MNP PETROLEUM CORP

FORM 10-Q
(Quarterly Report)

Filed 11/19/14 for the Period Ending 09/30/14

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Industry	Oil & Gas Operations
Sector	Energy
Fiscal Year	12/31

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 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	**91-1918324**
(State or other jurisdiction of incorporation or organization)	(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.
[X] 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).
[X] Yes [ ] No

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [X]

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:
166,987,792 shares of common stock as of November 19, 2014 .

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PART I. —FINANCIAL INFORMATION

Item 1. Financial Statements.

MNP PETROLEUM CORPORATION

CONSOLIDATED BALANCE SHEETS - UNAUDITED

	09.30.2014 USD	12.31.2013 USD
ASSETS		
Cash and cash equivalents	5,054,630	3,063,947
Restricted cash	210,959	46,738
Accounts receivable	17,723	32,508
Investment in associate (Petromanas)	1,577,276	7,478,799
Other prepaid expenses	395,545	302,713
Total current assets	**7,256,133**	**10,924,705**
Tangible fixed assets	109,812	132,374
Oil and gas properties (unproved)	947,458	772,855
Transaction prepayment	10,000,000	10,111,656
Total non-current assets	**11,057,270**	**11,016,885**
TOTAL ASSETS	**18,313,403**	**21,941,590**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	819,141	447,736
Accrued expenses exploration costs	-	312,000
Other accrued expenses	93,445	332,835
Total current liabilities	**912,586**	**1,092,571**
Pension liabilities	142,271	142,271
Total non-current liabilities	**142,271**	**142,271**
TOTAL LIABILITIES	**1,054,857**	**1,234,842**
Common Stock (600,000,000 shares authorized as of September 30, 2014, USD 0.001 par value, 166,987,792 and 172,592,292 shares, respectively, issued and outstanding)	172,592	172,592
Additional paid-in capital	78,593,604	78,527,990
Treasury stock	(452,403)	-
Accumulated deficit	(61,106,248)	(58,044,835)
Currency translation adjustment	51,001	51,001
TOTAL SHAREHOLDERS' EQUITY	**17,258,546**	**20,706,748**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**18,313,403**	**21,941,590**

MNP PETROLEUM CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS - UNAUDITED

	For the three months ended		For the nine months ended	
	09.30.2014	09.30.2013	09.30.2014	09.30.2013
	USD	USD	USD	USD
OPERATING REVENUES				
Revenues	-	-	-	-
Total revenues	**-**	**-**	**-**	**-**
OPERATING EXPENSES				
Personnel costs	(403,644)	(448,736)	(1,180,666)	(1,752,471)
Exploration costs	(516,405)	(468,191)	(1,178,469)	(1,002,946)
Depreciation	(12,487)	(23,655)	(36,757)	(40,385)
Consulting fees	(363,052)	(446,174)	(1,132,519)	(1,442,126)
Administrative costs	(315,092)	(280,780)	(1,048,395)	(1,008,877)
Total operating expenses	**(1,610,680)**	**(1,667,536)**	**(4,576,806)**	**(5,246,805)**
NON-OPERATING INCOME / (EXPENSE)				
Exchange differences	(144,126)	(52,786)	(189,384)	(88,509)
Change in fair value of investment in associate	(971,744)	3,116,895	1,714,684	(4,370,840)
Interest income	-	5	-	703
Interest expense	(197)	(391)	(350)	(246)
Total non-operating expenses	**(1,116,067)**	**3,063,723**	**1,524,950**	**(4,458,892)**
Income/(Loss) before taxes and equity in net loss of associate	**(2,726,747)**	**1,396,187**	**(3,051,856)**	**(9,705,697)**
Income taxes	(4,468)	(7)	(9,557)	(233)
Net income/(loss)	**(2,731,215)**	**1,396,180**	**(3,061,413)**	**(9,705,929)**
Net comprehensive income/(loss)	**(2,731,215)**	**1,396,180**	**(3,061,413)**	**(9,705,929)**
Weighted average number of outstanding shares (basic)	169,440,183	172,592,292	171,371,039	172,592,292
Weighted average number of outstanding shares (diluted)	169,440,183	172,592,292	171,371,039	172,592,292
Basic earnings/(loss) per share	**(0.02)**	**(0.01)**	**(0.02)**	**(0.06)**
Diluted earnings/(loss) per share	**(0.02)**	**(0.01)**	**(0.02)**	**(0.06)**

MNP PETROLEUM CORPORATION

CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED

	For the nine months ended	
	09.30.2014	09.30.2013
	USD	USD
OPERATING ACTIVITIES		
Net income/(loss)	**(3,061,413)**	**(9,705,929)**
To reconcile net income/(loss) to net cash used in operating activities		
Change in fair value of investment in associate	(1,714,684)	4,370,840
Depreciation	36,757	40,385
Impairment of associate	-	238,304
Exchange differences	189,384	88,509
Stock-based compensation	65,614	701,550
Decrease / (increase) in receivables and prepaid expenses	(78,047)	163,478
(Decrease) / increase in accounts payables	371,405	1,545,626
(Decrease) / increase in accrued expenses	(239,390)	9,220
Cash flow (used in) / from operating activities	**(4,430,374)**	**(2,548,017)**
INVESTING ACTIVITIES		
Capitalized exploration expenditure	(486,603)	-
Purchase of tangible fixed assets and computer software	(14,195)	(6,099)
Proceeds from sale of investment	7,570,842	-
Decrease / (increase) restricted cash	(52,565)	3,255
Cash flow (used in) / from investing activities	**7,017,479**	**(2,844)**
FINANCING ACTIVITIES		
Repurchase of shares	(452,403)	-
Increase in short-term loan	-	8,112
(Decrease) / increase in refundable deposits	-	(130,354)
Cash flow (used in) / from financing activities	**(452,403)**	**(122,242)**
Net change in cash and cash equivalents	**2,134,702**	**(2,673,103)**
Cash and cash equivalents at the beginning of the period	3,063,947	2,842,495
Currency translation effect on cash and cash equivalents	(144,019)	(128,894)
Cash and cash equivalents at the end of the period	**5,054,630**	**40,498**
Supplement schedule of non-cash investing and financing activities:		
Offset of impairment of oil and gas properties and renegotiation of accrued expenses	312,000	-
Transfer from transaction prepayment to restricted cash due to acquisition of TF Petroleum AG	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 Comprehensive income/(loss)	Total share-holders' equity/(deficit)
Balance January 1, 2014	**172,592,292**	**172,592**	**78,527,990**	**-**	**(58,044,835)**	**51,001**	**20,706,748**
Stock-based compensation	-	-	65,614	-	-	-	65,614
Treasury stock	-	-	-	(452,403)	-	-	(452,403)
Net loss for the year	-	-	-	-	(3,061,413)	-	(3,061,413)
Balance September 30, 2014	**172,592,292**	**172,592**	**78,593,604**	**(452,403)**	**(61,106,248)**	**51,001**	**17,258,546**

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.

The Company is 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. The Company has not commenced planned principal operations and therefore has not realized any revenues to date. 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. As we currently depend upon funding from various sources to continue operations and to implement our growth strategy, the Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding to operationalize the Company's licenses.

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. GOING CONCERN

The condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern. The Group has no operating income and therefore will remain dependent upon continued funding from its shareholders or other sources. Our cash balance as of September 30, 2009 was USD 5,265,589, of which USD 210,959 has been restricted leaving a balance of USD 5,054,630. Additionally, the Group has 8,000,000 shares in PMI valuing the investment at CDN$680,000 (USD 575,583).

These matters raise substantial doubt about the Group's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Based on our expected monthly burn rate of USD 581,167 on basic operational activities and including the USD 2,000,000 payment to Kavsar, we estimate that we have sufficient working capital to fund operations for ten months.

In order to continue to fund operations for the next twelve months and implement the geological work program for our projects in Central Asia as well as to finance continuing operations, the Group will require further funds. We expect these funds will be raised through additional equity and/or debt financing through the expected Stichting VB Vagobel transaction disclosed to the market on September 9, 2014. If we are not able to raise the required funds, we would consider farming-out projects in order to reduce our financial commitments. If the Company is unable to obtain such funding, or complete farming-out projects, the Company will not be able to continue its business. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, will increase expenses and may involve restrictive covenants. The Company will be required to raise additional capital on terms which are uncertain, especially under the current capital market conditions. Under these circumstances, if the Company is unable to obtain capital or is required to raise it on undesirable terms, it may have a material adverse effect on the Company's financial condition.

3. ACCOUNTING POLICIES

The accompanying financial data as of September 30, 2014 and December 31, 2013 and for the three and nine month periods ended September 30, 2014 and 2013, 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 September 30, 2014 and December 31, 2013, results of operations for the three and nine month periods ended September 30, 2014 and 2013, cash flows for the nine month period ended September 30, 2014 and 2013 and statement of shareholders' equity (deficit) for the period from January 1, 2014 to September 30, 2014, as applicable, have been made. The result of operations for the three and nine month periods ended September 30, 2014 is not necessarily indicative of the operating results for the full fiscal year or any future periods.

4. 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.

This ASU has been early adopted by the Company as of July 1, 2014 and therefore for the current period ended September 30, 2014 as such early adoption is permitted for all financial statements that have not been issued or made available for issuance. This ASU had an impact on the Company's consolidated financial statements, as the corresponding inception to date information, labeling financial statements as those of a development stage entity, etc. will no longer be provided.

5. 1CASH AND CASH EQUIVALENTS

	USD (held in USD)	USD (held in EUR)	USD (held in CHF)	USD (held in other currencies)	USD Total Sept 30, 2014	USD Total Dec 31, 2013
Cash and cash equivalents	3,486,582	3,054	1,549,316	15,678	5,054,630	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.

6. 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.

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, ("conditions for the next advance") DWM Petroleum would have been required to make an additional advance payment of USD 7,000,000 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 the seller did 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.

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 the conditions that the target company is debt free as well as government approval. After the closing of the transaction pursuant to the SPA, DWM has agreed to compensate the seller for its expenses capped at USD 2,000,000.

On March 31, 2014 DWM Petroleum and Kavsar signed a Supplement Agreement, which is effective September 27, 2013, to the Share Purchase Agreement. The Supplement Agreement outlines pursuant to Article 3.4.2 of the Share Purchase Agreement that DWM Petroleum is entitled to receive from Kavsar 65% of the participation certificates in Energy Partners Austria, the beneficial owner of 57.42% shares in Petroleum Sugd, a joint venture with limited liability incorporated under the laws of Tajikistan and operator of the oil fields in Tajikistan, subject to the payment of USD 2,000,000 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). DWM Petroleum will then be eligible to future profits and dividends from Energy Partners Austria from January 1, 2014 onwards. 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 September 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.

7. TANGIBLE FIXED ASSETS

2014 (in USD)	Office equipment & furniture	Vehicles	Leasehold improvements	Computer software	Total
Cost at Dec 31, 2013	**157,717**	**140,366**	**47,375**	**35,697**	**381,155**
Additions	6,262	-	7,252	680	14,194
Disposals	-	-	-	-	-
Cost at Sept 30, 2014	163,979	140,366	54,627	36,377	395,349
Accumulated depreciation at Dec 31, 2013	**(124,364)**	**(55,567)**	**(47,375)**	**(21,474)**	**(248,780)**
Depreciation	(8,709)	(14,438)	(728)	(12,882)	(36,757)
Disposals	-	-	-	-	-
Accumulated depreciation at Sept 30, 2014	(133,073)	(70,005)	(48,103)	(34,356)	(285,537)
Net book value at Dec 31, 2013	**33,353**	**84,799**	**-**	**14,223**	**132,374**
Net book value at Sept 30, 2014	**30,906**	**70,361**	**6,524**	**2,021**	**109,812**

Depreciation expense for the nine month period ended September 30, 2014 and 2013 was USD 36,757 and USD 40,385 respectively. Depreciation for the three month period ended September 30, 2014 and 2013 was USD 12,488 and USD 23,655 respectively.

8. OIL AND GAS PROPERTIES

Capitalized exploration costs	**Sept 30, 2014**	**Dec 31, 2013**
Unproved, not subject to depletion	947,458	772,855
Proved subject to depletion	-	-
Accumulated depletion	-	-
Total capitalized exploration costs	**947,458**	**772,855**

During 2012, two wells were drilled as part of one large campaign which included three drillings in Mongolia. At the beginning of the year, the Company had no recorded unproved properties in Mongolia. During 2012, the Company capitalized USD 2,998,636 of which USD 2,225,781 was expensed as "Exploration Costs" in the Statement of Operations during the third quarter of 2012 as the two wells were found dry. The Company had a remaining capitalized balance of USD 772,855 as of December 31, 2013. This balance 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 September 30, 2014 the Company has capitalized USD 486,603 relating to the well site preparation of Kayrakkum B in the Republic of Tajikistan.

9. 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

9.1. 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.

On July 7, 2014, the Company granted 300,000 stock options to a certain employee. Subject to vesting, each stock option is exercisable at a price of USD 0.06 per share for a period of ten years and vesting over two years in quarterly installments.

On August 20, 2014, the Company granted 750,000 stock options to Streicher Capital LLC. 250,000 of these stock options are exercisable at a price of USD 0.076 per share, 250,000 are exercisable at a price of USD 0.084 per share, and 250,000 are exercisable at a price of USD 0.09 per share. Subject to vesting, each stock option is exercisable for a period of five years, vesting over a period of less than one year on specific dates agreed by both parties. Streicher Capital LLC provides marketing and investment relations consulting services to MNP Petroleum Corp. and its affiliates.

During the nine month period ended September 30, 2014 the Company granted 1,050,000 options. During the same period in 2013, the Company granted 3,500,000 options.

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

Outstanding Options 2014	Shares under option	Weighted-average exercise price	Weighted-average remaining contractual term (years)
Outstanding at December 31, 2013	**12,100,000**	**USD 0.25**	**7.07**
Granted	1,050,000	USD 0.08	6.10
Exercised	-	-	-
Forfeited, canceled or expired	(750,000)	USD 0.30	3.98
Outstanding at Sept 30, 2014	12,400,000	USD 0.24	6.49
Exercisable at Sept 30, 2014	**10,912,500**	**USD 0.26**	**6.57**

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

Non-vested options	Shares under option	Weighted-average grant date fair value
Non-vested at December 31, 2013	1,468,750	USD 0.06
Non-vested granted	1,050,000	USD 0.06
Vested	(1,031,250)	USD 0.05
Non-vested, forfeited or canceled	-	-
Non-vested at Sept 30, 2014	1,487,500	USD 0.06

As of September 30, 2014, the expected total of unrecognized compensation costs related to unvested stock-option grants was USD 68,173. The Company expects to recognize this amount over a weighted average period of 0.90 years.

9.2. Summary of Stock-based Compensation Expenses

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

Stock based compensation	*Three month period ended*		*Nine month period ended*	
expenses	**Sept 30, 2014**	**Sept 30, 2013**	**Sept 30, 2014**	**Sept 30, 2013**
Option grants	23,319	201,976	65,613	701,550
Total	23,319	201,976	65,613	701,550
Recorded under “Personnel”	10,454	193,207	27,204	695,915
Recorded under “Consulting fees”	12,865	8,769	38,409	5,635

10. WARRANTS

Warrant activity

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

Warrants 2014	**Number of warrants**	**Weighted average exercise price**
Outstanding at December 31, 2013	44,450,500	USD 0.70
Granted	-	-
Exercised	-	-
Forfeit or expired	44,450,500	USD 0.70
Outstanding at Sept 30, 2014	-	-

11. 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, 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 nine month period ended September 30, 2014, the Company repurchased 5,604,500 shares of common stock for a total of USD 452,403.

12. INVESTMENT IN PETROMANAS

On December 31, 2013, DWM Petroleum owned and controlled 50,000,000 common shares of Petromanas Energy Inc. ("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. 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. The 50,000,000 common shares represent approximately 7.2% of the issued and outstanding common shares of Petromanas.

The fair value of the investment in Petromanas has been classified as Level 1 as the shares are freely tradable 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 September 30, 2014, DWM Petroleum holds 8,000,000 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 September 30, 2014 was CAD 0.22 (USD 0.20).

13. 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 Sept 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 has never recorded 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.

South Petroleum Company has been formally liquidated as of October 24, 2014.

- **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:

Related parties' transactions	*Three months ended* **Sept 30, 2014**	*Three months ended* **Sept 30, 2013**	*Nine months ended* **Sept 30, 2014**	*Nine months ended* **Sept 30, 2013**
Affiliates				
Management services performed to Petromanas*	-	(2,542)	(278)	(14,734)
Board of directors				
Payments to directors for office rent	6,532	6,355	19,995	18,919
Payments to related companies controlled by directors for rendered consulting services	72,020	90,079	220,452	282,179

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

14. 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 Tranquilo 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 September 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.

15. 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.

	Three months ended		*Nine months ended*	
Pension expense	**Sept 30, 2014**	**Sept 30, 2013**	**Sept 30, 2014**	**Sept 30, 2013**
Net service cost	12,318	10,164	24,636	30,491
Interest cost	16,213	4,802	32,426	14,405
Expected return on assets	(13,250)	(3,853)	(26,501)	(11,558)
Amortization of loss	17,437	4,931	34,874	14,794
Net periodic pension cost	**32,717**	**16,044**	**65,435**	**48,132**

During the nine month period ended September 30, 2014 and 2013, the Company made cash contributions of USD 121,407 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.

16. FAIR VALUE MEASUREMENT

16.1. 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 September 30, 2014:

Financial assets 2014 (in USD)	**Level 1**	**Level 2**	**Level 3**
Investment in associate (Petromanas)	1,577,276	-	-
Total	**1,577,276**	**-**	**-**

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

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

16.2. 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):

	Sept 30, 2014		Dec 31, 2013		Fair Value	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Levels	Reference
Cash and cash equivalents	5,054,630	5,054,630	3,063,947	3,063,947	1	Note 4
Restricted cash	210,959	210,959	46,738	46,738	1	
Transaction prepayment	10,000,000	10,000,000	10,111,656	10,111,656	1	Note 5
Accounts receivable	17,723	17,723	32,508	32,508	1	
Investment in Petromanas	1,577,276	1,577,276	7,478,799	7,478,799	1	Note 11
Accounts Payable	819,141	819,141	447,736	447,736	1	

17. 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:

	Three months ended		*Nine months ended*	
	Sept 30, 2014	**Sept 30, 2013**	**Sept 30, 2014**	**Sept 30, 2013**
Company posted	Net loss	Net income	Net loss	Net loss
Basic weighted average shares outstanding	169,440,183	172,592,292	171,371,039	172,592,292
Dilutive effect of common stock equivalents:				
- stock options and non-vested stock under employee compensation plans	-	-	-	-
Diluted weighted average shares outstanding	**169,440,183**	**172,592,292**	**171,371,039**	**172,592,292**

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

Stock equivalent	*Three months ended*		*Nine months ended*	
	Sept 30, 2014	**Sept 30, 2013**	**Sept 30, 2014**	**Sept 30, 2013**
Options	12,400,000	13,100,000	12,400,000	14,100,000
Warrants	-	44,450,500	-	44,450,500
Total	**12,400,000**	**57,550,000**	**12,400,000**	**58,550,500**

18. 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 381,471 (corporate USD 245,717, subsidiaries USD 135,754) for our operating costs (approximately USD 581,167 if certain capital expenditure and venture costs are included for our operating costs) excluding exploration expenses;
- our ability to obtain necessary financing on acceptable terms;
- timing and amount of capital expenditures;
- our ability to obtain necessary drilling and related equipment in a timely and cost-effective manner to carry out exploration activities;
- our venture partners' successful and timely performance of their obligations with respect to the exploration programs in which we are involved;
- retention of skilled personnel;
- the timely receipt of required regulatory approvals;
- continuation of current tax and regulatory regimes;
- current exchange rates and interest rates; and
- general economic and financial market conditions.

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

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

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

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

As used in this quarterly report, the terms "we", "us", and "our" refer to MNP Petroleum Corporation, its wholly-owned subsidiaries DWM Petroleum AG, a Swiss company, DWM Energy AG (formerly Manas Petroleum AG), a Swiss company, 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 nine month period ended September 30, 2014 compared to the nine month period ended September 30, 2013)

Net income/net loss

Net loss for the nine month period ended September 30, 2014 was USD 3,061,413 compared to net loss of USD 9,705,929 for the same period in 2013. This decrease of USD 6,644,516 was primarily due to a change in fair value of our investment in Petromanas.

Operating expenses

Operating expenses for the nine month period ended September 30, 2014 decreased to USD 4,576,806 from USD 5,246,805 reported for the same period in 2013. This is a decrease of 13% in our total operating expenses, mainly attributable to a decrease of personnel costs and consulting fees.

Personnel costs

For the nine month period ended September 30, 2014, personnel costs decreased to USD 1,180,666 from USD 1,752,471 for the same period in 2013. This decrease of 33% is attributable to lower costs related to equity awards under the stock option plan.

Exploration costs

For the nine month period ended September 30, 2014, we incurred exploration costs of USD 1,178,469, of which USD 486,603 was capitalized, as compared to costs of USD 1,002,946 for the same period in 2013. This is an increase of 18% 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 nine month period ended September 30, 2014, we incurred consulting fees of USD 1,132,519 as compared to consulting fees of USD 1,442,126 for the same period in 2013. This is a decrease of 21% and is primarily attributable to a reduction in legal and regulatory related consulting fees.

For the nine month period ended September 30, 2014, we incurred expenses of USD 38,409 related to equity-based awards to non-employees, as compared to expenses of USD 5,635 related to equity-based awards to non-employees in the same period in 2013.

Administrative costs

For the nine month period ended September 30, 2014, we recorded administrative costs of USD 1,048,395 compared to USD 1,008,877 for the same period in 2013. This increase of 4% is mainly attributable to an increase in insurance and computer system costs.

Non-operating income/expense

For the nine month period ended September 30, 2014, we recorded a non-operating income of USD 1,524,950 compared to a non-operating loss of USD 4,458,892 for the same period in 2013. This increase of USD 5,983,842 and mainly attributable to a change in the value of our investment in Petromanas.

For the nine month period ended September 30, 2014, we recorded an increase in fair value of investment in associate (Petromanas) of USD 1,714,684 compared to a decrease in fair value of investment in associate (Petromanas) of USD 4,370,840 for the same period in 2013.

Results of Operations (the three month period ended September 30, 2014 compared to the three month period ended September 30, 2013)

Net income/net loss

Net loss for the three month period ended September 30, 2014 was USD 2,731,215 compared to net income of USD 1,396,180 for the same period in 2013. This decrease of USD 4,127,395 was primarily due to a change in fair value of our investment in Petromanas.

Operating expenses

Operating expenses for the three month period ended September 30, 2014, decreased to USD 1,610,680 from USD 1,667,536 reported for the same period in 2013. This is a decrease of 3% in our total operating expenses and is mainly due to reduction in administrative costs and consulting fees.

Personnel costs

For the three month period ended September 30, 2014, personnel costs decreased to USD 403,644 from USD 448,736 for the same period in 2013. This decrease of 10% is attributable to lower costs related to equity awards under the stock option plan.

Exploration costs

For the three month period ended September 30, 2014, we incurred exploration costs of USD 516,405 as compared to USD 468,191 for the same period in 2013. This is an increase of 10% 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 September 30, 2014, we incurred consulting fees of USD 363,052 as compared to consulting fees of USD 446,174 for the same period in 2013. This is a decrease of 19% primarily attributable to a decrease in consulting costs related to investor relation activities.

Administrative costs

For the three month period ended September 30, 2014, we recorded administrative costs of USD 315,092 compared to USD 280,780 for the same period in 2013. This increase of 3% is mainly attributable to higher computer system costs and bank fees.

Non-operating income/expense

For the three month period ended September 30, 2014, we recorded a non-operating loss of USD 1,116,067 compared to a non-operating income of USD 3,063,723 for the same period in 2013. This is an increase of USD 4,179,790 is mainly attributable to a change in the value of our investment in Petromanas.

For the three month period ended September 30, 2014, we recorded a decrease in fair value of investment in associate (Petromanas) of USD 971,744 compared to an increase in fair value of investment in associate of USD 3,116,895 for the same period in 2013.

Liquidity and Capital Resources

Our cash balance as of September 30, 2014 was USD 5,054,630. Shareholders' equity as of September 30, 2014 was USD 17,258,546. As of September 30, 2014, total current assets were USD 7,256,133 and total current liabilities were USD 912,586, resulting in net working capital of USD 6,343,547. Of our cash balance at September 30, 2014, USD 5,054,630 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)

	Nine month period ended	
	Sept 30, 2014	**Sept 30, 2013**
Net Cash used in Operating Activities	(4,430,374)	(2,548,017)
Net Cash from Investing Activities	7,017,479	(2,844)
Net Cash used in Financing Activities	(452,403)	(122,242)
Change in Cash and Cash Equivalents during the period	**2,134,702**	**(2,673,103)**

Operating Activities

Net cash used in operating activities of USD 4,430,374 for the nine month period ended September 30, 2014 changed from net cash used of USD 2,548,017 for the same period in 2013. This increase in net cash used in operating activities of USD 1,882,357 is mainly due to a reduction in payables and accrued expenses.

Investing Activities

Net cash from investing activities of USD 7,017,479 for the nine month period ended September 30, 2014 changed from net cash used in investing activities of USD 2,844 for the same period in 2013. This increase of USD 7,020,323 in cash from in investing activities is mainly attributable proceeds from the sale of investment in associate offset by capitalized exploration expenses.

Financing Activities

Net cash used in financing activities of USD 452,403 for the nine month period ended September 30, 2014 changed from net cash used of USD 122,242 for the same period in 2013. This decrease of USD 330,161 is mainly attributable to the share repurchase program.

Cash Requirements

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

Expenses	***Amount in USD***
Corporate	2,948,599 [1]
Kyrgyzstan	28,800 [1] [1]
Mongolia	438,210 [2]
Tajikistan - Exploration	1,364,130 [3]
Tajikistan - Rehabilitation	2,074,266 [4]
Business Development	120,000
Total	**6,974,005**

(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 381,471 (corporate USD 245,717, subsidiaries USD 135,754) and USD 581,167 if included. Considering our net working capital and our 8,000,000 shares in Petromanas Energy Inc., we believe that we are able to fund our planned operations for the next ten months.

These matters raise substantial doubt about the Group’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In order to continue to fund operations for the next twelve months and implement the geological work program for our projects in Central Asia as well as to finance continuing operations, the Group will require further funds. We expect these funds will be raised through additional equity and/or debt financing through the expected Stichting VB Vagobel transaction disclosed to the market on September 9, 2014. If we are not able to raise the required funds, we would consider farming-out projects in order to reduce our financial commitments. If the Company is unable to obtain such funding, or complete farming-out projects, the Company will not be able to continue its business. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, will increase expenses and may involve restrictive covenants. The Company will be required to raise additional capital on terms which are uncertain, especially under the current capital market conditions. Under these circumstances, if the Company is unable to obtain capital or is required to raise it on undesirable terms, it may have a material adverse effect on the Company's financial condition.

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 the 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.

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 2,000,000 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). DWM Petroleum will then be eligible to future profits and dividends from Energy Partners Austria from January 1, 2014 onwards. 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 September 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. 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.

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 24 and 26, both casing sections were delivered and unloaded at Mahram Base. The ordered wellhead sections were completed in June and arrived in July at Mahram Base. All further orders regarding Kayrakkum B have been suspended until the Western License, which expired on July 25, 2014, is renewed based on the submitted application for the extension of the license.

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 be awarded 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, owned 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 owned 70% of South Petroleum Company and a Kyrgyz government entity, Kyrgyzneftegaz, owned 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^2). Due to political uncertainty in the country Santos and DWM decided to exit Kyrgyzstan. In 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 and South Petroleum Company has been formally liquidated as of October 24, 2014.

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

After the sale of an additional 42,000,000 Petromanas shares between February 26, 2014 and March 6, 2014, DWM Petroleum owns approximately 1.2% of the issued common shares of Petromanas Energy Inc. (TSXV: PMI).

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

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

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

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2014, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

PART II. —OTHER INFORMATION

Item 1. Legal Proceedings

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

Litigation in Chile

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

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

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

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

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

There were no new developments in this Chilean lawsuit in the three months ended September 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 September 30, 2014 from the risk factors disclosed in the 2013 Annual Report on Form 10-K.

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

Unregistered Sales of Equity Securities

Effective as of July 7, 2014, we granted 300,000 stock options to a certain employee. Subject to vesting, each stock option is exercisable at a price of USD 0.06 per share for a period of ten years and vesting over two years in quarterly installments. We issued the securities to one non-U.S. person (as that term is defined in Regulation S of the Securities Act of 1933, as amended) in an offshore transaction in which we relied on the registration exemption provided for in Regulation S and/or Section 4(a)(2) of the Securities Act of 1933, as amended.

Purchase of equity securities by the issuer and affiliated purchasers

Period	Total number of shares purchased	Average Price paid per Share (USD)	Total number of shares purchased as part of publicly announced plans of programs	Share repurchase amount (USD) *	Maximum number of shares that may yet be purchased under the plans programs
07.03.2014 - 07.11.2014	390,000	0.067	390,000	26,311	6,566,614
08.13.2014 - 08.21.2014	2,790,000	0.066	2,790,000	183,431	3,776,614
09.10.2014 - 09.29.2014	1,084,500	0.123	1,084,500	133,628	2,692,114
Total	**4,264,500**	**0.093**	**4,264,500**	**343,370**	**2,692,114**

* Calculated using average price paid per share.

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

Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation (incorporated by reference to an exhibit to our Registration Statement on Form SB-2 filed on July 14, 2003)
3.2	Certificate of Amendment to Articles of Incorporation of Express Systems Corporation filed on April 2, 2007 (changing name to Manas Petroleum Corporation) (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on April 17, 2007)
3.3	Certificate of Amendment to Articles of Incorporation filed on April 22, 2013 (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on May 20, 2013)

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

Number	Description
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 *(portions of the exhibit have been omitted pursuant to a request for confidential treatment)* (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) *(portions of the exhibit have been omitted pursuant to a request for confidential treatment)*
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) *(portions of the exhibit have been omitted pursuant to a request for confidential treatment)*
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) *(portions of the exhibit have been omitted pursuant to a request for confidential treatment)*
10.25	Form of Amendment to IR Consulting Agreement dated February 1, 2013 with General Research GmbH (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 28, 2013)
10.26	Form of Stock Option Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 28, 2013)
10.27	Form of Stock Option Cancellation Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on February 28, 2013)
10.28	Consulting agreement dated June 18, 2013 with Undiscovered Equities Inc. (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on July 11, 2013)
10.29	Form of Stock Option Agreement (incorporated by reference to an exhibit to our Current Report on Form 8-K filed on July 11, 2013)
10.30	Loan Agreement dated August 8, 2013 between DWM Petroleum AG and Tulip Fund NV (incorporated by reference to an exhibit to our Quarterly Report on Form 10-Q filed on August 19, 2013)
10.31	Supplement Agreement to Share Purchase Agreement effective September 27, 2013 (incorporated by reference to an exhibit to our Annual Report on Form 10-K filed on March 31, 2014)
(14)	**Code of Ethics**
14.1	Code of Ethics, adopted May 1, 2007 (incorporated by reference to an exhibit to our Registration Statement on Form SB-2 filed on November 21, 2007)
(31)	**Rule 13a-14 Certifications**
31.1*	Section 302 Certification of Chief Executive Officer
31.2*	Section 302 Certification of Chief Financial Officer
(32)	**Section 1350 Certifications**
32.1*	Section 906 Certification of Chief Executive Officer
32.2*	Section 906 Certification of Chief Financial Officer
(99)	**Additional Exhibits**
99.1	Audit Committee Charter (incorporated by reference to an exhibit to our Registration Statement on Form S-1 filed on February 2, 2011)
(101)	**XBRL**
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Filed herewith.

SIGNATURE

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

MNP PETROLEUM CORPORATION

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

Date: November 19, 2014

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

Date: November 19, 2014

Exhibit 31.1

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.

November 19, 2014

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

Exhibit 31.2

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.

November 19, 2014

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

Exhibit 32.1

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 September 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: November 19, 2014

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

Exhibit 32.2

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 September 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: November 19, 2014

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