 during 2013.

The Company is currently being wound up and all costs are borne by Santos.

- CJSC Somon Oil (Tajikistan)

Santos International Ventures Pty Ltd had an option to enter into a farm in agreement in respect of these licenses, but decided in December 31, 2012 not to pursue this option. Santos continued to fund current capital expenditures, as well as certain general and administrative costs of Somon Oil until January 2013. DWM is in negotiations to setup a new consortium for this acreage, and we anticipate the financial commitment amounts to change. To date no liquidated damages have occurred.

- Related parties

The following table provides the total amount of transactions, which have been entered into with related parties for the specified period:

Related parties' transactions	<i>Three-month ended</i>	
	Mar 31, 2014	Mar 31, 2013
Affiliates		
Management services performed to Petromanas*	(278)	(11,493)
Board of directors		
Payments to directors for office rent	18,490	6,276
Payments to related companies controlled by directors for rendered consulting services	74,159	88,962

* Services invoiced or accrued are recorded as contra-expense in personnel cost and administrative cost

12. COMMITMENTS & CONTINGENT LIABILITIES

Legal actions and claims (Kyrgyz Republic, Republic of Tajikistan, Mongolia and Chile)

In the ordinary course of business, members of the Group doing business in Mongolia, Republic of Tajikistan, the Kyrgyz Republic, and Chile may be subject to legal actions and complaints from time-to-time. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition, the results of future operations or cash flows of the associates/subsidiaries in Mongolia, Republic of Tajikistan, the Kyrgyz Republic and Chile.

During the initial phase of applying for its Chilean Exploration license, the Company formed a joint bidding group with Improved Petroleum Recovery Tranquillo Chile (commonly referred to as “IPR”) and a start-up company called Energy Focus Limitada (“Energy Focus”). Each had a one-third interest. Of its own accord, Energy Focus left the bidding group. The three parties signed a side letter which provided that Energy Focus would have an option to rejoin the bidding group under certain conditions.

Even though Energy Focus had been asked many times to join the group by contributing its prorated share of capital, it failed to do so. Despite this, Energy Focus claims that it is entitled to participate in the consortium at any future time, not just under certain conditions. The Company and IPR believe that Energy Focus no longer has any right to join the bidding group because the conditions specified in the side letter did not occur and can no longer occur.

Energy Focus commenced litigation for specific performance and damages in an unspecified amount in Santiago de Chile, claiming interest in the Tranquillo Block from the Company and IPR, and their respective subsidiaries. The Company, IPR and their respective legal counsel were of the view that the Energy Focus claim was without merit, that it was brought in the wrong jurisdiction and that Energy Focus has failed to properly serve the parties. The trial court in Santiago dismissed the case, but the verdict was open to appeal. Energy Focus took an Appeal, which was dismissed by the Chilean courts. Energy Focus has now taken a second Appeal. The Company’s legal advisors are of the opinion that Energy Focus will not succeed in the second Appeal. The Company’s management believes that the ultimate liability, if any, arising from the Energy Focus litigation will not have a material adverse effect on the financial condition, the results of future operations or cash flows of the Company.

At March 31, 2014, there had been no legal actions against any member of the Group in the Kyrgyz Republic, Republic of Tajikistan and Mongolia.

Management believes that the members of the Group are in substantial compliance with the tax laws affecting their respective operations in the Kyrgyz Republic, Republic of Tajikistan and Mongolia. However, the risk remains that relevant authorities could take differing positions with regards to interpretative issues.

Management believes that the members of the Group are in substantial compliance with the tax laws affecting their respective operations in the Republic of Tajikistan, and Mongolia. However, the risk remains that relevant authorities could take differing positions with regards to interpretative issues.

13. PERSONNEL COSTS AND EMPLOYEE BENEFIT PLANS

Defined benefit plan

The Company maintains Swiss defined benefit plans for eight of its employees. These plans are part of independent collective funds providing pensions combined with life and disability insurance. The assets of the funded plans are held independently of the Company’s assets in a legally distinct and independent collective trust fund which serves various unrelated employers. The funds’ benefit obligations are fully reinsured by AXA Winterthur Insurance Company. The plans are valued by independent actuaries using the projected unit credit method. The liabilities

correspond to the projected benefit obligations of which the discounted net present value is calculated based on years of employment, expected salary increases, and pension adjustments.

Pension expense	<i>Three-month ended</i>	
	Mar 31, 2014	Mar 31, 2013
Net service cost	4,106	10,164
Interest cost	5,404	4,802
Expected return on assets	(4,417)	(3,853)
Amortization of net gain	5,812	4,931
Net periodic pension cost	10,906	16,044

During the three-month period ended March 3, 2014 and 2013, the Company made cash contributions of USD 112,364 and USD 91,343, respectively, to its defined benefit pension plan. The Company does not expect to make any additional cash contributions to its defined benefit pension plans during the remainder of 2014.

14. FAIR VALUE MEASUREMENT

14.1. Fair Value Measurements

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Financial assets carried at fair value are classified in one of the three categories as follows:

Financial assets and liabilities carried at fair value as of March 31, 2014:

Financial assets 2014 (in USD)	Level 1	Level 2	Level 3
Investment in associate (Petromanas)	1,482,395	-	-
Total	1,482,395	-	-

Financial assets and liabilities carried at fair value as of December 31, 2013:

Financial assets 2013 (in USD)	Level 1	Level 2	Level 3
Investment in associate (Petromanas)	7,478,799	-	-
Total	7,478,799	-	-

14.2. Fair Value of Financial Instruments

In addition to the methods and assumptions the Company uses to record the fair value of financial instruments as discussed in the Fair Value Measurements section above, the Company used the following methods and assumptions to estimate the fair value of its financial instruments.

- **Cash and cash equivalents** – carrying amount approximated fair value.
- **Restricted cash** – carrying amount approximated fair value.
- **Accounts receivable** – carrying amount approximated fair value.
- **Transaction prepayment** – carrying amount approximated fair value.
- **Investment in Petromanas** – the fair value was calculated based on quoted market prices.
- **Accounts Payable** – carrying amount approximated fair value.

The fair value of the Company's financial instruments is presented in the table below (in USD):

	<i>Mar 31, 2014</i>		<i>Dec 31, 2013</i>		<i>Fair Value Levels</i>	<i>Reference</i>
	<i>Carrying Amount</i>	<i>Fair Value</i>	<i>Carrying Amount</i>	<i>Fair Value</i>		
Cash and cash equivalents	8,993,359	8,993,359	3,063,947	3,063,947	1	Note 4
Restricted cash	103,700	103,700	46,738	46,738	1	
Transaction prepayment	10,111,656	10,111,656	10,111,656	10,111,656	1	Note 5
Accounts receivable	15,929	15,929	32,508	32,508	1	
Investment in Petromanas	1,482,395	1,482,395	7,478,799	7,478,799	1	Note 10
Accounts Payable	735,343	735,343	447,736	447,736	1	

15. EARNINGS PER SHARE

Basic earnings per share result by dividing the Company's net income (or net loss) by the weighted average number of shares outstanding for the contemplated period. Diluted earnings per share are calculated applying the treasury stock method. When there is a net income, dilutive effects of all stock-based compensation awards or participating financial instruments are considered. When the Company posts a loss, basic loss per share equals diluted loss per share.

The following table depicts how the denominator for the calculation of basic and diluted earnings per share was determined under the treasury stock method:

	<i>Three-month period ended</i>	
	Mar 31, 2014	Mar 31, 2013
Company posted	Net income	Net loss
Basic weighted average shares outstanding	172,592,292	172,592,292
Dilutive effect of common stock equivalents:	-	-
- stock options and non-vested stock under employee compensation plans	-	-
Diluted weighted average shares outstanding	172,952,292	172,592,292

The following table shows the total number of stock equivalents that was excluded from the computation of diluted earnings per share for the respective period because the effect would have been anti-dilutive:

Stock equivalent	<i>Three-month ended</i>	
	Mar 31, 2014	Mar 31, 2013
Options	12,100,000	13,850,000
Warrants	44,450,500	45,934,015
Non-vested shares	-	-
Total	56,550,500	59,784,015

16. SUBSEQUENT EVENT(S)

None

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This quarterly report contains forward-looking statements. Forward-looking statements are statements that relate to future events or future financial performance. In some cases, you can identify forward-looking statements by the use of terminology such as “may”, “should”, “intend”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “predict”, “potential”, or “continue” or the negative of these terms or other comparable terminology. These statements speak only as of the date of this quarterly report. Examples of forward-looking statements made in this quarterly report include statements pertaining to, among other things:

- management's assessment that our company is a going concern;
- our planned acquisition of a producing asset in Tajikistan and our plans to rehabilitate that asset;
- our plans to form a new consortium to pursue Somon Oil's project in Tajikistan;
- the quantity of potential natural gas and crude oil resources;
- potential natural gas and crude oil production levels;
- capital expenditure programs;
- projections of market prices and costs;
- supply and demand for natural gas and crude oil;
- our need for, and our ability to raise, capital; and
- treatment under governmental regulatory regimes and tax laws.

The material assumptions supporting these forward-looking statements include, among other things:

- our monthly burn rate of approximately USD 526,614 (corporate USD 288,654, ventures USD 237,960) for our operating costs (approximately USD 722,000 if certain capital expenditures costs are included for our operating costs (excluding exploration expenses));
- our ability to obtain necessary financing on acceptable terms;
- timing and amount of capital expenditures;
- our ability to obtain necessary drilling and related equipment in a timely and cost-effective manner to carry out exploration activities;
- our venture partners' successful and timely performance of their obligations with respect to the exploration programs in which we are involved;
- retention of skilled personnel;
- the timely receipt of required regulatory approvals;
- continuation of current tax and regulatory regimes;
- current exchange rates and interest rates; and
- general economic and financial market conditions.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- our ability to establish or find resources or reserves;
 - our need for, and our ability to raise, capital;
 - our need for, and our ability to obtain, regulatory and stock exchange approval for our proposed acquisition in Tajikistan;
 - volatility in market prices for natural gas and crude oil;
 - liabilities inherent in natural gas and crude oil operations;
 - uncertainties associated with estimating natural gas and crude oil resources or reserves;
 - competition for, among other things, capital, resources, undeveloped lands and skilled personnel;
 - political instability or changes of law in the countries we operate and the risk of terrorist attacks;
 - assessments of the acquisitions;
 - geological, technical, drilling and processing problems; and
 - other factors discussed under the section entitled “Risk Factors” in our annual report on Form 10-K filed on March 31, 2014.
-

These risks, as well as risks that we cannot currently anticipate, could cause our company's or our industry's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or performance; except as required by applicable law, including the securities laws of the United States and Canada, and we do not intend to update any of the forward-looking statements to conform these statements to actual results.

As used in this quarterly report, the terms "we", "us", and "our" refer to MNP Petroleum Corporation, its wholly-owned subsidiaries DWM Petroleum AG, a Swiss company, DWM Energy AG (formerly Manas Petroleum AG), a Swiss company, and Manas Management Services Ltd., a Bahamian company, and its partially owned subsidiaries CJSC Somon Oil Company, a Tajikistan company, Gobi Energy Partners GmbH, a Swiss company, and Gobi Energy Partners LLC, a Mongolian company, and its 25% ownership interest in CJSC South Petroleum Company, a Kyrgyz company and its 1.2% ownership interest in Petromanas Energy Inc., an Alberta company listed on the TSX Venture Exchange in Canada (TSXV: PMI), as the context may require.

The following discussion and analysis provides a narrative about our financial performance and condition that should be read in conjunction with the unaudited consolidated financial statements and related notes thereto included in this quarterly report.

Overview of Business Operations

We are in the business of exploring for oil and gas, primarily in Central and East Asia. If we discover sufficient reserves of oil or gas, we intend to exploit them. Although we are currently focused primarily on projects located in certain geographic regions, we remain open to attractive opportunities in other areas. We do not have any known reserves on any of our properties.

We carry out our operations both directly and through participation in ventures with other oil and gas companies. We are actively involved in exploration projects in Tajikistan and Mongolia. In addition we have agreed to purchase a producing oilfield in Tajikistan, though this acquisition remains subject to closing conditions and regulatory approvals.

We have no operating income yet and, as a result, depend upon funding from various sources to continue operations and to implement our growth strategy.

Results of Operations (the Three-month period ended March 31, 2014 compared to the Three-month period ended March 31, 2013)

Net income/net loss

Net income for the three-month period ended March 31, 2014, was USD 244,322 compared to net loss of USD 8,933,264 for the same period in 2013. This increase of USD 9,180,314 was primarily due to a change in fair value of our investment in Petromanas.

Operating expenses

Operating expenses for the three-month period ended March 31, 2014, decreased to USD 1,346,195 from USD 1,761,272 reported for the same period in 2013. This decrease of 24% in our total operating expenses is mainly due to decreased personnel costs in our headquarters and a reduction in stock based compensation expenses.

Personnel costs

For the three-month period ended March 31, 2014, personnel costs decreased to USD 399,660 from USD 722,927 for the same period in 2013. This decrease of 45% is attributable to lower costs associated to equity awards under the stock compensation and stock option plans .

Exploration costs

For the three-month period ended March 31, 2014, we incurred exploration costs of USD 292,428 as compared to USD 175,098 for the same period in 2013. This is an increase of 67 % and is due to increased exploration activity at our project in Tajikistan.

Consulting fees

For the three-month period ended March 31, 2014 we incurred consulting fees of USD 331,396 as compared to consulting fees of USD 476,874 for same period in 2013. This decrease of approximately 31% is primarily attributable to consulting costs for investor relations and financial advisors.

For the three-month period ended March 31, 2014, we incurred expenses of USD 12,772 related to equity-based awards to non-employees, as compared to expense of USD (8,373) for the same period in 2013.

For the three-month period ended March 31, 2014, we incurred expenses of USD 48,123 related to regulatory consulting, as compared to an expense of USD 41,713 for the same period in 2013.

Administrative costs

For the three-month period ended March 31, 2014, we recorded administrative costs of USD 310,561 compared to USD 374,443 for the same period in 2013. This decrease of 17% is mainly attributable to a decrease of office rent and travel costs.

Non-operating income/expense

For the three-month period ended March 31, 2014, we recorded a non-operating income of USD 1,593,256 compared to a non-operating loss of USD 7,171,992 for the same period in 2013. This increase of USD 8,765,248 is mainly attributable to a change in the value of our investment in Petromanas, as we recorded an increase in fair value of investment in associate (Petromanas) of USD 1,619,803 compared to a reduction in fair value of investment in associate of USD 7,148,060 for the same period in 2013.

Liquidity and Capital Resources

Our cash balance as of March 31, 2014 was USD 8,993,359. Shareholders' equity as of March 31, 2014 was USD 20,972,217. As of March 31, 2014, total current assets were USD 11,126,735 and total current liabilities were USD 820,078, resulting in net working capital of USD 10,306,657. Of our cash balance as of March 31, 2014, USD 8,993,359 was on bank accounts of MNP Petroleum Corp. and its subsidiaries. Since our company considers foreign subsidiaries to be permanently invested, taxes will be due in the event of repatriation.

We initially owned 200,000,000 shares of Petromanas Energy. Since July 6, 2012, we sold 100,000,000 of these shares to various purchasers. After the sale of a further 4,000,000 Petromanas shares on October 25, 2013, 46,000,000 Petromanas shares on November 5, 2013 and a further 42,000,000 between February 26, 2014 and March 6, 2014 respectively, we hold 8,000,000 million common shares of Petromanas.

Cash Flows (in USD)

	<i>Three-month period ended</i>	
	Mar 31, 2014	Mar 31, 2013
Net Cash used in Operating Activities	(1,488,258)	(1,362,481)
Net Cash used in Investing Activities	7,395,405	(33,471)
Net Cash used in Financing Activities	-	(149,636)
Change in Cash and Cash Equivalents during the Period	5,907,147	(1,545,588)

Operating Activities

Net cash used in operating activities of USD 1,488,258 for the three-month period ended March 31, 2014 changed from net cash used of USD 1,362,481 for the same period in 2013. This increase in net cash used in operating activities of USD 125,777, is mainly due to a net change in account payables of USD 203,590, a net change in accrued expenses of USD 616,773 and a net change in receivables of USD 163,564.

Investing Activities

Net cash from investing activities of USD 7,395,405 for the three-month period ended March 31, 2014 changed from net cash used in investing activities of USD 33,471 for the same period in 2013. This increase of USD 7,428,876 in cash from investing activities is mainly attributable to proceeds from a sale of investment in associate.

Financing Activities

Net cash from financing activities of USD 0 for the three-month ended March 31, 2014 changed from net cash used of USD 149,636 for the same period in 2013. This increase of USD 149,636 is due to a reduction in refundable deposits.

Cash Requirements

The following table outlines the estimated cash requirements for our operations for the next 12 months (in USD):

<i>Expenses</i>	<i>Amount in USD</i>
Corporate	3,463,854 ¹
Kyrgyzstan	28,800 ¹
Mongolia	941,965 ²
Tajikistan - Exploration	2,107,710 ³
Tajikistan - Rehabilitation	2,000,000 ⁴
Business Development	120,000
Total	8,662,329

- (1) The information presented in the table above includes the costs related to our normal operational activities only.
- (2) The information presented in the table above includes the costs related to our normal operational activities. It does not include financial commitments as we are subject to certain expenditures and commitments in order to maintain our licenses which are currently pending re- negotiations.
- (3) The information presented in the table above includes the costs related to our normal operational activities and development of infrastructure but does not include any drilling/seismic activity.
- (4) Payment to Kavsar in compensation for its expenses pursuant to section 3.4.2 of the Share Purchase Agreement, exhibit 10.24.

Our monthly burn rate (excluding exploration, drill-site preparation activities and the rehabilitation payment of USD 2,000,000) amounts to approximately USD 526,614.05 (corporate USD 288,654, ventures USD 237,960) and USD 722,000 if included. Considering our net working capital and our 8 million shares in Petromanas Energy Inc., we believe that we are able to fund our planned operations for the next twelve months.

Plan for Acquisition

On December 31, 2012, DWM Petroleum entered into a Share Purchase Agreement with Kavsar General Trading FZE (“seller”), an unrelated third party, to purchase, for USD 21,000,000 in cash, 80% of the equity interest in TF Petroleum AG, a Swiss company, which, at the time of closing of the transaction described in the Share Purchase Agreement, would have owned Petroleum Sugd, a Tajik company which in turn would have owned 100% of the interest in certain producing oilfield assets located in Tajikistan. Energy Partners Austria GmbH, the seller’s wholly-owned subsidiary of Kavsar General Trading, currently owns the majority of the equity in Petroleum Sugd.

DWM Petroleum has already advanced an aggregate of USD 10,111,656 as a deposit on account of the purchase price. If the seller satisfied certain conditions by March 31, 2013, DWM Petroleum would have been required to make an additional advance payment to Kavsar. DWM Petroleum would have been required to pay the remaining balance of the purchase price to the seller on the closing date being September 27, 2013.

If the transaction was not completed because Kavsar did not satisfy the conditions to the next advance, Kavsar must have refunded to DWM Petroleum the USD 10,111,656 deposit, subject to payment by DWM Petroleum of a termination fee in the amount of USD 2,000,000 intended to compensate the seller for expenses it has incurred in connection with the transaction. Effective June 27, 2013, Kavsar has fulfilled all conditions for the next advance. Effective June 27, 2013 pursuant to Amendment 4 to the Share Purchase Agreement, the date for next advance payment was extended to ninety days from the date the seller has satisfied the requisite conditions. If DWM Petroleum is required to make the next advance but fails to do so, Kavsar is required to refund to DWM Petroleum the USD 10,111,656 deposit previously paid by delivering to DWM Petroleum 65% shares of Energy Partners Austria GmbH. In that event, DWM Petroleum is also required to pay to Kavsar the sum of USD 2,000,000, which is intended to compensate Kavsar for its expenses.

DWM Petroleum did not make the next advance payment by September 27, 2013 and therefore pursuant to the Share Purchase Agreement DWM Petroleum is now entitled to receive 65% of the shares of Energy Partners Austria. DWM Petroleum then started discussions with Kavsar to continue the acquisition under a new share purchase agreement in lieu of receiving 65% of the shares of Energy Partners Austria.

On March 31, 2014 DWM Petroleum and Kavsar signed a Supplement Agreement which is effective September 27, 2013 (Exhibit 10.31) to the Share Purchase Agreement. The Supplement Agreement outlines pursuant to Article 3.4.2 of the Share Purchase Agreement that DWM Petroleum is entitled to receive from Kavsar 65% of the participation certificates in Energy Partners Austria, the beneficial owner of 57.42% shares in Petroleum Sugd, a joint venture with limited liability incorporated under the laws of Tajikistan and operator of the oil fields in Tajikistan, subject to the payment of USD 2 million by DWM Petroleum. Furthermore, the Supplement Agreement outlines that Kavsar shall transfer all shares from TF Petroleum AG, a company incorporated under the Laws of Switzerland, including the assets for zero consideration to DWM Petroleum. In return DWM Petroleum shall waive USD 100,000 from the prepayment. Starting January 1, 2014 DWM Petroleum will be eligible to future profits and dividends from Energy Partners Austria. The closing of the transaction is subject to the capital restructuring requirement of Energy Partners Austria by Kavsar, the notary act and regulatory approval. After the finalization of the Supplement Agreement the Share Purchase Agreement is concluded.

Tajikistan

The Production Sharing Contract for the Western and Northwestern Licenses was ratified in May 2012. Before the ratification, the company acquired 1,310 Km of onshore and offshore 2D seismic. It included regional as well as prospect related 2D seismic campaign. The survey was very complex due to the different landscapes which had to be covered. It consisted of vibro-seismic, dynamite seismic and offshore seismic on Lake Kayrakkum.

Until recently, our interest in the Somon Oil project was fully carried by Santos International Ventures Pty Ltd pursuant to a 2007 Option Agreement but, on December 21, 2012, Santos International informed us that it had decided not to pursue its option. Santos International continued to fund Somon Oil’s operations through January, 2013. During 2013 Santos transferred all data to DWM Petroleum and Somon Oil. Reprocessing and reinterpretation resulted in a new sequence of drilling candidates. Based on its review of the data, Somon Oil

continues to be confident in the project's high exploration potential and we are actively working on establishing a new consortium. The anticipated farm-in agreement, foresees that DWM is fully carried and there are no liquidated damages in case of failure. On January 16, 2014, Somon Oil entered into a contract with JSC Sugdnaftugaz for the construction of the drilling location and the access road for the Kayrakkum B exploration well. JSC Sugdnaftugaz, based in Neftebad, Tajikistan, is a reputable oil field contractor with over 50 years of experience in these operations in the area. The work at the Kayrakkum B well site is progressing without incident, and JSC Sugdnaftugaz expects to complete the task in May 2014. On March 20, 2014 Somon Oil entered into a purchase agreement for the wellhead and the first two casing sections for Kayrakkum B, with DONGYING QIHAI PETROLEUM ENGINEERING CO., LTD, based in the PR of China. After the manufacturing (until early June), the materials will be delivered to Mahram Base for storage, close to the Kayrakkum B location.

Mongolia

Early in 2012, Gobi Energy Partners LLC focused on the integration and interpretation of seismic data acquired in 2011. From April to May 2012, it conducted a passive seismic campaign using low-frequency spectroscopy to support the seismic. From June to August, 2012, Gobi Energy also conducted a 2D seismic acquisition (vibroseis) program covering 335 kilometers over both blocks.

Gobi Energy spudded its first well, Ger Chuluu A1, on August 23, 2012. It stopped drilling at a depth of 1098 meters without having encountered any seal. The initially planned second well East Sainshand A1 was located in another sub-basin 170 kilometers away. In order to have a conclusive evaluation of the Ger Chuluu sub-basin, Gobi Energy decided to drill a second well before moving to East Sainshand. Ger Chuluu D1, the second well in the Ger Chuluu sub-basin, was spudded on September 21, 2012. Drilling was stopped after reaching 600 meters without any hydrocarbon shows. After logging, the well was plugged and abandoned.

Gobi Energy had originally focused on six sub-basins in Mongolia; after drilling in the Ger Chuluu sub basin and conducting additional studies, Gobi Energy is now focusing on two sub basins, East and West Sainshand. In order to enlarge the area to define more prospects to drill the outstanding commitments, Gobi Energy signed a moratorium with the government of Mongolia for the duration of one year ending in May 2014. During this period Gobi Energy expects the government to award us with relinquished areas from adjacent blocks.

Kyrgyzstan

Our wholly-owned subsidiary, DWM Petroleum AG, owns 25% of the issued shares of South Petroleum Company, a Kyrgyz company incorporated in 2004. Through its wholly-owned subsidiary, Santos International Holding Pty Ltd., Santos Limited owns 70% of South Petroleum and a Kyrgyz government entity, Kyrgyzneftegaz, owns the remaining five percent. Santos International Holding Pty Ltd. and DWM Petroleum AG are parties to a farm-in agreement dated October 4, 2006, as amended, and a majority shareholder agreement dated November 13, 2006.

South Petroleum Company originally owned five exploration licenses covering a total area of approximately 569,578 acres (or 2,305 km²). Due to political uncertainty in the country Santos and DWM have decided to exit Kyrgyzstan. On July 2013 the board of directors took the decision to exit Kyrgyzstan. Since then all of the licenses have expired and Santos is in the process of winding up South Petroleum at its expense. There will be no liquidated damages as a result of exiting the venture. In the meantime all licenses have expired. We wrote off our investment in associate of USD 238,304 during 2013.

Investments in associate (1.2% equity investment in Petromanas Energy Inc.)

After the sale of an additional 42 million Petromanas shares between February 26, 2014 and March 6, 2014, DWM Petroleum owns approximately 1.2% of the issued common shares of Petromanas Energy Inc. (TSXV: PMI).

DWM Petroleum acquired its equity interest in Petromanas Energy in exchange for all of the issued shares of Petromanas Albania GmbH (formerly known as Manas Adriatic GmbH) in a transaction that closed on February 24, 2010. On December 31, 2012, Petromanas Energy acquired Gallic Energy, which has assets in France and Australia. More information on Petromanas Energy Inc. can be retrieved from their website www.petromanas.com.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

Item 4. Controls and Procedures.***Disclosure Controls and Procedures***

We maintain “disclosure controls and procedures”, as that term is defined in Rule 13a-15(e), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company’s reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by paragraph (b) of Rules 13a-15 under the Securities Exchange Act of 1934, our management, with the participation of our principal executive officer and our principal financial officer, evaluated our company’s disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation, our principal executive officer and our principal financial officer concluded that as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended March 31, 2014, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II. —OTHER INFORMATION**Item 1. Legal Proceedings**

Except as disclosed below, there are no pending legal proceedings to which our company or any of our subsidiaries is a party or of which any of our properties, or the properties of any of our subsidiaries, is the subject. In addition, we do not know of any such proceedings contemplated by any governmental authorities.

Litigation in Chile

Manas Management Services Ltd., our wholly-owned Bahamian subsidiary, owned 99% of Manas Energia Chile Limitada which in turn, was one of the parties to a farm-out agreement in respect of a project located in Chile.

During the initial phase of applying for our Chilean Exploration license, we formed a joint bidding group with Improved Petroleum Recovery Tranquillo Chile (commonly referred to as “IPR”) and a start-up company called Energy Focus Limitada (“Energy Focus”). Each had a one-third interest. Of its own accord, Energy Focus left the bidding group. The three parties signed a side letter which provided that Energy Focus would have an option to rejoin the bidding group under certain conditions.

Even though Energy Focus had been asked many times to join the group by contributing its prorated share of capital, it failed to do so. Despite this, Energy Focus claims that it is entitled to participate in the consortium at any future time, not just under certain conditions. We and IPR believe that Energy Focus no longer has any right to join the bidding group because the conditions specified in the side letter did not occur and can no longer occur.

Energy Focus commenced litigation for specific performance and damages in an unspecified amount in Santiago de Chile, claiming interest in the Tranquilo Block from our company and IPR, and our respective subsidiaries. Our company, IPR and our respective legal counsel are of the view that the Energy Focus claim is without merit, that it was brought in the wrong jurisdiction and that Energy Focus has failed to properly serve the parties. The trial courts of Santiago have dismissed the case, but the verdict was open to appeal. Energy Focus took an appeal, and that too was dismissed by the Chilean courts. Energy Focus has now taken a second appeal. Our legal advisors are of the opinion that Energy Focus will not succeed in the second appeal. Our management believes that the ultimate liability, if any, arising from the Energy Focus litigation will not have a material adverse effect on the financial condition, the results of future operations or cash flows of our company.

In January 2010, we signed an agreement to transfer our interest in this Chilean project and on April 14, 2011, we transferred all our rights, interests and obligations in the project to Methanex and Wintershall. The Chilean Minister of Energy authorized this transfer on April 28, 2011. The cash payment for the transfer of the Company’s interest in the Chilean project of USD 72,000 was received on September 23, 2011 from the new owners.

There were no new developments in this Chilean lawsuit in the three months ended March 31, 2014.

Item 1A. Risk Factors

Information regarding risk factors appears in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2013. There have been no material changes for the three-month period ended March 31, 2014 from the risk factors disclosed in the 2013 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits**EXHIBIT**

Number	Description
(3)	Articles of Incorporation and Bylaws
3.1	Articles of Incorporation (incorporated by reference to an exhibit to our Registration Statement on Form SB-2 filed on July 14, 2003)
3.2	Certificate of Amendment to Articles of Incorporation of Express Systems Corporation filed on April 2, 2007 (changing name to Manas Petroleum Corporation) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
3.3	Certificate of Amendment to Articles of Incorporation filed on April 22, 2013 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on May 20, 2013)
3.4	Certificate of Amendment dated effective January 20, 2014 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on January 14, 2014)
3.5	Amended and Restated Bylaws (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on November 1, 2011)
(4)	Instruments Defining the Rights of Security Holders, including Indentures
4.1	Warrant Indenture dated May 6, 2011 with Equity Financial Trust Company (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 9, 2011)
(10)	Material Contracts
10.1	Share Exchange Agreement, dated November 23, 2006 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.2	Farm-In Agreement, dated October 4, 2006 (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
10.3	Letter Agreement – Phase 2 Work Period with Santos International Operations Pty. Ltd, dated July 28, 2008 (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on April 15, 2009)
10.4	Side Letter Agreement – Phase 1 Completion and Cash Instead of Shares with Santos International Holdings Pty Ltd., dated November 24, 2008 (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on April 15, 2009)
10.5	2007 Revised Omnibus Plan (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on April 15, 2009)
10.6	Production Sharing Contract for Contract Area Tsagaan Els-13 between the Petroleum Authority of Mongolia and DWM Petroleum (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.7	Production Sharing Contract for Contract Area Zuunbayan-14 between the Mineral Resources and Petroleum Authority of Mongolia and DWM Petroleum (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.8	Letter from AKBN regarding Production Sharing Contracts for Blocks A-B and D-E dated May 5, 2009 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q/A filed on July 24, 2009)
10.9	Employment Agreement between Ari Muljana and MNP Petroleum Corporation dated April 1, 2009 (incorporated by reference to an exhibit to our Registration Statement on Form S-1 filed on July 30, 2009)

Number	Description
10.10	Consultancy Agreement dated November 21, 2008 with Dr. Richard Schenz (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on August 13, 2009)
10.11	Share Purchase Agreement dated February 12, 2010 between Petromanas Energy Inc. (formerly WWI Resources Ltd.), DWM Petroleum AG and Petromanas Albania GmbH (formerly Manas Adriatic GmbH) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 25, 2010)
10.12	Form of Stock Option Agreement (Investor Relations) (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 18, 2010)
10.13	Form of Stock Option Agreement (Non-Investor Relations) (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 18, 2010)
10.14	Agreement dated January 29, 2010 relating to the assignment of the interest in the Chilean project (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 18, 2010)
10.15	Agreement between Gobi Energy Partners LLC and DQE International Tamsag (Mongol) LLC (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on September 7, 2010)
10.16	Appointment as Director dated September 16, 2010 by Dr. Werner Ladwein (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on November 15, 2010)
10.17	Employment and Non-Competition Agreement dated October 1, 2010 with Peter-Mark Vogel (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on November 15, 2010)
10.18	Cooperation Agreement dated November 5, 2010 with Shunkhlai Group LLC (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on December 2, 2010)
10.19	Form of Lock-Up Agreement with Raymond James Ltd. and executive officers and directors (incorporated by reference to an exhibit to our Registration Statement on Form S-1/A filed on April 28, 2011)
10.20	Escrow Agreement dated May 3, 2011 with Equity Financial Trust Company and our officers and directors (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on May 9, 2011)
10.21	Share Purchase Agreement dated December 31, 2012 (<i>portions of the exhibit have been omitted pursuant to a request for confidential treatment</i>) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on January 4, 2013)
10.22	Amendment 1 to Share Purchase Agreement effective December 31, 2012 (incorporated by reference to an exhibit to our Current Report on Form 8-K/A filed on June 28, 2013) (<i>portions of the exhibit have been omitted pursuant to a request for confidential treatment</i>)
10.23	Amendment 2 to Share Purchase Agreement effective December 31, 2012 (incorporated by reference to an exhibit to our Current Report on Form 8-K/A filed on June 28, 2013) (<i>portions of the exhibit have been omitted pursuant to a request for confidential treatment</i>)
10.24	Amendment 3 to Share Purchase Agreement effective December 31, 2012 (incorporated by reference to an exhibit to our Current Report on Form 8-K/A filed on June 28, 2013) (<i>portions of the exhibit have been omitted pursuant to a request for confidential treatment</i>)
10.25	Form of Amendment to IR Consulting Agreement dated February 1, 2013 with General Research GmbH (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 28, 2013)
10.26	Form of Stock Option Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 28, 2013)
10.27	Form of Stock Option Cancellation Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 28, 2013)
10.28	Consulting agreement dated June 18, 2013 with Undiscovered Equities Inc. (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on July 11, 2013)
10.29	Form of Stock Option Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on July 11, 2013)
10.30	Loan Agreement dated August 8, 2013 between DWM Petroleum AG and Tulip Fund NV (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on August 19, 2013)
10.31	Supplement Agreement to Share Purchase Agreement effective September 27, 2013 (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 31, 2014)
(14)	Code of Ethics

Number	Description
14.1	Code of Ethics, adopted May 1, 2007 (incorporated by reference to an exhibit to our Registration Statement on Form SB-2 filed on November 21, 2007)
(31)	Rule 13a-14 Certifications
31.1*	Section 302 Certification of Chief Executive Officer
31.2*	Section 302 Certification of Chief Financial Officer
(32)	Section 1350 Certifications
32.1*	Section 906 Certification of Chief Executive Officer
32.2*	Section 906 Certification of Chief Financial Officer
(99)	Additional Exhibits
99.1	Audit Committee Charter (incorporated by reference to an exhibit to our Registration Statement on Form S-1 filed on February 2, 2011)
(101)	XBRL
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MNP PETROLEUM CORPORATION

By

/s/ Dr. Werner Ladwein

Dr. Werner Ladwein
Chief Executive Officer, President and Director
(Principal Executive Officer)

Date: May 14, 2014

By

/s/ Peter-Mark Vogel

Peter-Mark Vogel
Chief Financial Officer, Treasurer and Secretary
(Principal Financial Officer and Principal Accounting Officer)

Date: May 14, 2014

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Werner Ladwein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MNP Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 14, 2014

/s/ Dr. Werner Ladwein

Dr. Werner Ladwein

Chief Executive Officer, President and Director

(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter-Mark Vogel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MNP Petroleum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 14, 2014

/s/ Peter-Mark Vogel

Peter-Mark Vogel

Chief Financial Officer, Treasurer and Secretary

(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Dr. Werner Ladwein, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the quarterly report on Form 10-Q of MNP Petroleum Corporation for the period ended March 31, 2014 fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of MNP Petroleum Corporation.

Date: May 14, 2014

/s/ Dr. Werner Ladwein

Dr. Werner Ladwein
Chief Executive Officer, President and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Peter-Mark Vogel, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the quarterly report on Form 10-Q of MNP Petroleum Corporation for the period ended March 31, 2014 fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of MNP Petroleum Corporation.

Date: May 14, 2014

/s/ Peter-Mark Vogel

Peter-Mark Vogel

Chief Financial Officer, Treasurer and Secretary

(Principal Financial Officer and Principal Accounting Officer)
