

# MNP PETROLEUM CORP

## FORM 10-Q (Quarterly Report)

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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 **June 30, 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   
Non-accelerated filer  (Do not check if a smaller reporting company)

Accelerated filer   
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

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 August 8, 2014.**

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## PART I. — FINANCIAL INFORMATION

## Item 1. Financial Statements.

MNP PETROLEUM CORPORATION  
(AN EXPLORATION STAGE COMPANY)

## CONSOLIDATED BALANCE SHEETS - UNAUDITED

	06.30.2014 USD	12.31.2013 USD
<b>ASSETS</b>		
Cash and cash equivalents	7,047,161	3,063,947
Restricted cash	215,033	46,738
Accounts receivable	22,968	32,508
Investment in associate (Petromanas)	2,549,020	7,478,799
Other prepaid expenses	569,287	302,713
<b>Total current assets</b>	<b>10,403,469</b>	<b>10,924,705</b>
Tangible fixed assets	118,794	132,374
Oil and gas properties (unproved)	742,361	772,855
Transaction prepayment	10,000,000	10,111,656
<b>Total non-current assets</b>	<b>10,861,155</b>	<b>11,016,885</b>
<b>TOTAL ASSETS</b>	<b>21,264,624</b>	<b>21,941,590</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	691,084	447,736
Accrued expenses exploration costs	-	312,000
Other accrued expenses	125,700	332,835
Refundable deposits	1,648	-
<b>Total current liabilities</b>	<b>818,432</b>	<b>1,092,571</b>
Pension liabilities	142,271	142,271
<b>Total non-current liabilities</b>	<b>142,271</b>	<b>142,271</b>
<b>TOTAL LIABILITIES</b>	<b>960,703</b>	<b>1,234,842</b>
Common Stock (600,000,000 shares authorized as of June 30, 2014 and 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	78,570,284	78,527,990
Treasury stock	(102,242)	-
Retained deficit accumulated during the exploration stage	(58,375,033)	(58,044,835)
Currency translation adjustment	38,320	51,001
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>20,303,921</b>	<b>20,706,748</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>21,264,624</b>	<b>21,941,590</b>

**MNP PETROLEUM CORPORATION**  
**(AN EXPLORATION STAGE COMPANY)**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS - UNAUDITED**

	For the three months ended 06.30.2014 USD	06.30.2013 USD	For the six months ended 06.30.2014 USD	06.30.2013 USD	Period from 05.2004(inception) to 06.30.2014
<b>OPERATING REVENUES</b>					
Other revenues	-	-	-	-	1,375,728
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,375,728</b>
<b>OPERATING EXPENSES</b>					
Personnel costs	(377,362)	(580,808)	(777,022)	(1,303,735)	(33,538,050)
Exploration costs	(369,636)	(359,657)	(662,064)	(534,755)	(20,929,945)
Depreciation	(12,120)	(13,858)	(24,270)	(25,788)	(410,068)
Consulting fees	(438,071)	(519,078)	(769,467)	(995,952)	(15,555,452)
Administrative costs	(422,742)	(349,125)	(733,303)	(723,568)	(18,976,655)
<b>Total operating expenses</b>	<b>(1,619,931)</b>	<b>(1,822,526)</b>	<b>(2,966,126)</b>	<b>(3,583,798)</b>	<b>(89,410,170)</b>
Gain from sale of investment	-	-	-	-	3,864,197
Loss from sale of investment	-	-	-	-	(900)
<b>Operating loss</b>	<b>(1,619,931)</b>	<b>(1,822,526)</b>	<b>(2,966,126)</b>	<b>(3,583,798)</b>	<b>(84,171,145)</b>
<b>NON-OPERATING INCOME / (EXPENSE)</b>					
Exchange differences	(18,779)	(11,712)	(45,258)	(35,722)	62,903
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	1,066,625	(339,675)	2,686,428	(7,487,735)	(14,881,681)
Interest income	-	765	-	843	609,201
Interest expense	(85)	-	(153)	-	(2,637,474)
Loss on extinguishment of debt	-	-	-	-	(117,049)
Loss from sale of investment in associate	-	-	-	-	(3,507,397)
<b>Income/(Loss) before taxes and equity in net loss of associate</b>	<b>(572,170)</b>	<b>(2,173,148)</b>	<b>(325,109)</b>	<b>(11,106,412)</b>	<b>(66,672,588)</b>
Income taxes	(2,350)	(225)	(5,089)	(225)	(150,642)
Equity in net loss of associate	-	-	-	-	(24,523)
<b>Net income/(loss) from continuing operations</b>	<b>(574,520)</b>	<b>(2,173,373)</b>	<b>(330,198)</b>	<b>(11,106,637)</b>	<b>(66,847,753)</b>
<b>DISCONTINUED OPERATIONS</b>					
Gain from divestiture	-	-	-	-	51,663
Operating expenses	-	-	-	-	(647,213)
<b>Income/(Loss) from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(595,550)</b>
<b>Net income/(loss)</b>	<b>(574,520)</b>	<b>(2,173,373)</b>	<b>(330,198)</b>	<b>(11,106,637)</b>	<b>(67,443,303)</b>
Net loss attributable to non-controlling interest	-	-	-	-	(18,700)
<b>Net income/(loss) attributable to Manas</b>	<b>(574,520)</b>	<b>(2,173,373)</b>	<b>(330,198)</b>	<b>(11,106,637)</b>	<b>(67,462,003)</b>
Currency translation adjustment attributable to Manas	-	-	-	-	51,001
<b>Net comprehensive income/(loss) attributable to Manas</b>	<b>(574,520)</b>	<b>(2,173,373)</b>	<b>(330,198)</b>	<b>(11,106,637)</b>	<b>(67,411,002)</b>
Net comprehensive loss attributable to non-controlling interest	-	-	-	-	18,700
<b>Net comprehensive income/(loss)</b>	<b>(574,520)</b>	<b>(2,173,373)</b>	<b>(330,198)</b>	<b>(11,106,637)</b>	<b>(67,392,302)</b>
Weighted average number of outstanding shares (basic)	172,592,292	172,592,292	172,592,292	172,592,292	130,286,002
Weighted average number of outstanding shares (diluted)	172,592,292	172,592,292	172,592,292	172,592,292	130,286,002
<b>Basic earnings/(loss) per share attributable to Manas</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.06)</b>	<b>(0.52)</b>

Basic earnings/(loss) per share - continuing operations	(0.00)	(0.01)	(0.00)	(0.06)	(0.50)
Basic earnings/(loss) per share - discontinued operations	-	-	-	-	(0.01)
<b>Diluted earnings/(loss) per share attributable to Manas</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.06)</b>	<b>(0.52)</b>
Diluted earnings/(loss) per share - continuing operations	(0.00)	(0.01)	(0.00)	(0.06)	(0.50)
Diluted earnings/(loss) per share - discontinued operations	-	-	-	-	(0.01)

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**MNP PETROLEUM CORPORATION**  
**(AN EXPLORATION STAGE COMPANY)**

**CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED**

	For the six months ended 06.30.2014	06.30.2013	Period from 05.2004(inception) to 06.30.2014
	USD	USD	USD
<b>OPERATING ACTIVITIES</b>			
<b>Net income/(loss)</b>	<b>(330,198)</b>	<b>(11,106,637)</b>	<b>(67,443,303)</b>
<b>To reconcile net income/(loss) to net cash used in operating activities</b>			
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	(2,686,428)	7,487,735	14,881,681
Equity in net loss of associate	-	-	262,828
Depreciation	24,270	25,788	410,068
Amortization of debt issuance costs	-	-	349,910
Warrant issuance expense / (income)	-	-	19,880,864
Exchange differences	45,258	35,722	(62,903)
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	42,294	499,573	28,075,470
Decrease / (increase) in receivables and prepaid expenses	(258,607)	78,729	(590,263)
(Decrease) / increase in accounts payables	244,921	434,015	183,288
(Decrease) / increase in accrued expenses	(207,135)	80,554	51,491
Change in pension liability	-	-	142,271
<b>Cash flow (used in) / from operating activities</b>	<b>(3,125,625)</b>	<b>(2,464,521)</b>	<b>(61,249,799)</b>
<b>INVESTING ACTIVITIES</b>			
Transaction prepayment	-	-	(10,111,656)
Capitalized exploration expenditure	(281,506)	-	(742,361)
Purchase of tangible fixed assets and computer software	(10,690)	(37,900)	(648,353)
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	(56,639)	4,075	(103,377)
Acquisition of investment in associate	-	-	(67,747)
<b>Cash flow (used in) / from investing activities</b>	<b>7,222,007</b>	<b>(33,825)</b>	<b>28,607,111</b>
<b>FINANCING ACTIVITIES</b>			
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
Repurchase on Shares	(102,242)	-	(102,242)
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	1,648	(130,354)	1,648
<b>Cash flow (used in) / from financing activities</b>	<b>(100,594)</b>	<b>(130,354)</b>	<b>39,437,687</b>
<b>Net change in cash and cash equivalents</b>	<b>3,995,788</b>	<b>(2,628,700)</b>	<b>6,794,998</b>
Cash and cash equivalents at the beginning of the period	3,063,947	2,842,495	-
Currency translation effect on cash and cash equivalents	(12,574)	(35,722)	252,163
<b>Cash and cash equivalents at the end of the period</b>	<b>7,047,161</b>	<b>178,073</b>	<b>7,047,161</b>
<b>Supplement schedule of non-cash investing and financing activities:</b>			
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)
Transfer from transaction prepayment to restricted cash due to acquisition of TF Petroleum AG	111,656	-	111,656

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

SHAREHOLDERS' EQUITY/ (DEFICIT)	Number of shares	Share capital	Additional paid-in capital	Treasury stock	Deficit accumulated during the development stage	Accumulated Other Compre- hensive Income/ (Loss)	Total share- holders' equity/ (deficit)
<b>Balance May 25, 2004</b>	-	-	-	-	-	-	-
Contribution share capital from founders	80,000,000	80,000	19	-	-	-	<b>80,019</b>
Currency translation adjustment	-	-	-	-	-	(77,082)	(77,082)
Net loss for the period	-	-	-	-	(601,032)	-	(601,032)
<b>Balance December 31, 2004</b>	<b>80,000,000</b>	<b>80,000</b>	<b>19</b>	-	<b>(601,032)</b>	<b>(77,082)</b>	<b>(598,095)</b>
<b>Balance January 1, 2005</b>	<b>80,000,000</b>	<b>80,000</b>	<b>19</b>	-	<b>(601,032)</b>	<b>(77,082)</b>	<b>(598,095)</b>
Currency translation adjustment	-	-	-	-	-	218,699	218,699
Net loss for the year	-	-	-	-	(1,993,932)	-	(1,993,932)
<b>Balance December 31, 2005</b>	<b>80,000,000</b>	<b>80,000</b>	<b>19</b>	-	<b>(2,594,964)</b>	<b>141,617</b>	<b>(2,373,328)</b>
<b>Balance January 1, 2006</b>	<b>80,000,000</b>	<b>80,000</b>	<b>19</b>	-	<b>(2,594,964)</b>	<b>141,617</b>	<b>(2,373,328)</b>
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
<b>Balance December 31, 2006</b>	<b>80,000,000</b>	<b>80,000</b>	<b>1,466,071</b>	-	<b>(1,078,960)</b>	<b>53,464</b>	<b>520,575</b>
<b>Balance January 1, 2007</b>	<b>80,000,000</b>	<b>80,000</b>	<b>1,466,071</b>	-	<b>(1,078,960)</b>	<b>53,464</b>	<b>520,575</b>
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)
<b>Balance December 31, 2007</b>	<b>112,156,488</b>	<b>112,157</b>	<b>21,550,636</b>	-	<b>(13,904,456)</b>	<b>56,533</b>	<b>7,814,870</b>
<b>Balance January 1, 2008</b>	<b>112,156,488</b>	<b>112,157</b>	<b>21,550,636</b>	-	<b>(13,904,456)</b>	<b>56,533</b>	<b>7,814,870</b>
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)
<b>Balance December 31, 2008</b>	<b>119,051,733</b>	<b>119,052</b>	<b>43,852,378</b>	-	<b>(44,200,563)</b>	<b>43,322</b>	<b>(185,811)</b>
<b>Balance January 1, 2009</b>	<b>119,051,733</b>	<b>119,052</b>	<b>43,852,378</b>	-	<b>(44,200,563)</b>	<b>43,322</b>	<b>(185,811)</b>
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)
<b>Balance December 31, 2009</b>	<b>119,051,733</b>	<b>119,052</b>	<b>49,532,366</b>	-	<b>(56,731,606)</b>	<b>51,001</b>	<b>(7,029,187)</b>
<b>Balance January 1, 2010</b>	<b>119,051,733</b>	<b>119,052</b>	<b>49,532,366</b>	-	<b>(56,731,606)</b>	<b>51,001</b>	<b>(7,029,187)</b>
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
<b>Balance December 31, 2010</b>	<b>124,987,393</b>	<b>124,987</b>	<b>53,836,749</b>	-	<b>17,710,747</b>	<b>51,001</b>	<b>71,723,484</b>
<b>Balance January 1, 2011</b>	<b>124,987,393</b>	<b>124,987</b>	<b>53,836,749</b>	-	<b>17,710,747</b>	<b>51,001</b>	<b>71,723,484</b>
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)
<b>Balance December 31, 2011</b>	<b>172,467,292</b>	<b>172,467</b>	<b>76,702,841</b>	<b>-</b>	<b>(35,304,972)</b>	<b>51,001</b>	<b>41,621,337</b>
<b>Balance January 1, 2012</b>	<b>172,467,292</b>	<b>172,467</b>	<b>76,702,841</b>	<b>-</b>	<b>(35,304,972)</b>	<b>51,001</b>	<b>41,621,337</b>
Stock-based compensation	125,000	125	1,126,045	-	-	-	1,126,170
Net loss for the year	-	-	-	-	(11,778,750)	-	(11,778,750)
<b>Balance December 31, 2012</b>	<b>172,592,292</b>	<b>172,592</b>	<b>77,828,886</b>	<b>-</b>	<b>(47,083,722)</b>	<b>51,001</b>	<b>30,968,757</b>
<b>Balance January 1, 2013</b>	<b>172,592,292</b>	<b>172,592</b>	<b>77,828,886</b>	<b>-</b>	<b>(47,083,722)</b>	<b>51,001</b>	<b>30,968,757</b>
Stock-based compensation	-	-	699,104	-	-	-	699,104
Net loss for the year	-	-	-	-	(10,961,113)	-	(10,961,113)
<b>Balance December 31, 2013</b>	<b>172,592,292</b>	<b>172,592</b>	<b>78,527,990</b>	<b>-</b>	<b>(58,044,835)</b>	<b>51,001</b>	<b>20,706,748</b>
<b>Balance January 1, 2014</b>	<b>172,592,292</b>	<b>172,592</b>	<b>78,527,990</b>	<b>-</b>	<b>(58,044,835)</b>	<b>51,001</b>	<b>20,706,748</b>
Stock-based compensation	-	-	42,294	-	-	-	42,294
Treasury stock	-	-	-	(102,242)	-	-	(102,242)
Currency translation adjustment	-	-	-	-	-	(12,681)	(12,681)
Net loss for the year	-	-	-	-	(330,198)	-	(330,198)
<b>Balance June 30, 2014</b>	<b>172,592,292</b>	<b>172,592</b>	<b>78,570,284</b>	<b>(102,242)</b>	<b>(58,375,033)</b>	<b>38,320</b>	<b>20,303,921</b>

## 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 June 30, 2014 and December 31, 2013 and for the three and six month periods ended June 30, 2014 and 2013 and for the period from inception, May 25, 2004, to June 30, 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 June 30, 2014 and December 31, 2013, results of operations for the three and six month periods ended June 30, 2014 and 2013 and for the period from inception, May 25, 2004, to June 30, 2014, cash flows for the six month period ended June 30, 2014 and 2013 and for the period from inception, May 25, 2004, to June 30, 2014 and statement of shareholders’ equity (deficit) for the period from inception, May 25, 2004, to June 30, 2014, as applicable, have been made. The result of operations for the three and six month periods ended June 30, 2014 is not necessarily indicative of the operating results for the full fiscal year or any future periods.

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### 3. RECENT ACCOUNTING PRONOUNCEMENTS

#### Recently adopted accounting pronouncements

In June 2014, the FASB released ASU 2014-10 — Accounting Standards Update 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* .

This update was issued to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities. Users of financial statements of development stage entities determined that the inception-to-date information, and certain other disclosures currently required under U.S. generally accepted accounting principles (GAAP) in the financial statements of development stage entities provide information that has limited relevance and is generally not decision useful. As a result, the amendments in this Update remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information.

This update eliminates the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments also clarify that the guidance in *Topic 275, Risks and Uncertainties* , is applicable to entities that have not commenced planned principal operations.

The amendments related to the elimination of inception-to-date information and the other remaining disclosure requirements of *Topic 915* should be applied retrospectively except for the clarification to *Topic 275* , which shall be applied prospectively. For public business entities, those amendments are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. For other entities, the amendments are effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015.

The Company has decided not to implement this amendment in the current quarterly report.

### 4. CASH AND CASH EQUIVALENTS

	USD (held in USD)	USD (held in EUR)	USD (held in CHF)	USD (held in other currencies)	USD Total June 30, 2014	USD Total Dec 31, 2013
Cash and cash equivalents	5,418,397	3,354	1,622,024	3,386	7,047,161	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.

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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. The 65% participation certificates will be transferred to TF Petroleum AG upon closing. Furthermore, the Supplement Agreement outlines that Kavsar shall transfer all shares of TF Petroleum AG, a company incorporated under the Laws of Switzerland for the purpose of this transaction to DWM Petroleum, for a consideration of CHF 100,000 (approx. USD 111,656). 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.

On April 4, 2014, DWM Petroleum gained control of TF Petroleum AG, which resulted in an increase in restricted cash and a decrease in transaction prepayment of CHF 100,000 (approx. USD 111,656). No further amendments are required to the line item "Transaction prepayment", as the transfer of the participation certificates in Energy Partners Austria to TF Petroleum AG has not taken place as of June 30, 2014 as the notary act has yet to be finalized. The transaction is also included in the supplement schedule of non-cash operating, investing and financing activities of the consolidated cash flow statement.

## 6. TANGIBLE FIXED ASSETS

2014 (in USD)	Office equipment & furniture	Vehicles	Leasehold improvements	Computer software	Total
<b>Cost at Dec 31, 2013</b>	<b>157,717</b>	<b>140,366</b>	<b>47,375</b>	<b>35,697</b>	<b>381,155</b>
Additions	6,262	-	3,747	680	10,689
Disposals	-	-	-	-	-
Cost at June 30, 2014	163,979	140,366	51,122	36,377	391,844
<b>Accumulated depreciation at Dec 31, 2013</b>	<b>(124,364)</b>	<b>(55,567)</b>	<b>(47,375)</b>	<b>(21,474)</b>	<b>(248,780)</b>
Depreciation	(5,557)	(9,549)	(303)	(8,861)	(24,270)
Disposals	-	-	-	-	-
Accumulated depreciation at June 30, 2014	(129,921)	(65,116)	(47,678)	(30,335)	(273,050)
<b>Net book value at Dec 31, 2013</b>	<b>33,353</b>	<b>84,799</b>	<b>-</b>	<b>14,223</b>	<b>132,375</b>
<b>Net book value at June 30, 2014</b>	<b>34,058</b>	<b>75,250</b>	<b>3,444</b>	<b>6,042</b>	<b>118,794</b>

Depreciation expense for the six month period ended June 30, 2014 and 2013 was USD 24,270 and USD 25,788 respectively. Depreciation for the three month period ended June 30, 2014 and 2013 was USD 12,120 and USD 13,858 respectively.

## 7. OIL AND GAS PROPERTIES

Capitalized exploration costs	June 30, 2014	Dec 31, 2013
Unproved, not subject to depletion	742,361	772,855
Proved subject to depletion	-	-
Accumulated depletion	-	-
<b>Total capitalized exploration costs</b>	<b>742,361</b>	<b>772,855</b>

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 related to specific costs for wells still to be drilled including capitalized costs recorded as accruals for USD 312,000. These costs were not paid at that time due to the 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 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 renegotiated the cost related to 4 well designs due to the fact that the supplier did not fulfill its responsibilities as per the 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 June 30, 2014 the Company has capitalized USD 281,506 relating to the well site preparation of Kayrakkum B 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 34,500,000 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.

### **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 six month period ended June 30, 2014 the Company granted no options. During the same period in 2013, the Company granted 3,500,000 options.

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The following table shows the Company's outstanding and exercisable stock options as of June 30, 2014:

<b>Outstanding Options 2014</b>	Shares under option	Weighted-average exercise price	Weighted-average remaining contractual term (years)
<b>Outstanding at December 31, 2013</b>	<b>12,100,000</b>	<b>USD 0.25</b>	<b>7.07</b>
Granted	-	-	-
Exercised	-	-	-
Forfeited, canceled or expired	-	-	-
Outstanding at June 30, 2014	12,100,000	USD 0.25	6.56
<b>Exercisable at June 30, 2014</b>	<b>11,443,750</b>	<b>USD 0.26</b>	<b>6.57</b>

The following table depicts the Company's non-vested options as of June 30, 2014 and changes during the period:

<b>Non-vested options</b>	Shares under option	Weighted-average grant date fair value
<b>Non-vested at December 31, 2013</b>	1,468,750	USD 0.05
Non-vested granted	-	-
Vested	(812,500)	USD 0.05
Non-vested, forfeited or canceled	-	-
<b>Non-vested at June 30, 2014</b>	<b>656,250</b>	<b>USD 0.06</b>

As of June 30, 2014, the expected total of unrecognized compensation costs related to unvested stock-option grants was USD 30,022. The Company expects to recognize this amount over a weighted average period of 0.59 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 June 30, 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:

<b>Stock based compensation expenses</b>	<i>Three month period ended</i>		<i>Six month period ended</i>	
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>
Option grants	20,980	205,074	42,294	499,573
Share grants	-	-	-	-
<b>Total</b>	<b>20,980</b>	<b>205,074</b>	<b>42,294</b>	<b>499,573</b>
Recorded under "Personnel"	8,282	199,835	16,750	502,707
Recorded under "Consulting fees"	12,698	5,239	25,544	(3,134)

## 9. WARRANTS

### Warrant activity

The following table summarizes the Company's warrant activity for the six month period ended June 30, 2014:

<b>Warrants 2014</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Outstanding at December 31, 2013	44,450,500	USD 0.70
Granted	-	-
Exercised	-	-
Forfeit or expired	44,450,500	USD 0.70
<b>Outstanding at June30, 2014</b>	-	-

## 10. SHAREHOLDERS' EQUITY

### Share repurchase program

On May 13, 2014, MNP Petroleum Corp. announced that, subject to regulatory approval, it intends to repurchase up to 8,296,614 of its common shares, or up to five percent of the 172,592,292 common shares that are currently issued and outstanding, in a normal course issuer bid to be conducted by Jennings Capital Inc. All purchases of common shares under the bid will be effected on the TSX Venture Exchange or the OTCQB in the United States (or such other stock exchange or quotation system upon which the company's shares may then be listed or quoted) and, in any event, in accordance with the rules and policies of the TSX Venture Exchange and applicable securities laws. The shares are being purchased because MNP believes that its common shares currently trade in a price range that does not adequately reflect their underlying value, based on its business prospects, assets and financial position. The Company repurchased shares of its common stock in the open market, which were booked as treasury shares upon repurchase. Under the normal course issuer bid, MNP will not repurchase any securities when it is in possession of undisclosed material information or during any 'blackout' periods imposed by its Insider Trading Policy. The program will expire May 18, 2015.

During the six month period ended June 30, 2014, the Company repurchased 1,340,000 shares of common stock for a total of USD 102,242.

## 11. INVESTMENT IN PETROMANAS

On February 12, 2010, the Company's wholly-owned subsidiary DWM Petroleum AG, 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:

<b>Release dates</b>	<b>Number of shares released from escrow</b>
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
<b>Total</b>	<b>200,000,000</b>

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 6, 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 June 30, 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 June 30, 2014 was CAD 0.34 (USD 0.32) .

## 12. 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 June 30, 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 (6)	Bahamas	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%
TF Petroleum AG (10)	Switzerland	100%	-

(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 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.
- (10) TF Petroleum was founded in 2012 Pursuant to the Supplement Agreement date March 31, 2014 DWM Petroleum AG acquired 100% for a purchase price of CHF 1.00 (USD 1.13) pursuant to a Share Purchase Agreement signed on April 4, 2014.

- **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 on 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:

<b>Related parties' transactions</b>	<i>Three months ended</i>		<i>Six months ended</i>	
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>
<b>Affiliates</b>				
Management services performed to Petromanas*	-	(241)	(278)	(11,734)
<b>Board of directors</b>				
Payments to directors for office rent	6,737	6,288	13,463	12,564
Payments to related companies controlled by directors for rendered consulting services	74,273	89,138	148,432	178,100

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

### **13. 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 was asked many times to re-join the group and contribute its prorated share of capital, it failed or neglected to do so. Despite this, Energy Focus maintains that it is entitled to participation in a consortium that was subsequently formed. The Company and IPR believe that Energy Focus no longer has a right to join the bidding group or consortium because the conditions specified in the side letter were not met, and cannot now be met.

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 failed to properly serve the parties. The trial court in Santiago dismissed the Energy Focus case. Energy Focus took an Appeal, which was also dismissed. Energy Focus took a second Appeal and the matter is returned to the trial court. The Company’s legal advisors are of the opinion that Energy Focus will not succeed at trial on several grounds, including jurisdiction, service and on the substantive issues. The Company and IPR are also considering a further Appeal. The Company’s management believe that 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.

As of June 30, 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.

### **14. 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.

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<b>Pension expense</b>	<i>Three months ended</i>		<i>Six months ended</i>	
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>
Net service cost	8,212	10,164	12,318	20,328
Interest cost	10,809	4,802	16,213	9,604
Expected return on assets	(8,834)	(3,853)	(13,250)	(7,706)
Amortization of loss	11,625	4,931	17,437	9,862
<b>Net periodic pension cost</b>	<b>21,812</b>	<b>16,044</b>	<b>32,717</b>	<b>32,088</b>

During the six month period ended June 30, 2014 and 2013, the Company made cash contributions of USD 115,067 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.

## 15. FAIR VALUE MEASUREMENT

### 15.1. 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 June 30, 2014:

<b>Financial assets 2014 (in USD)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investment in associate (Petromanas)	2,549,020	-	-
<b>Total</b>	<b>2,549,020</b>	<b>-</b>	<b>-</b>

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

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

### 15.2. 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):

	June 30, 2014		Dec 31, 2013		Fair Value Levels	Reference
	Carrying Amount	Fair Value	Carrying Amount	Fair Value		
Cash and cash equivalents	7,047,161	7,047,161	3,063,947	3,063,947	1	Note 4
Restricted cash	215,033	215,033	46,738	46,738	1	
Transaction prepayment	10,000,000	10,000,000	10,111,656	10,111,656	1	Note 5
Accounts receivable	22,968	22,968	32,508	32,508	1	
Investment in Petromanas	2,549,020	2,549,020	7,478,799	7,478,799	1	Note 11
Accounts Payable	691,084	691,084	447,736	447,736	1	

## 16. 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 months ended</i>		<i>Six months ended</i>	
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>
Company posted	Net loss		Net loss	
Basic weighted average shares outstanding	172,592,292	172,592,292	172,592,292	172,592,292
Dilutive effect of common stock equivalents:				
- stock options and non-vested stock under employee compensation plans	-	-	-	-
<b>Diluted weighted average shares outstanding</b>	<b>172,592,292</b>	<b>172,592,292</b>	<b>172,592,292</b>	<b>172,592,292</b>

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 months ended</i>		<i>Six months ended</i>	
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>
Options	12,100,000	14,100,000	12,100,000	14,100,000
Warrants	-	44,450,000	-	44,450,000
<b>Total</b>	<b>12,100,000</b>	<b>58,550,000</b>	<b>12,100,000</b>	<b>58,550,000</b>

## 17. 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 427,669 (corporate USD 274,946, ventures USD 152,723) for our operating costs (approximately USD 683,597 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.
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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, Manas Management Services Ltd., a Bahamian company, and TF Petroleum AG, a Swiss 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, 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 six month period ended June 30, 2014 compared to the six month period ended June 30, 2013)***

#### **Net income/net loss**

Net loss for the six month period ended June 30, 2014 was USD 330,198 compared to net loss of USD 11,106,637 for the same period in 2013. This decrease of USD 10,776,439 was primarily due to a change in fair value of our investment in Petromanas.

#### **Operating expenses**

Operating expenses for the six month period ended June 30, 2014 decreased to USD 2,966,126 from USD 3,583,798 reported for the same period in 2013. This is a decrease of 17% in our total operating expenses, mainly attributable to decrease of personnel costs and consulting fees.

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Personnel costs

For the six month period ended June 30, 2014, personnel costs decreased to USD 777,022 from USD 1,303,735 for the same period in 2013. This decrease of 40% is attributable to lower costs related to equity awards under the stock option plan.

Exploration costs

For the six month period ended June 30, 2014, we incurred exploration costs of USD 662,064 as compared to USD 534,755 for the same period in 2013. This is an increase of 24% and is due to increased exploration activity at our project in Tajikistan, which has been, in part, offset by decreased exploration activity in our Mongolian project.

Consulting fees

For the six month period ended June 30, 2014, we incurred consulting fees of USD 769,467 as compared to consulting fees of USD 995,952 for the same period in 2013. This is a decrease of 23% and is primarily attributable to a reduction in exploration related consulting fees for our project in Mongolia.

For the six month period ended June 30, 2014, we incurred expenses of USD 25,544 related to equity-based awards to non-employees, as compared to negative expenses of USD 3,134 related to equity-based awards to non-employees in the same period in 2013.

Administrative costs

For the six month period ended June 30, 2014, we recorded administrative costs of USD 733,303 compared to USD 723,568 for the same period in 2013. This increase of 1% is mainly attributable to an increase in office supplies and computer system costs.

Non-operating income/expense

For the six month period ended June 30, 2014, we recorded a non-operating gain of USD 2,641,017 compared to a non-operating loss of USD 7,522,614 for the same period in 2013. This is an increase of USD 10,163,631 and mainly attributable to a change in the value of our investment in Petromanas.

For the six month period ended June 30, 2014, we recorded an increase in fair value of investment in associate (Petromanas) of USD 2,686,428 compared to a decrease in fair value of investment in associate (Petromanas) of USD 7,487,735 for the same period in 2013.

***Results of Operations (the three month period ended June 30, 2014 compared to the three month period ended June 30, 2013)***Net income/net loss

Net loss for the three month period ended June 30, 2014 was USD 574,520 compared to net loss of USD 2,173,373 for the same period in 2013. This decrease of USD 1,598,853 was primarily due to a change in fair value of our investment in Petromanas.

Operating expenses

Operating expenses for the three month period ended June 30, 2014, decreased to USD 1,619,931 from USD 1,822,526 reported for the same period in 2013. This is a decrease of 11% in our total operating expenses and is mainly due to reduction in costs related to equity-based awards to employees in the same period in 2013.

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Personnel costs

For the three month period ended June 30, 2014, personnel costs decreased to USD 377,362 from USD 580,808 for the same period in 2013. This decrease of 35% is attributable to lower costs related to equity awards under the stock option plan.

Exploration costs

For the three month period ended June 30, 2014, we incurred exploration costs of USD 369,636 as compared to USD 359,657 for the same period in 2013. This is an increase of 3% and is due to increased exploration activity at our project in Tajikistan, which has been, in part, offset by decreased exploration activity in our Mongolian project.

Consulting fees

For the three month period ended June 30, 2014, we incurred consulting fees of USD 438,071 as compared to consulting fees of USD 519,078 for the same period in 2013. This is a decrease of 16% primarily attributable to a decrease in consulting costs related to our project in Mongolia.

Administrative costs

For the three month period ended June 30, 2014, we recorded administrative costs of USD 422,742 compared to USD 349,125 for the same period in 2013. This increase of 21% is mainly attributable to higher travel expenses and computer system costs.

Non-operating income/expense

For the three month period ended June 30, 2014, we recorded a non-operating gain of USD 1,047,761 compared to a non-operating loss of USD 350,622 for the same period in 2013. This is an increase of USD 1,398,363 is mainly attributable to a change in the value of our investment in Petromanas.

For the three month period ended June 30, 2014, we recorded an increase in fair value of investment in associate (Petromanas) of USD 1,066,625 compared to a decrease in fair value of investment in associate of USD 339,675 for the same period in 2013.

***Liquidity and Capital Resources***

Our cash balance as of June 30, 2014 was USD 7,047,161. Shareholders' equity as of June 30, 2014 was USD 20,303,920. As of June 30, 2014, total current assets were USD 10,405,042 and total current liabilities were USD 820,005, resulting in net working capital of USD 9,585,037. Of our cash balance at June 30, 2014, USD 7,047,161 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 common shares of Petromanas.

***Cash Flows (in USD)***

	<i>Six month period ended</i>	
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>
Net Cash used in Operating Activities	(3,125,625)	(2,464,521)
Net Cash from Investing Activities	7,222,007	(33,825)
Net Cash used in Financing Activities	(100,594)	(130,354)
<b>Change in Cash and Cash Equivalents during the period</b>	<b>3,995,788</b>	<b>(2,628,700)</b>

### Operating Activities

Net cash used in operating activities of USD 3,125,625 for the six month period ended June 30, 2014 changed from net cash used of USD 2,464,521 for the same period in 2013. This increase in net cash used in operating activities of USD 661,104 is mainly due to a reduction in payables and accruals as well as an increase in receivables.

### Investing Activities

Net cash from investing activities of USD 7,222,007 for the six month period ended June 30, 2014 changed from net cash used in investing activities of USD 33,825 for the same period in 2013. This increase of USD 7,255,832 in cash from investing activities is mainly attributable proceeds from the sale of investment in associate.

### Financing Activities

Net cash used in financing activities of USD 100,594 for the six month period ended June 30, 2014 changed from net cash used of USD 130,354 for the same period in 2013. This decrease of USD 29,760 is due to a decrease in refundable deposits and the repurchase of shares in Q2, 2014.

### **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	3,299,352 <sup>1</sup>
Kyrgyzstan	28,800 <sup>1</sup>
Mongolia	546,624 <sup>2</sup>
Tajikistan - Exploration	2,208,392 <sup>3</sup>
Tajikistan - Rehabilitation	2,000,000 <sup>4</sup>
Business Development	120,000
<b>Total</b>	<b>8,203,168</b>

- (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, drilling equipment and the rehabilitation payment of USD 2,000,000) amounts to approximately USD 427,669 (corporate USD 274,946, ventures USD 152,723) and USD 683,597 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 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. The 65% participation certificates will be transferred to TF Petroleum AG upon closing. Furthermore, the Supplement Agreement outlines that Kavsar shall transfer all shares of TF Petroleum AG, a company incorporated under the Laws of Switzerland for the purpose of this transaction to DWM Petroleum, for a consideration of CHF 100,000 (approx. USD 111,656). 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.

On April 4, 2014, DWM Petroleum gained control of TF Petroleum AG, which resulted in an increase in restricted cash and a decrease in transaction prepayment of CHF 100,000 (approx. USD 111,656). No further amendments are required to the line item "Transaction prepayment", as the transfer of the participation certificates in Energy Partners Austria to TF Petroleum AG has not taken place as of June 30, 2014 as the notary act has yet to be finalized. The transaction is also included in the supplement schedule of non-cash operating, investing and financing activities of the consolidated cash flow statement.

### ***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 was completed without incident in June 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, all materials will be delivered to Mahram Base for storage, close to the Kayrakkum B location. On June 24th and 26th, both casing sections were delivered and unloaded at Mahram Base. The ordered wellhead sections were completed in June and will arrive in July at Mahram Base.

## ***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 expected the government to award us with relinquished areas from adjacent blocks. The government of Mongolia has not taken a decision on Gobi Energy's application to expand its exploration acreage before the end of the moratorium. Consequently, Gobi Energy has applied for an extension of the moratorium for one additional year

## ***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 km<sup>2</sup>). 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](http://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 June 30, 2014, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

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## **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 June 30, 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 June 30, 2014 from the risk factors disclosed in the 2013 Annual Report on Form 10-K.

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**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds***Purchase of equity securities by the issuer and affiliated purchasers*

<b>Period</b>	<b>Total number of shares purchased</b>	<b>Average Price paid per Share (USD)</b>	<b>Total number of shares purchased as part of publicly announced plans of programs</b>	<b>Share repurchase amount (USD)</b>	<b>Maximum number of shares that may yet be purchased under the plans programs</b>
05.20.2014 - 05.30.2014	990'000	0.078	990'000	77,002	7'306'614
06.02.2014 - 06.26.2014	350'000	0.073	350'000	25,389	6'956'614
<b>Total</b>	<b>1'340'000</b>	<b>0.075</b>	<b>1'340'000</b>	<b>102,391</b>	<b>6'956'614</b>

- a) Date of program announcement: May 13, 2014
- b) Amount of shares approved: 8,296,614
- c) Expiration date of program: May 18, 2015

The Company repurchased shares of its common stock in the open market, which were booked as treasury shares upon repurchase.

**Item 3. Defaults upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information**

None.

**Item 6. Exhibits****EXHIBIT**

<b>Number</b>	<b>Description</b>
<b>(3)</b>	<b>Articles of Incorporation and Bylaws</b>
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)
<b>(4)</b>	<b>Instruments Defining the Rights of Security Holders, including Indentures</b>
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)
<b>(10)</b>	<b>Material Contracts</b>
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)

<b>Number</b>	<b>Description</b>
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)
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> )

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

\* 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*

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

Date: August 11, 2014

By

*/s/ Peter-Mark Vogel*

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

Date: August 11, 2014

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**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.

August 11, 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.

August 11, 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 June 30, 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: August 11, 2014

*/s/ Dr. Werner Ladwein*

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

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**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 June 30, 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: August 11, 2014

/s/ Peter-Mark Vogel

Peter-Mark Vogel

Chief Financial Officer, Treasurer and Secretary

(Principal Financial Officer and Principal Accounting Officer)

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