CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Unaudited *(expressed in thousands of Canadian dollars)*

As at	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Accounts receivable	**19,480**	18,579
Deposits and prepaid expenses	**778**	457
	20,258	19,036
Non-current assets:		
Exploration and evaluation (note 5)	**62,757**	54,106
Petroleum and natural gas properties and equipment (note 6)	**114,347**	119,438
	177,104	173,544
Total assets	**197,362**	192,580
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	**31,325**	35,313
Credit facilities (note 7)	**48,098**	16,237
Deferred premium on financial instruments (note 13)	**2,192**	1,278
Fair value of financial instruments (note 13)	**1,873**	3,842
	83,488	56,670
Non-current liabilities:		
Deferred premium on financial instruments (note 13)	**630**	-
Fair value of financial instruments (note 13)	**4,118**	3,876
Flow-through share premium	**-**	2,102
Decommissioning obligations (note 8)	**5,502**	11,225
Deferred income taxes	**13,910**	9,611
	24,160	26,814
Total liabilities	**107,648**	83,484
SHAREHOLDERS' EQUITY		
Share capital (note 9)	**108,389**	119,586
Contributed surplus	**4,925**	5,451
Deficit	**(23,600)**	(15,941)
	89,714	109,096
Commitments (note 14)		
Subsequent events (note 15)		
Total shareholders' equity and liabilities	**197,362**	192,580

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

CONDENSED INTERIM STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

Unaudited *(expressed in thousands of Canadian dollars, except per share amounts)*

	Three months ended September 30		Nine months ended September 30	
	2014	2013	**2014**	2013
REVENUE				
Petroleum and natural gas	**23,037**	20,228	**88,920**	59,690
Royalty expenses	**(7,157)**	(5,814)	**(27,994)**	(15,879)
Net revenue from petroleum and natural gas sales	**15,880**	14,414	**60,926**	43,811
Realized loss on financial instruments	**(1,709)**	(1,614)	**(6,303)**	(1,691)
Unrealized gain (loss) on financial instruments	**8,394**	(2,063)	**183**	(4,950)
Interest and other	**22**	34	**25**	94
	22,587	10,771	**54,831**	37,264
EXPENSES				
Operating, net of recoveries	**2,453**	2,073	**9,195**	7,384
Transportation and marketing	**1,265**	900	**4,359**	2,878
Administrative, net of recoveries	**1,618**	1,907	**5,508**	5,514
Depletion and depreciation (note 6)	**6,004**	4,664	**18,889**	13,733
Finance	**456**	237	**864**	630
Exploration and evaluation (note 5)	**-**	-	**13,634**	-
(Gain) loss on asset divestitures	**196**	5	**998**	(717)
	11,992	9,786	**53,447**	29,422
INCOME BEFORE INCOME TAXES	**10,595**	985	**1,384**	7,842
Deferred income tax expense	**2,695**	649	**2,197**	2,810
TOTAL NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	**7,900**	336	**(813)**	5,032
Net income (loss) per common share (note 11)				
basic	**0.12**	-	**(0.01)**	0.07
diluted	**0.11**	-	**(0.01)**	0.07

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Unaudited *(expressed in thousands of Canadian dollars, except for share information)*

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total
As at December 31, 2012	70,339,014	102,668	3,753	(15,984)	90,437
Net income and comprehensive income	-	-	-	5,032	5,032
Issued on exercise of stock options	29,826	59	(24)	-	35
Normal course issuer bid	(1,369,800)	(2,006)	(44)	(1,566)	(3,616)
Stock-based compensation expensed	-	-	1,404	-	1,404
Stock-based compensation capitalized	-	-	784	-	784
As at September 30, 2013	68,999,040	100,721	5,873	(12,518)	94,076
As at December 31, 2013	74,492,340	119,586	5,451	(15,941)	109,096
Net loss and comprehensive loss	-	-	-	(813)	(813)
Issued on exercise of stock options (note 10)	1,117,500	2,714	(1,061)	-	1,653
Normal course issuer bid (note 9f)	(8,613,400)	(13,911)	-	(6,846)	(20,757)
Stock-based compensation expensed	-	-	358	-	358
Stock-based compensation capitalized	-	-	177	-	177
As at September 30, 2014	**66,996,440**	**108,389**	**4,925**	**(23,600)**	**89,714**

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

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Unaudited *(expressed in thousands of Canadian dollars)*

	Three months ended September 30		Nine months ended September 30	
	2014	2013	**2014**	2013
Cash provided by (used in):				
OPERATING ACTIVITIES:				
Net income (loss) and comprehensive income (loss)	**7,900**	336	**(813)**	5,032
Adjustments for items not affecting operating cash:				
Deferred income tax	**2,695**	649	**2,197**	2,810
Depletion and depreciation	**6,004**	4,664	**18,889**	13,733
Exploration and evaluation	**-**	-	**13,634**	-
Stock-based compensation	**121**	458	**358**	1,404
Finance	**456**	237	**864**	630
Unrealized (gain) loss on financial instruments	**(8,394)**	2,063	**(183)**	4,950
(Gain) loss on asset divestitures	**196**	5	**998**	(717)
Interest paid	**(422)**	(160)	**(730)**	(405)
Decommissioning expenditures (note 8)	**(4)**	(54)	**(20)**	(184)
Changes in non-cash operating working capital	**(919)**	2,057	**5,274**	(1,591)
	7,633	10,255	**40,468**	25,662
FINANCING ACTIVITIES:				
Increase in credit facilities	**25,787**	4,565	**31,861**	1,464
Proceeds from the exercise of stock options	**73**	-	**1,653**	35
Repurchase of common shares	**(4,971)**	(2,891)	**(20,757)**	(3,616)
	20,889	1,674	**12,757**	(2,117)
INVESTING ACTIVITIES:				
Exploration and evaluation asset expenditures	**(12,673)**	(1,175)	**(29,211)**	(5,767)
Petroleum and natural gas properties and equipment expenditures	**(10,013)**	(16,272)	**(36,322)**	(32,755)
Net divestitures of petroleum and natural gas properties and equipment	**(146)**	(52)	**22,792**	3,393
Changes in non-cash investing working capital	**(5,690)**	3,011	**(10,484)**	11,439
	(28,522)	(14,488)	**(53,225)**	(23,690)
NET INCREASE IN CASH	**-**	(2,559)	**-**	(145)
CASH, BEGINNING OF PERIOD	**-**	2,559	**-**	145
CASH, END OF PERIOD	**-**	-	**-**	-
Cash interest paid	**422**	160	**730**	405

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

1. REPORTING ENTITY AND NATURE OF OPERATIONS

Manitok Energy Inc. ("**Manitok**" or the "**Corporation**") is domiciled and incorporated in Canada. The Corporation is engaged in the exploration for and the development, production and acquisition of petroleum and natural gas reserves in Western Canada. Manitok conducts its operations in the Western Canadian Sedimentary Basin and currently all of the Corporation's activities are in Alberta. Manitok's financial year end is December 31 and the Corporation's registered office is located at Suite 1600, 421 – 7th Avenue S.W., Calgary, Alberta, Canada T2P 4K9. Manitok common shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "**MEI**".

These unaudited condensed interim financial statements ("**Financial Statements**") were approved and authorized for issuance by the Board of Directors on November 14, 2014.

2. BASIS OF PREPARATION

The Financial Statements present Manitok's financial results of operations and financial position under International Financial Reporting Standards ("**IFRS**") as at and for the three and nine months ended September 30, 2014, including the 2013 comparative periods. The Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("**IASB**").

The Financial Statements have been prepared following the same IFRS accounting policies and methods of computation, as disclosed in the annual audited financial statements for the year ended December 31, 2013, except as detailed in note 3. Certain information and disclosures normally required to be included in the notes to the annual audited financial statements have been condensed, omitted or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the annual audited financial statements and the notes thereto for the year ended December 31, 2013.

The Financial Statements have been prepared on a historical cost basis, except for certain financial and non-financial assets and liabilities, which have been measured at fair value. The Financial Statements include the accounts of Manitok only and are expressed in Canadian dollars, unless otherwise stated. There are no subsidiary companies.

3. CHANGES IN ACCOUNTING POLICIES

(i) Levies

IFRS Interpretations Committee ("**IFRIC**") 21 *Levies* is effective January 1, 2014, and addresses payments made to government bodies. There was no impact to the Corporation's Financial Statements as a result of adopting this new standard.

(ii) Financial Instruments: Presentation

IAS 32 *Financial Instruments: Presentation* is effective January 1, 2014, and has been amended to clarify certain requirements for offsetting financial assets and liabilities. There was no impact to the Corporation's Financial Statements as a result of adopting this new standard.

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

4. DETERMINATION OF FAIR VALUES

A number of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Corporation's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value measurement of derivative financial instruments has a fair value hierarchy of level 2.

5. EXPLORATION AND EVALUATION ASSETS

The continuity of the Corporation's Exploration and Evaluation ("**E&E**") assets are as follows:

	Total
As at December 31, 2012	20,311
Additions(1)	37,145
Exploration and evaluation expense	(3,350)
As at December 31, 2013	54,106
Additions(1)	30,324
Dispositions(2)	(8,039)
Exploration and evaluation expense	(13,634)
As at September 30, 2014	**62,757**

(1) Includes non-cash items such as capitalized stock-based compensation and decommissioning obligations.

(2) On February 28, 2014, the Corporation divested of oil and gas properties for total cash consideration of approximately $21.8 million after post-closing adjustments. The Corporation recorded a loss of $1.3 million on the divestiture during the nine months ended September 30, 2014. In May 2014, the Corporation divested of minor non-producing properties for total cash consideration of $0.9 million. The Corporation recorded a net gain of $0.4 million on the divestiture during the nine months ended September 30, 2014.

E&E assets consist of the Corporation's exploration projects which are pending the determination of economic quantities of proved and probable reserves. Additions represent the Corporation's share of costs incurred on E&E assets during the period. Manitok capitalized cash and non-cash administrative costs directly attributable to E&E additions of $1.3 million in the nine months ended September 30, 2014 (September 30, 2013 – $0.5 million).

In the nine months ended September 30, 2014, Manitok recognized a $13.6 million exploration and evaluation expense (September 30, 2013 – $NIL) related to unsuccessful exploration activities in the Quirk Creek area of Alberta. At this time, the Corporation does not intend to allocate any additional capital to the area and therefore, all costs accumulated in E&E assets related to Quirk Creek have been expensed.

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

6. PETROLEUM AND NATURAL GAS PROPERTIES AND EQUIPMENT

The continuity of the Corporation's Petroleum and Natural Gas ("**P&NG**") Properties and Equipment are as follows:

	P&NG	**Corporate**	**Total**
Cost:			
As at December 31, 2012	118,595	889	119,484
Additions	46,697	379	47,076
Asset divestiture(1)	(2,696)	-	(2,696)
Change in decommissioning obligations	(724)	-	(724)
As at December 31, 2013	161,872	1,268	163,140
Additions	36,140	156	36,296
Asset divestitures(2)	(37,274)	(240)	(37,514)
Change in decommissioning obligations	1,227	-	1,227
As at September 30, 2014	**161,965**	**1,184**	**163,149**
Accumulated depletion and depreciation and impairment:			
As at December 31, 2012	(22,328)	(265)	(22,593)
Depletion and depreciation expense	(19,378)	(266)	(19,644)
Impairment expense	(1,465)	-	(1,465)
As at December 31, 2013	(43,171)	(531)	(43,702)
Asset divestitures(2)	13,631	158	13,789
Depletion and depreciation expense	(18,653)	(236)	(18,889)
As at September 30, 2014	**(48,193)**	**(609)**	**(48,802)**
Net book value:			
As at December 31, 2013	118,701	737	119,438
As at September 30, 2014	**113,772**	**575**	**114,347**

(1) In June 2013, the Corporation divested of non-core royalty interest properties for total cash consideration of $3.4 million after post-closing adjustments. The Corporation recorded a gain of $0.7 million on the divestiture during the year ended December 31, 2013.

(2) On February 28, 2014, the Corporation divested of oil and gas properties for total cash consideration of approximately $21.8 million after post-closing adjustments. The Corporation recorded a loss of $1.3 million on the divestiture during the nine months ended September 30, 2014. In May 2014, the Corporation divested of minor non-producing properties for total cash consideration of $0.9 million. The Corporation recorded a net gain of $0.4 million on the divestiture during the nine months ended September 30, 2014.

At September 30, 2014, estimated future development costs of $19.9 million (December 31, 2013 – $69.0 million) associated with the development of the Corporation's proved and probable reserves were added to the Corporation's net book value in the depletion and depreciation calculation. Manitok capitalized cash and non-cash administrative costs directly attributable to P&NG properties and equipment of $0.9 million in the nine months ended September 30, 2014 (September 30, 2013 – $1.2 million).

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

7. CREDIT FACILITIES

The components of the Corporation's credit facilities include:

	September 30, 2014	December 31, 2013
Revolving operating demand loan facility	**48,098**	16,237
Acquisition and development demand loan facility[1]	**-**	-
Credit facilities	**48,098**	16,237

(1) The acquisition and development demand loan facility is restricted and subject to approval by the Corporation's lender, when utilized to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves.

The Corporation's credit facilities consist of a $90.0 million revolving operating demand loan facility and a $15.0 million acquisition and development demand loan facility, for total credit facilities of $105.0 million. The credit facilities are secured by a fixed charge debenture on the assets of the Corporation.

Advances under the credit facilities are available by way of Canadian prime rate loans and bankers' acceptances at the prevailing interest rates plus borrowing margins based on a pricing grid dependent on the net debt to cash flow ratio (as defined by the lender) calculated at the Corporation's previous quarter end. Standby fees are charged on the undrawn facilities. The effective interest rate applicable to the total debt issued under the revolving operating demand loan facility was 3.5% (September 30, 2013 – 3.5%).

The lending agreement provides for a financial covenant that requires the Corporation to maintain a working capital ratio (current assets excluding the fair value of financial instruments plus any undrawn portion of the revolving operating demand loan facility divided by current liabilities excluding any current portion of an amount drawn on the credit facilities, the fair value of financial instruments and the deferred premium on financial instruments) of at least 1:1. As of September 30, 2014, the Corporation's working capital ratio was 2:1.

The credit facilities are subject to review by the lender at any time in its sole discretion, and at least annually and any change in or redetermination of the borrowing base limit which results in a borrowing base shortfall must be eliminated by the Corporation. The next review date for the credit facilities has been set for May 31, 2015.

8. DECOMMISSIONING OBLIGATIONS

The Corporation's decommissioning obligations result from net ownership interests in petroleum and natural gas properties and equipment including well sites and facilities. Manitok estimates the total undiscounted amount of cash flows required to settle its decommissioning obligations as at September 30, 2014 to be approximately $10.4 million (December 31, 2013 – $21.0 million) with the majority of costs anticipated to be incurred between 2029 and 2045. A risk-free discount rate of 2.7% (December 31, 2013 – 3.2%) and an inflation rate of 2.0% (December 31, 2013 – 2.0%) was used to calculate the fair value of the decommissioning obligation.

A reconciliation of the decommissioning obligations is provided below:

	September 30, 2014	December 31, 2013
Opening Balance	**11,225**	11,476
Obligations incurred	**1,323**	995
Obligations disposed	**(7,974)**	-
Actual expenditures	**(20)**	(222)
Changes in estimates[1]	**814**	(1,330)
Accretion expense	**134**	306
Ending Balance	**5,502**	11,225

(1) Changes are largely due to the revision in the cost estimates and a change in the risk-free discount rate.

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

9. SHARE CAPITAL

(a) Authorized:
- Unlimited number of voting common shares
- Unlimited number of preferred shares issuable in series, with rights and privileges to be designated by the board of directors at the time of issuance

(b) Issued and outstanding:

	Number of common shares	Amount
Outstanding, December 31, 2012	**70,339,014**	**102,668**
Issued, net of costs (note 9c)	1,403,000	4,065
Issued, net of costs (note 9d)	5,638,900	16,253
Tax effect of share issue costs (note 9e)	-	378
Issued on exercise of stock options (note 10)	742,826	1,529
Normal course issuer bid (note 9f)	(3,631,400)	(5,307)
Outstanding, December 31, 2013	**74,492,340**	**119,586**
Issued on exercise of stock options (note 10)	1,117,500	2,714
Normal course issuer bid (note 9f)	(8,613,400)	(13,911)
Outstanding, September 30, 2014	**66,996,440**	**108,389**

(c) On November 8, 2013, Manitok closed a bought deal equity financing completed by way of a short form prospectus, for the issuance of 1,403,000 common shares of Manitok ("**Manitok Shares**") on a "flow-through" basis under the *Income Tax Act* (Canada) in respect of Canadian development expense ("**Manitok CDE Flow-through Shares**") at a price of $3.35 per Manitok CDE Flow-through Share for gross proceeds of $4.7 million (net proceeds - $4.4 million). The Corporation had until December 31, 2013 to incur the $4.7 million in development expenditures. The amount recorded to share capital from the issuance of Manitok CDE Flow-through Shares reflects the fair market value of Manitok Shares, which was $3.10 per Manitok Share less share issue costs. The difference between the total value of Manitok CDE Flow-through Shares and the fair value of Manitok Shares of $0.4 million was initially recognized as a flow-through share premium liability on the Statements of Financial Position when the Manitok CDE Flow-through Shares were issued. In 2013, the Corporation fulfilled the entire $4.7 million of eligible development expenditures and fully reversed the $0.4 million flow-through share premium liability.

(d) On November 8, 2013, Manitok closed a bought deal equity financing completed by way of a short form prospectus, for the issuance of 5,638,900 Manitok Shares on a "flow-through" basis under the *Income Tax Act* (Canada) in respect of Canadian exploration expense ("**Manitok CEE Flow-through Shares**") at a price of $3.60 per Manitok CEE Flow-through Share for gross proceeds of $20.3 million (net proceeds - $19.1 million). A total of 57,800 Manitok CEE Flow-through Shares were purchased by insiders. The Corporation has until December 31, 2014 to incur the $20.3 million in exploration expenditures. The amount recorded to share capital from the issuance of Manitok CEE Flow-through Shares reflects the fair market value of Manitok Shares, which was $3.10 per Manitok Share less share issue costs. The difference between the total value of Manitok CEE Flow-through Shares and the fair value of Manitok Shares of $2.8 million was initially recognized as a flow-through share premium liability on the Statements of Financial Position when the Manitok CEE Flow-through Shares were issued. As at September 30, 2014, the Corporation has fulfilled the entire $20.3 million of eligible exploration expenditures and fully reversed the $2.8 million flow-through share premium liability.

(e) Manitok recognized a deferred income tax benefit of $0.4 million related to the share issue costs of $1.5 million incurred with respect to the issuance of 1,403,000 Manitok CDE Flow-through Shares and 5,638,900 Manitok CEE Flow-through Shares on November 8, 2013.

(f) On June 15, 2012, the TSX-V authorized the Corporation's notice to make a normal course issuer bid (**"2012 NCIB"**) to purchase for cancellation up to 4.4 million Manitok Shares on the open market during the period from June 18, 2012 to June 17, 2013. On January 28, 2013, Manitok received approval of the TSX-V to increase the number of Manitok Shares that may be repurchased under the 2012 NCIB to an aggregate of up to 5.8 million Manitok Shares. For the year ended December 31, 2013, the Corporation purchased a total of 282,700

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

Manitok Shares for cancellation at a weighted average price of $2.54 per Manitok Share pursuant to the 2012 NCIB. The excess of the purchase price over the book value of $307,000 was recorded partially to contributed surplus ($44,000) and the remaining ($263,000) was charged to deficit.

On June 18, 2013, the TSX-V authorized the Corporation's notice to make a normal course issuer bid ("**2013 NCIB**") to purchase for cancellation up to 6.5 million Manitok Shares on the open market during the period from June 18, 2013 to June 17, 2014. For the year ended December 31, 2013, the Corporation purchased a total of 3,348,700 Manitok Shares for cancellation at a weighted average price of $2.44 per Manitok Share pursuant to the 2013 NCIB. The excess of the purchase price over the book value of $3.3 million was charged to deficit. For the nine months ended September 30, 2014, the Corporation purchased a total of 2,865,900 Manitok Shares for cancellation at a weighted average price of $2.39 per Manitok Share pursuant to the 2013 NCIB. The excess of the purchase price over the book value of $2.3 million was charged to deficit.

On March 11, 2014, the TSX-V authorized the Corporation's notice to make a normal course issuer bid ("**March 2014 NCIB**") to purchase for cancellation up to 6.8 million Manitok Shares on the open market during the period from March 17, 2014 to March 16, 2015. For the nine months ended September 30, 2014, the Corporation purchased a total of 5,747,500 Manitok Shares for cancellation at a weighted average price of $2.40 per Manitok Share pursuant to the March 2014 NCIB. The excess of the purchase price over the book value of $4.5 million was charged to deficit.

10. STOCK-BASED COMPENSATION

At September 30, 2014, the Corporation's stock option plan permitted the grant of options to a maximum of 6,699,644 Manitok Shares. At September 30, 2014, there remained available for issuance stock options in respect of 2,129,370 Manitok Shares. For stock options exercised during the nine months ended September 30, 2014, the weighted average trading price was $2.48 (September 30, 2013 - $3.00) per Manitok Share.

A summary of the Corporation's outstanding stock options as at September 30, 2014 is presented below:

	Number	Weighted Average Exercise Price ($)
Outstanding, December 31, 2012	**4,783,833**	**1.46**
Granted	2,171,100	2.99
Exercised	(742,826)	1.23
Forfeited	(604,667)	2.41
Outstanding, December 31, 2013	**5,607,440**	**1.98**
Granted	1,614,000	2.40
Exercised	(1,117,500)	1.48
Forfeited	(1,533,666)	2.62
Outstanding, September 30, 2014	**4,570,274**	**2.03**

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

The range of exercise prices for stock options outstanding and exercisable under the plan at September 30, 2014 is as follows:

Exercise Prices		Awards Outstanding			Awards Exercisable		
Low	High	Quantity	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Quantity	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
$1.10	$1.50	1,446,173	1.1	$1.17	1,444,506	1.1	$1.17
$1.51	$3.25	3,124,101	3.7	$2.43	698,196	2.7	$2.33
		4,570,274	**2.9**	**$2.03**	**2,142,702**	**1.6**	**$1.55**

The fair value of each option granted in the period is estimated using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows:

	Three months ended September 30		Nine months ended September 30	
	2014	2013	**2014**	2013
Weighted average fair value of options granted	-	$1.54	**$1.33**	$1.85
Risk-free interest rate	-	1.69%	**1.43%**	1.40%
Expected life (years)	-	3.8	**4.2**	4.0
Expected volatility	-	76%	**72%**	82%
Estimated forfeiture rate	-	3.3%	**9.0%**	4.3%
Expected dividends	-	-	-	-

11. PER SHARE INFORMATION

	Three months ended September 30		Nine months ended September 30	
	2014	2013	**2014**	2013
Net income (loss)	**7,900**	336	**(813)**	5,032
Weighted average Manitok shares outstanding - basic	**68,143,633**	69,401,001	**70,525,702**	69,986,216
Weighted average Manitok shares outstanding - diluted	**69,108,544**	71,431,314	**70,525,702**	71,971,207
Net income (loss) per share – basic ($)	**0.12**	-	**(0.01)**	0.07
Net income (loss) per share – diluted ($)	**0.11**	-	**(0.01)**	0.07

The weighted average diluted Manitok Shares outstanding for the three and nine months ended September 30, 2014 excludes 2,433,767 and 4,570,274 (September 30, 2013 – 2,034,600) stock options that are anti-dilutive.

12. CAPITAL MANAGEMENT

The Corporation's general policy is to maintain a sufficient capital base in order to manage its business in the most effective manner with the goal of increasing the value of its assets and thus its underlying share value. The Corporation's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, including potential obligations arising from acquisitions; the repurchase of Manitok Shares; maintaining a capital structure that allows Manitok to finance its growth strategy using internally-generated cash flow from operating activities and its available debt capacity; and to optimize the use of its capital to provide an appropriate investment return to its shareholders.

Manitok strives to properly exploit its current asset base and to acquire top quality assets. As such, the Corporation is not averse to maintaining a higher ratio of debt to total capital if management determines the assets it is acquiring or the projects it is drilling are of high quality. However, the Corporation manages its capital structure and makes adjustments considering changes in economic conditions and the risk characteristics of the assets. In order to maintain or adjust the capital structure, Manitok may issue new Manitok Shares or debt, increase the credit facility limits, or adjust its capital spending to manage current and projected debt levels. Management expects to be able to continue to raise equity and obtain debt financing sufficient to meet both its short-term and long-term growth requirements in the current environment.

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

There were no changes in the Corporation's approach to capital management during the three and nine months ended September 30, 2014 reporting period.

The following table shows the Corporation's total available credit:

As at	**September 30, 2014**	December 31, 2013
Maximum borrowing base limit(1)(2)		
Revolving operating demand loan facility	**90,000**	85,000
Acquisition and development demand loan facility(3)	**15,000**	20,000
	105,000	105,000
Principal amount utilized		
Drawn revolving operating demand loan facility	**(48,098)**	(16,237)
Drawn acquisition and development demand loan facility	**-**	-
	(48,098)	(16,237)
Undrawn credit facilities	**56,902**	88,763

(1) The Corporation's credit facilities are subject to a review of the borrowing base limit by the lender at any time in its sole discretion, and at least annually, which is directly impacted by the value of Manitok's petroleum and natural gas reserves. The next review date for the credit facilities has been set for May 31, 2015.

(2) The Corporation's lender requires quarterly compliance that the working capital ratio (current assets excluding the fair value of financial instruments plus any undrawn portion of the revolving operating demand loan facility divided by current liabilities excluding any current portion of an amount drawn on the credit facilities, the fair value of financial instruments and the deferred premium on financial instruments) is not less than 1:1. As at September 30, 2014, the Corporation's working capital ratio was 2:1.

(3) The acquisition and development demand loan facility is restricted and subject to approval by the Corporation's lender, when utilized to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves.

The capital structure of the Corporation is as follows:

As at	**September 30, 2014**	December 31, 2013
Total shareholders' equity(1)	**89,714**	109,096
Total shareholders' equity as a % of total capital	**60%**	77%
Adjusted working capital deficit(2)	**11,067**	16,277
Drawn on credit facilities	**48,098**	16,237
Total net debt	**59,165**	32,514
Total net debt as a % of total capital	**40%**	23%
Total capital	**148,879**	141,610

(1) Shareholders' equity is defined as share capital plus contributed surplus less the deficit.

(2) Adjusted working capital deficit is defined as current assets less current liabilities excluding the amount drawn on the credit facilities, the fair value of financial instruments and the deferred premium on financial instruments.

13. FINANCIAL INSTRUMENTS & RISK MANAGEMENT CONTRACTS

Manitok is exposed to credit risk, liquidity risk and market risk as part of its normal course of business. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's financial risk management framework and periodically reviews risk management activities and all outstanding positions. Management identifies and analyzes the risks faced by the Corporation, sets appropriate risk limits and controls, and monitors risks and market conditions and the Corporation's activities.

The Corporation attempts to mitigate commodity price risk through the use of various derivative financial instruments and physical delivery sales contracts. These instruments are not used for trading or speculative purposes. Manitok has not designated its financial derivative contracts as effective accounting hedges, even though the Corporation considers all commodity contracts to be effective economic hedges. As a result, all such financial derivative contracts are recorded on the Statements of Financial Position at fair value, with the changes in fair value being recognized as an unrealized gain or loss in income or loss.

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

Financial Derivatives

As at September 30, 2014, the Corporation held the following derivative financial instruments:

Product	Notional Quantity	Remaining Term	Reference	Strike Price	Type of Contract	Fair Value
Oil	500 bbls/d	October 1, 2014 to December 31, 2014	CAD$ WTI	$96.00	Swap	(236)
Oil	500 bbls/d	October 1, 2014 to December 31, 2014	CAD$ WTI	$93.35	Swap	(357)
Oil	300 bbls/d	October 1, 2014 to December 31, 2014	CAD$ WTI	$94.00	Swap	(197)
Oil	500 bbls/d	October 1, 2014 to December 31, 2014	CAD$ WTI	$105.17	Swap	184
Oil	1,000 bbls/d	January 1, 2015 to December 31, 2015	CAD$ WTI	$95.00	Swap	(1,410)
Oil	500 bbls/d	January 1, 2015 to December 31, 2015	CAD$ WTI	$91.00	Swap	(1,423)
Oil	1,000 bbls/d	October 1, 2014 to December 31, 2014	CAD$ WTI - DIFF	$8.67	Swap	(263)
Natural gas	5,000 GJ/d	October 1, 2014 to December 31, 2014	CAD$ AECO	$3.35	Put option(1)	2
Natural gas	5,000 GJ/d	October 1, 2014 to December 31, 2014	CAD$ AECO	$3.75	Put option(1)	14
Natural gas	5,000 GJ/d	January 1, 2015 to December 31, 2015	CAD$ AECO	$3.73	Put option(1)	618
Natural gas	5,000 GJ/d	January 1, 2015 to December 31, 2015	CAD$ AECO	$3.85	Put option(1)	731
Natural gas	5,000 GJ/d	January 1, 2015 to December 31, 2015	CAD$ AECO	$3.85	Put option(1)	731
Natural gas	5,000 GJ/d	January 1, 2015 to December 31, 2015	CAD$ AECO	$3.80	Put option(1)	682
Oil	500 bbls/d	January 1, 2015 to December 31, 2015	CAD$ WTI	$96.00	Swaption(2)	(852)
Oil	1,000 bbls/d	January 1, 2016 to December 31, 2016	CAD$ WTI	$95.00	Swaption(3)	(2,641)
Oil	500 bbls/d	January 1, 2016 to December 31, 2016	CAD$ WTI	$91.00	Swaption(4)	(1,574)
Total						**(5,991)**
Fair Value of Financial Instruments - Current						**(1,873)**
Fair Value of Financial Instruments - Non-current						**(4,118)**

(1) As at September 30, 2014 Manitok recorded $2.8 million ($2.2 million current and $0.6 million non-current) as a deferred premium on financial instruments, which represents the deferred put option premium payable to the counter-party on these contracts at a weighted average of $0.34/Gigajoule.

(2) The counter-party to this contract holds a one-time option no later than December 31, 2014 to extend a swap on 500 barrels per day of oil at CAD$96.00 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

(3) The counter-party to this contract holds a one-time option no later than December 31, 2015 to extend a swap on 1,000 barrels per day of oil at CAD$95.00 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

(4) The counter-party to this contract holds a one-time option no later than December 31, 2015 to extend a swap on 500 barrels per day of oil at CAD$91.00 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

The fair value of these commodity risk management liabilities at September 30, 2014 was $6.0 million (December 31, 2013 – $7.7 million). As at September 30, 2014, a 10% decrease to the forward price curves outlined in the swap contracts above would result in approximately $8.5 million of additional pre-tax income.

The Corporation has not entered into any derivative financial instruments subsequent to September 30, 2014.

Physical Sales Contracts

In addition to the financial derivative contracts discussed above, the Corporation has entered in physical sales contracts to manage commodity risk. These contracts are considered normal executory contracts and are not recorded at fair value in the financial statements. The Corporation holds the following physical sales contracts as at September 30, 2014:

Product	Volume	Remaining Term(1)56	Strike Price	Type of Contract
Natural gas	6,000 GJ/d	October 1, 2014 to October 31, 2014	$3.77	AECO fixed price

(1) Transactions with common terms have been aggregated and presented as the weighted average price.

The Corporation has not entered into any physical sales contracts subsequent to September 30, 2014.

Unaudited (Tabular amounts expressed in thousands of Canadian dollars, except for share information)

14. COMMITMENTS

The Corporation was committed to incur exploration expenditures of $20.3 million on or before December 31, 2014, related to the Manitok CEE Flow-through Share issuance completed on November 8, 2013, as indicated in note 9d. Manitok has fulfilled the $20.3 million commitment in the nine months ended September 30, 2014.

On October 21, 2013, the Corporation announced that it entered into a three year Lease Issuance and Drilling Commitment Agreement with Encana Corporation, whereby Manitok acquired petroleum and natural gas leases in the Entice area of southeast Alberta. In May 2014, Encana Corporation assigned the agreement to PrairieSky Royalty Ltd. ("**PrairieSky Agreement**"). Pursuant to the PrairieSky Agreement, Manitok has agreed to an annual work program including minimum annual drilling and completion expenditures and a minimum annual number of wells drilled, completed and tied-in or abandoned over a three year term. As at September 30, 2014, the Corporation is committed to the following minimum number of wells and minimum drilling and completion expenditures in the Entice area:

	Original Minimum Commitment		Work Program		Remaining Minimum Commitment	
Year	Number of wells	Drilling and Completion Expenditures	Number of wells	Drilling and Completion Expenditures	Number of wells	Drilling and Completion Expenditures
2014	7	22,000	9	18,013	-	3,987
2015	9	33,000	-	-	7	33,000
2016	14	51,000	-	-	14	51,000
Total	30	106,000	9	18,013	21	87,987

In June 2014, the Corporation entered into a Lease Issuance and Drilling Commitment Agreement with PrairieSky, whereby Manitok acquired additional petroleum and natural gas leases in the Entice area of southeast Alberta. Pursuant to the agreement, Manitok has agreed to drill one horizontal commitment well by June 15, 2015. The Corporation was subject to a non-performance penalty of $0.5 million if the commitment is not fulfilled. Manitok fulfilled the horizontal commitment well in the three months ended September 30, 2014.

In October 2014, the Corporation entered into a Lease Issuance and Drilling Commitment Agreement with PrairieSky, whereby Manitok acquired additional petroleum and natural gas leases in the Entice area of southeast Alberta. Pursuant to the agreement, Manitok has agreed to drill one horizontal commitment well by October 1, 2015. The Corporation is subject to a non-performance penalty of $0.5 million if the commitment is not fulfilled.

Manitok is committed to operating leases relating to new office space commencing on November 1, 2014 and expiring on November 30, 2017 and its old office premises which expires on February 28, 2017. The Corporation has subleased one and a half of the two floors of its current premises effective from November 1, 2014 for the remainder of the lease term and is currently attempting to sublease the remaining half floor. The Corporation is committed to the following aggregate minimum lease payments including expected operating costs**:**

Year	
2014	350
2015	2,454
2016	2,465
2017	1,450

15. SUBSEQUENT EVENTS

On October 30, 2014, Manitok received approval of the TSX-V to commence a new Normal Course Issuer Bid ("**November 2014 NCIB**") program to purchase for cancellation up to 6.3 million Manitok Shares on the open market during the period from November 3, 2014 and November 2, 2015.

On October 31, 2014, the Corporation completed an acquisition of approximately 290 boe/d in the Stolberg area of Alberta, with an effective date of October 1, 2014, for total cash consideration of approximately $7.5 million before final closing adjustments. The acquisition was financed using the Corporation's credit facilities.