

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

The following discussion and analysis is provided by the management of Seaview Energy Inc. ("Seaview" or the "Company") as of August 19, 2008 and should be read in conjunction with the unaudited interim consolidated financial statements and selected notes for the period ended June 30, 2008 and the audited consolidated financial statements and MD&A of Seaview for the periods ended December 31, 2007 and 2006. This financial data has been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The reporting and the measurement currency is Canadian dollars.

Description of the Company

Seaview is a Calgary based, natural gas and light crude oil focused, exploration and development, company established on December 13, 2006. The Company completed its Initial Public Offering on October 17, 2007. The primary area of operation is the Peace River Arch area of northwest Alberta. The Class A and Class B shares of Seaview trade on the TSX Venture Exchange ("TSX – Venture") under the symbols CVU.A and CVU.B. As Seaview has only been in operation since October 17, 2007, there is no comparative information for the period ended June 30, 2007. The financial results may not be indicative of future periods.

Non-GAAP measures

This MD&A contains the terms "funds flow from operations" and "funds flow from operations per share" which do not have any standardized meaning prescribed by Canadian GAAP. Management uses funds flow from operations and funds flow from operations per share to analyze operating performance and leverage and considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt, if any. Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flow from operating activities, as determined in accordance with Canadian GAAP, as an indicator of the Company's performance. Therefore, references to funds flow from operations or funds flow from operations per share (basic and diluted) may not be comparable with the calculation of similar measures of other entities. Funds flow from operations per share is calculated using the basic and diluted weighted average number of shares for the period. The reconciliation between funds flow from operations and cash flow from operating activities after changes in working capital for the three and six months ended June, 2008 and the three months ended December 31, 2007 is as follows:

	Three months ended June 30, 2008		Six months ended June 30, 2008		Three months ended December 31, 2007
Funds flow from operations	\$ 2,626,583	\$	2,979,002	\$	98,865
Changes in non-cash working capital	(881,396)		(901,684)		(461,595)
Cash provided by operating activities	\$ 1,745,187	\$	2,077,318	\$	(362,730)

Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. This benchmark, as presented, does not have any standardized meaning prescribed by Canadian GAAP and therefore, may not be comparable with the calculation of similar measures for other entities. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices. The Company uses these measures to help evaluate its performance and in capital allocation decisions.

Boe presentation

Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet ("mcf") to one barrel ("bbl") is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this report are derived by converting natural gas to oil in the ratio of six mcf of gas to one barrel of oil. A list of other commonly used abbreviations is included at the end of this report.

Forward-looking information

Certain information regarding the Company set forth in this document, including management's assessment of the Company's future plans and operations, may constitute forward-looking statements under applicable securities law and necessarily involve risks associated with oil and gas exploration, production, marketing, and transportation, such as loss of market, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

The unaudited interim consolidated financial statements and this MD&A for the three and six months ended June 30, 2008 do not include the impact of the C3 Resources Ltd ("C3") acquisition, which closed on July 24, 2008. Please see the discussions regarding subsequent events.

SELECTED FINANCIAL INFORMATION

Financial	Q2 2008⁽¹⁾	YTD 2008	Q1 2008
Petroleum and natural gas sales	\$ 5,150,800	\$ 6,281,040	\$ 1,130,240
Funds flow from operations	2,626,583	2,979,002	352,418
Basic and diluted per share	0.09	0.12	0.01
Net loss	(599,364)	(952,721)	(353,357)
Basic and diluted per share	(0.02)	(0.04)	(0.02)
Capital expenditures	7,932,153	12,448,447	4,516,294
Corporate acquisitions	29,323,480	29,323,480	-
Working capital (deficit)	(14,204,306)	(14,204,306)	3,800,952
Shares Outstanding at period end			
Class A	38,214,257	38,214,257	19,073,007
Class B	1,053,540	1,053,540	1,053,540
Operations			
Daily production			
Natural gas (mcf/d)	4,446	2,951	1,456
Light oil and NGLs (bbl/d)	95	50	4
Total production (boe/d)	836	542	246
Average realized sales price			
Natural gas (per mcf)	\$ 10.83	\$ 9.91	\$ 8.28
Light oil and NGL (per bbl)	106.96	106.73	100.81
Netback per boe			
Sales price (net of risk management losses)	\$ 67.70	\$ 63.76	\$ 50.43
Royalties	13.79	13.34	11.83
Operating expenses	10.93	11.00	11.23
Transportation	0.98	1.04	1.25
Operating netback	\$ 42.00	\$ 38.38	\$ 26.12

(1) Seaview closed the acquisition of C3 on July 24, 2008, subsequent to the period end, therefore, the results of that acquisition are not included in these results.

HIGHLIGHTS OF SECOND QUARTER OF 2008 AND SUBSEQUENT EVENTS

- o Average production increased 240% to 836 boe per day, compared to the average production for the first quarter of 2008 of 246 boe per day;
- o Production per share increased 78% for the second quarter over the first quarter of 2008;
- o Cash flow for the quarter increased 645% to \$2.7 million from \$352,418 in the first quarter of 2008;
- o Cash flow per share increased 800% to \$0.09;
- o On April 1, 2008, Seaview closed the corporate acquisition of 1332915 Alberta Ltd ("133Co") for total consideration of \$25.8 million, comprised of the assumption of 133Co's net debt position and the issuance of 8,049,250 Class A shares at \$0.87 per share. The acquisition of 133Co was highly accretive on all measures to Seaview, and significantly expanded the Company's reserves, production, cash flow, land and drilling inventory. Subsequent to the closing, 133Co's major shareholder joined Seaview's board of directors;
- o On May 29, 2008, Seaview closed a bought-deal financing for gross proceeds of \$6 million through the issuance of 2,792,000 Class A shares issued on a "flow-through basis" at a price of \$2.15 per share;
- o On June 26, 2008, Seaview acquired light oil properties from Progress Energy Trust located in southeast Saskatchewan and issued 8.3 million Class A shares, with an ascribed value of \$2.12 per share, to Progress, as well as approximately \$5.0 million in cash, for total consideration of \$22.5 million. Progress' President & CEO joined Seaview's board of directors;
- o On July 10, 2008, Seaview closed a bought-deal financing for gross proceeds of \$10 million through the issuance of 2,899,000 Class A shares at a price of \$3.45 per share;
- o On July 24, 2008, Seaview closed the corporate acquisition of C3 Resources Ltd. ("C3") for total consideration of \$38.2 million, comprised of the assumption of C3's net debt position, the issuance of 5,891,925 Class A shares at \$3.24 per

share and approximately \$6.3 million in cash. The acquisition added approximately 525 boe per day of predominately natural gas production in Seaview's Peace River Arch core area. C3's President and CEO joined Seaview's board of directors;

- o During the quarter Seaview announced an upward revision to guidance increasing the Company's 2008 exit production estimate to more than 1550 boe per day, up from 900 boe per day exit target at the end of the first quarter of 2008.

RESULTS OF OPERATIONS FOR THE SECOND QUARTER OF 2008

Corporate acquisition closed on April 1, 2008

On April 1, 2008, the Company acquired all of the outstanding common shares of 133Co with the issuance of 8,049,250 Class A shares with an ascribed value of \$0.87, determined on the basis of the trading value of the Class A shares with applicable deductions. The Company also assumed all of 133Co's outstanding obligations and financial derivatives contracts. The purchase has been accounted for as an acquisition of 133Co by Seaview using the purchase method of accounting. At the time of closing, one member of the board of directors and one member of management acquired 958,260 of the Class A shares issued in conjunction with the acquisition.

The purchase price is estimated at June 30, 2008 as follows:

Property, plant and equipment	\$	33,127,234
Working capital		813,577
Bank debt		(17,990,977)
Financial contract		(178,663)
Future income taxes		(8,096,416)
Asset retirement obligations		(471,907)
	\$	7,202,848
Consideration will be comprised of:		
Issuance of 8,049,250 Class A shares		7,002,848
Estimated transaction costs		200,000
	\$	7,202,848

The results of operations include net revenue from this transaction effective April 1, 2008. The above amounts are estimates which were made by management at the time of the preparation of these financial statements based on information available. Amendments may be made to these amounts as values subject to estimate are finalized.

Property acquisition closed on June 26, 2008

On June 26, 2008, the Company closed the property acquisition of certain southeast Saskatchewan light oil assets from Progress Energy Trust ("Progress"). The Company issued 8.3 million Class A shares to Progress, for a value of \$2.12 per share, determined on the basis of the weighted average trading value of Seaview prior to the announcement, with applicable deductions, as well as \$5.0 million in cash for total consideration of \$22.5 million. Additionally, the Company assumed the asset retirement obligation associated with these assets in the amount of \$658,833.

The results of operations include net revenue from this transaction effective June 26, 2008. The above amounts are estimates, which were made by management at the time of the preparation of these financial statements based on information available. Amendments may be made to these amounts as values subject to estimate are finalized.

Corporate acquisition closed subsequent to the period end on July 24, 2008

On July 24, 2008, the Company acquired all of the outstanding common shares of C3 Resources Ltd ("C3") with the issuance of 5,891,925 Class A shares with an ascribed value of \$3.24, and approximately \$6.3 million of cash. The Company also assumed all of C3's outstanding obligations and financial derivatives contracts for total consideration of approximately \$38.2 million. Concurrently, the Company increased the available credit under a secured lending agreement with a Canadian chartered bank from \$25 million to \$34 million. The purchase will be accounted for as an acquisition of C3 by Seaview using the purchase method of accounting. At the time of closing, C3's President and CEO joined Seaview's board of directors.

As this acquisition closed subsequent to the period end, these results of operations do not include any net revenues from this transaction.

The purchase price is estimated at June 30, 2008 as follows and is subject to change upon determination of the final values:

Property, plant and equipment	\$	38,771,000
Working capital deficiency		(5,169)
Bank debt		(11,996,178)
Goodwill		5,486,173
Future income taxes		(5,665,525)
Asset retirement obligations		(392,122)
	\$	26,198,179
Consideration will be comprised of:		
Issuance of 5,891,925 Class A shares		19,110,756
Cash		6,337,423
Estimated transaction costs		750,000
	\$	26,198,179

Operations

For the three and six months ended June 30, 2008, the Company recorded a net loss of \$599,364 and \$952,721, respectively (\$353,357 for the first quarter of 2008). As the Company has had active operations only from October 17, 2007, these financial results may not be indicative of future periods and the comparative information reported is that of Seaview alone.

The following table summarizes selected information for the second quarter of 2008 (the "Quarter" or "Q1 2008"), the six months ended June 30, 2008 ("Year to Date" or "YTD 2008") and the first quarter of 2008 (the "Previous Quarter" or "Q1 2008"):

	Q2 2008 ⁽¹⁾	YTD 2008 ⁽¹⁾	Q1 2008
Daily Production			
Natural gas (mcf/d)	4,446	2,951	1,456
Crude oil and NGL's (bbl/d)	95	36	4
Boe/d day @ 6:1	836	542	246
Petroleum and natural gas sales	\$ 5,150,800	\$ 6,281,040	\$ 1,130,240
Funds flow from operations	2,626,583	2,979,002	352,418
Per share – basic and diluted	0.09	0.12	0.02
Net loss and comprehensive loss	(599,364)	(952,721)	(353,357)
Per share – basic and diluted	(0.02)	(0.04)	(0.02)

(1) Seaview closed the acquisition of C3 on July 24, 2008, subsequent to the period end, therefore, the results of that acquisition are not included in these results.

Commodity prices

The AECO Daily Index gas price averaged \$9.68 per gj or \$10.21 per mcf for the Quarter as compared to \$7.49 per gj or \$7.90 per mcf during the Previous Quarter. The natural gas price received by Seaview, before risk management losses, was \$10.83 per mcf for the Quarter compared to \$8.28 per mcf for the Previous Quarter. Seaview receives a premium to the stated AECO Daily Index as the Company produces high heat content natural gas that attracts premium market prices.

The price of West Texas Intermediate ("WTI") crude averaged U.S.\$123.97 per bbl during the Quarter compared to U.S.\$ 97.96 per bbl during the Previous Quarter. Seaview received a combined average price, including natural gas liquids, of \$106.96 per bbl during the Quarter compared to \$100.64 during the Previous Quarter.

The Canadian dollar averaged U.S.\$1.005 during the Quarter, which is slightly below par, as compared to \$1.0038 during the Previous Quarter. As the price of WTI crude oil and Nymex natural gas is quoted in U.S. dollars, appreciation in the Canadian dollar reduces the average price received. Seaview mitigates exposure to the impact of exchange rate fluctuations by hedging a portion of the production in Canadian dollar denominated puts, swaps and collars.

Commodity price risk management

The prices received for petroleum and natural gas can fluctuate significantly due to weather patterns, the economic environment or political uncertainty.

Seaview's commodity price risk management program is designed to provide price protection on a portion of the future production in the event of adverse commodity price movement, while retaining the opportunity to participate in favourable price movements. This practice allows the Company to generate stable funds flow for capital development and acquisition activities, and to ensure positive economic returns on those activities. During the Quarter, the Company put one crude oil financial contract in place, which is described in Note 9 of the unaudited interim consolidated financial statements.

The Company has elected not to use hedge accounting and consequently will record the fair value of any natural gas financial contracts at each reporting period, with the change in the fair value being classified as unrealized gains and losses in the statement of earnings. As at June 30, 2008, the Company recorded an unrealized loss on financial contracts of \$1,413,838 reflecting the fair value of the natural gas and crude oil contracts outstanding at June 30, 2008. In July, 2008, the Company put an additional natural gas financial contract in place to coincide with the closing of the C3 acquisition.

The total volumes hedged for the period of July 2008 to December 2009 (including the contract placed subsequent to the quarter end) are detailed below. See Note 9 of the unaudited interim consolidated financial statements for a description of the contracts.

Natural Gas	Q3 '08	Q4 '08	Q1 '09	Q2 '09	Q3 '09	Q4 '09
Puts						
Volumes – gj/d	1,663	2,000	2,000	1,000	1,000	1,000
Net floor (\$/gj)	\$7.53	\$7.73	\$7.73	\$8.70	\$8.70	\$8.70
Swaps						
Volumes – gj/d	500	500	500	-	-	-
Price (\$/gj)	\$7.83	\$7.83	\$7.83	-	-	-
Crude Oil						
Costless collar						
Volumes – bbl/d	100	100	100	100	100	100
Floor – US\$/bbl	\$115.00	\$115.00	\$115.00	\$115.00	\$115.00	\$115.00
Ceiling – US\$/bbl	\$138.20	\$138.20	\$138.20	\$138.20	\$138.20	\$138.20

The Company's financial derivative trading activities are conducted pursuant to the Company's Hedging Policy Manual approved by the board of directors. The Hedging Policy Manual has the objectives of reducing risk exposure to budgeted annual funds generated from operations projections resulting from uncertainty or changes in commodity prices; limiting financial contract volumes up to a maximum of 35 % of forecasted production (net of royalties), and limiting financial derivative trading activity to counter-parties that provide sufficient collateral in support of payment or have investment grade credit ratings.

Petroleum and natural gas sales

	Q2 2008	YTD 2008	Q1 2008
Natural gas	\$ 4,383,715	\$ 5,480,083	\$ 1,096,368
Crude oil and natural gas liquids	926,000	959,872	33,872
Risk management losses	(158,915)	(158,915)	-
Petroleum and natural gas sales (net)	\$ 5,150,800	\$ 6,281,040	\$ 1,130,240
\$/boe	\$ 67.70	\$ 63.76	\$ 50.43

Petroleum and natural gas sales for the Quarter and Year to Date, before risk management losses, royalties and transportation costs were \$5.3 million and \$6.4 million, respectively (\$1,130,240 – Previous Quarter). The increase is attributable to the acquisition of 133Co, new wells coming on production during the Quarter as well as an increase in both oil and natural gas prices. The Company paid \$158,915 in premiums and realized losses on natural gas financial contracts during the Quarter.

Royalties

	Q2 2008	YTD 2008	Q1 2008
Royalties	\$ 1,049,281	\$ 1,314,458	\$ 265,178
Percentage of petroleum and natural gas revenue	19.8%	20.4%	23.4%
\$/boe	\$ 13.79	\$ 13.34	\$ 11.83

Royalties are paid to the owners of the mineral rights with whom leases are held, including the provincial governments. Overriding royalties are also paid to other parties according to contracts. In Alberta, a crown royalty is invoiced on the Crown's share of production based on a monthly established Alberta Reference Price. The Alberta Reference Price is a monthly weighted average price of gas consumed in Alberta and gas exported from Alberta reduced for transportation and marketing allowances. There is a maximum rate of 30% for new gas and 45% on old gas. The majority of the Company's gas production is from new gas. In today's gas price environment, the Company is subject to the maximum rates. Gas cost allowance, low productivity and other incentive schemes serve to reduce the effective royalty rate.

Subsequent to the acquisition of light oil assets from Progress on June 26, 2008, the majority of the Company's oil production is in Saskatchewan. Royalty rates in Saskatchewan vary depending on the rate of production, oil prices and applicable incentives.

Royalties for the Quarter and Year to Date totalled \$1.0 million and \$1.3 million, respectively (\$265,178 – Previous Quarter). As a percentage of sales, royalties averaged 19.8% during the Quarter or \$13.79 per boe and 20.4% and \$13.34 per boe Year to Date (23.4% and \$11.83 per boe, comparatively, for the Previous Quarter). The royalty rate decreased during the Quarter due to a reduction in prior period royalties, received from the Crown during the Quarter, relating to the gas cost allowance and custom processing annual adjustment.

Operating expenses

	Q2 2008		YTD 2008		Q1 2008
Operating expenses	\$	831,512	\$	1,083,209	\$ 251,697
\$/boe	\$	10.93	\$	11.00	\$ 11.23

Operating expenses, for the Quarter and Year to Date were \$0.8 million and \$1.1 million, respectively (\$251,697 – Previous Quarter). On a unit-of-production basis, operating expenses averaged \$10.93 and \$11.00 per boe, respectively (\$11.23 per boe – Previous Quarter). Operating expenses were lower than in the Previous Quarter, as discussed in the Q1 2008 report, as the fixed costs associated with the three low productivity oil wells taken offstream at the end of 2007 no longer impact the operating costs on a per boe basis. Additionally, the operating costs associated with the 133Co assets have slightly lower operating costs on a per boe basis.

Transportation expense

	Q2 2008		YTD 2008		Q1 2008
Transportation expense	\$	74,393	\$	102,446	\$ 28,053
\$/boe	\$	0.98	\$	1.04	\$ 1.25

For the Quarter, transportation expense totalled \$74,393 or \$0.98 per boe and Year to Date, transportation expense totalled \$102,446 or \$1.04 per boe (\$28,053 or \$1.25 per boe – Previous Quarter). The majority of the transportation expenses relate to natural gas pipeline tariff charges. A substantial portion of the 133Co gas is delivered through the Alliance gas sales system, as opposed to Nova and accordingly, the per boe transportation charge was reduced during the quarter, as Alliance has lower transportation charges.

General and administrative (“G&A”)

	Q2 2008		YTD 2008		Q1 2008
G&A expenses	\$	800,052	\$	1,378,295	\$ 578,245
Overhead recoveries		(398,524)		(694,839)	(296,317)
Net G&A expenses		401,528		683,456	281,928
\$/boe	\$	5.28	\$	6.94	\$ 12.58

During the Quarter and Year to Date, G&A, net of overhead recoveries on operated properties and capitalized expenditures, totalled \$0.4 million and \$0.6 million, respectively (\$281,928 – Previous Quarter). On a unit-of-production basis, G&A expenses were \$5.28 and \$6.94 per boe (\$12.58 per boe – Previous Quarter). The G&A per boe decrease during the quarter is mainly attributable to the substantial increase in production associated with the 133Co acquisition, which closed April 1, 2008, offset by an increase in net G&A costs, the majority of which is associated with annual bonuses paid during the Quarter.

Interest expense (income)

	Q2 2008		YTD 2008		Q1 2008
Interest expense (income)	\$	167,503	\$	118,469	\$ (49,034)
\$/boe	\$	2.20	\$	1.20	\$ (2.19)

Interest expense, representing interest paid on drawn amounts of the secured credit facility, bank overdrafts and banking fees, paid during the Quarter and Year to Date was \$167,503 or \$2.20 per boe and \$118,469 or \$1.20 per boe, respectively (interest income on invested cash balances, net of fees of \$49,034 or \$2.19 per boe – Previous Quarter). The average balance drawn during the Quarter was \$8.5 million, (\$7.7 million average balance invested – Previous Quarter), with an average of 4.8 % per annum paid (4.23 % per annum earned – Previous Quarter).

Stock option compensation

The Company has a stock option plan, which is fully described in Note 6 of the unaudited interim consolidated financial statements. The Company issued 702,500 stock options during the Quarter (724,690 during the Previous Quarter) with an exercise price of \$3.20 per Class A share (\$1.00 – Previous Quarter) and 5,000 options previously issued were forfeited. At June 30, 2008, 2,337,500 options were outstanding with an average exercise price of \$1.43 and a weighted average remaining

contractual life of 4.6 years (958,810 outstanding at December 31, 2007 with a weighted average remaining contractual life of 4.8years). None of the options were exercisable.

For the Quarter and Year to Date, the Company recorded a compensation expense of \$80,202 and \$125,699, respectively (\$45,497 - Previous Quarter) and capitalized \$108,400 and \$168,803, respectively (including tax effect of \$31,176 and \$47,334, respectively), (\$60,404 (including tax effect of \$16,158) – Previous Quarter).

Depletion, depreciation and accretion (“DD&A”)

The Quarter and Year to Date provision for DD&A totalled \$2.0 million and \$2.6 million, respectively (\$568,324 – Previous Quarter). On a unit-of-production basis, DD&A costs averaged \$26.17 and \$25.98 per boe, respectively (\$25.36 per boe – Previous Quarter).

Unrealized loss on financial contracts

The Company has elected not to use hedge accounting and accordingly, the market value of the financial contracts (as discussed in Note 9 of the unaudited interim consolidated financial statements) is recorded at each period end. The market value may change substantially from period to period based on the period ending commodity prices for the financial contracts outstanding at the balance sheet date. The change in market value from period end to period end is reflected in the earnings for that period. As a result, earnings may fluctuate considerably based on the period ending commodity prices.

During the Quarter, the Company acquired the existing natural gas financial contract held by 133Co on April 1, the date of the acquisition, with an unrealized loss at that date of \$0.2 million. Additionally, the Company entered into a financial contract for crude oil. The market value at June 30, 2008 of these contracts, with the contract previously held by the Company was an unrealized loss of \$1.3 million. During the Quarter and Year to Date, the Company recorded an unrealized loss of \$0.9 million and \$1.2 million as a result of the change in market value over the Quarter (\$0.3 million – Previous Quarter).

Future income taxes

A future income tax expense of \$240,620 and \$77,686 has been recorded for the Quarter and Year to Date (\$162,934 – Previous Quarter). No current tax expense has been recorded as Seaview is not subject to capital taxes and has no current income tax liability.

Net loss, comprehensive loss and funds flow from operations

Net loss and comprehensive loss for the Quarter and Year to Date was \$599,364 and \$952,721, respectively (\$353,357 – Previous Quarter). Seaview commenced active operations in the fourth quarter of 2007. Basic and diluted net loss per share for the Quarter and Year to Date was \$0.02 and \$0.04, respectively (basic and diluted net loss per share of \$0.02 – Previous Quarter). Funds flow from operations was \$2.6 million for the Quarter and \$3.0 million Year to Date (\$352,418 – Previous Quarter). Basic and diluted funds flow from operations per share for the Quarter and Year to Date was \$0.09 and \$0.12, respectively (basic and diluted funds flow from operations per share - \$0.02 – Previous Quarter).

The following table summarizes netbacks, funds flow from operations and net loss on a barrel of oil equivalent basis for the Quarter and Previous Quarter:

Netbacks (\$/boe)	Q2 2008	YTD 2008	Q1 2008
Petroleum and natural gas sales	\$ 67.70	\$ 63.76	\$ 50.43
Less:			
Royalties	13.79	13.34	11.83
Operating expenses	10.93	11.00	11.23
Transportation expense	0.98	1.04	1.25
Net operating income (operating netback)	\$ 42.00	\$ 38.38	\$ 1.25
General and administrative	5.28	6.94	12.58
Interest expense (income)	2.20	1.20	(2.19)
Funds flow from operations	34.52	30.24	15.73
Depletion, depreciation and accretion	26.17	25.98	25.36
Unrealized loss on financial derivatives	12.01	11.86	11.37
Stock option compensation	1.05	1.28	2.03
Future income tax expense (reduction)	3.16	0.79	(7.27)
Net Loss (\$/boe)	\$ (7.87)	\$ (9.67)	\$ (15.76)

SHARE INFORMATION

	Three months ended June 30, 2008	Six months ended June 30, 2008	Year ended December 31, 2007
Weighted average shares outstanding			
Basic and diluted	29,616,399	24,871,473	5,550,784
Outstanding securities at period end			
Class A shares		38,214,257	19,073,007
Class B shares		1,053,540	1,053,540
Options, Class A shares		2,337,500	958,810
Outstanding securities at August 19, 2008			
Class A shares		47,005,082	
Class B shares		1,053,540	
Options, Class A shares		3,942,500	

Per share amounts have been calculated using the weighted average number of shares outstanding during the period. The effect of 2,337,500 options and the conversion of the Class B shares have not been included in the diluted share calculation for the three and six months ended June 30, 2008 as it would have been anti-dilutive.

The Company's Class B shares are convertible (at the option of the Company) at any time after June 1, 2010 and before May 31, 2012, into Class A shares. The number of Class A shares obtained upon the conversion of each Class B share will be equal to \$10.00 divided by the greater of \$1.00 and the weighted average trading price of the Class A shares during the thirty days prior to the conversion date. If conversion has not occurred by the close of business on May 31, 2012, the Class B shares become convertible (at the option of the holder) into Class A shares on the same basis. Effective June 30, 2012, all remaining Class B shares will automatically convert to Class A shares.

CAPITAL EXPENDITURES

For the Quarter and Year to Date, capital expenditures totalled \$58.5 million and \$63.2 million, respectively (\$4,696,854 – Previous Quarter). The table below summarizes the capital expenditures during the Quarter and the Previous Quarter.

	Q2 2008		YTD 2008		Q1 2008
Land and property acquisitions	\$	22,742,106	\$	22,821,552	\$ 79,446
Geological and geophysical		172,784		201,987	29,204
Drilling and Completions		1,648,426		5,344,420	3,695,995
Tangible equipment		857,868		1,582,331	724,463
Asset retirement obligations		658,833		778,989	120,156
	\$	26,080,017	\$	30,729,279	\$ 4,649,264
Corporate Acquisitions		33,124,898		33,124,898	-
Office furniture & fixtures		(23,795)		23,795	47,590
	\$	33,101,103	\$	33,148,693	\$ 47,590
Total capital expenditures	\$	59,181,120	\$	63,877,972	\$ 4,696,854

CAPITALIZATION AND CAPITAL RESOURCES

The Company's total capitalization was \$185 million at June 30, 2008 with the market value of Class A and Class B shares representing 90% of the total capitalization (\$34.4 million at December 31, 2007 with the market value of Class A and Class B shares representing 92%). The market value of the Company's shares at June 30, 2008 was \$168 million (\$31.6 million – December 31, 2007)

	June 30 2008	December 31, 2007
Class A shares outstanding	38,214,257	19,072,907
Class A share price ⁽¹⁾	\$ 4.25	\$ 1.52
Class A market capitalization	\$ 162,410,592	\$ 28,990,819
Class B shares outstanding	1,053,540	1,053,540
Class B share price ⁽¹⁾	\$ 5.25	\$ 2.51
Class B market capitalization	\$ 5,531,085	\$ 2,644,385
Total market capitalization	\$ 167,941,677	\$ 31,635,204
Asset retirement obligations	1,467,084	196,963
Financial contract liability	1,347,313	-
Future income tax liability	13,791,944	2,570,406
Total capitalization	\$ 184,548,019	\$ 34,402,573

⁽¹⁾ Represents the closing price on the TSX Venture at period end

Bank facility

As at June 30, 2008, the Company had a revolving demand credit facility with an authorized borrowing amount of \$25 million, with interest charged at the bank's prime rate plus 0.50 per annum. Standby fees associated with the facilities are 0.125% per annum on the undrawn portion of the facility. Collateral for the facility consists of a general security agreement, providing a security interest over all present and after acquired personal property and a floating charge on all present and after acquired land interests of the Corporation.

At June 30, 2008, \$12.8 million was drawn against the revolving demand credit facility.

In conjunction with the acquisition of C3 Resources Ltd (described in the subsequent events section) this facility was reviewed in July and the limit of the revolving demand credit facility was increased to \$34 million and the interest charge revised downward to the bank's prime rate plus 0.25 per annum. The next review is scheduled for May, 2009.

Investing program funding

	Three months ended June 30, 2008	Six months ended June 30, 2008
Funds flow from operations	\$ 2,626,583	\$ 2,979,002
Changes in non-cash working capital	(4,042,027)	(1,649,810)
Proceeds from issuance of shares (net of costs)	5,570,137	5,546,967
Repayment of bank debt	(5,203,925)	(5,203,925)
Change in cash during the period	8,981,385	10,776,213
Capital expenditures during the year	\$ 7,932,153	\$ 12,448,447

The Company's Quarter capital investment program was funded by the issuance of equity, draws on credit facilities, cash flow and the available cash balances from March 31, 2008.

Working capital

The capital intensive nature of the Company's activities may create a negative working capital position in years with high levels of capital investment. The working capital surplus decreased from \$8.2 million as at December 31, 2007 to a deficit of \$14.2 million as at June 30, 2008 as a result of the Quarter's capital program, including the assumption of 133Co's net debt and the cash paid on the property acquisition from Progress, funds flow from operations and the increase in the unrealized loss on financial contracts.

Substantially all of the Company's petroleum and natural gas production is marketed to purchasers with investment grade credit ratings. The industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of crude oil and natural gas. This occurs on the 25th day following the month of sale. As a result, the Company's production revenues are collected in an orderly fashion. The Company monitors its revenue counterparty credit positions to mitigate any potential credit losses. To the extent the Company has joint interest partners in its activities; it must collect on a monthly basis, partners' share of capital and operating expenses. These are subject to normal collection risk. The Company normally collects significant amounts related to partners' share of capital amounts in advance of expenditures taking place, in accordance with standard industry operating procedures. Accounts payable consist of amounts payable to suppliers on field operating activities and capital spending activities. These invoices are processed within the Company's normal payment period. At June 30, 2008, the Company had no material accounts receivable that it deemed uncollectible.

The Company actively manages its capital structure. The Company's objectives when managing capital is to maintain a flexible capital structure to allow it to execute on its capital investment program, which includes investing in oil and gas activities that may or may not be successful. The Company will strive to balance the proportion of debt and equity in its capital structure to take into account the level of risk being incurred in its capital expenditures.

GUARANTEES/OFF-BALANCE SHEET ARRANGEMENTS

The Company has no guarantees or off-balance sheet arrangements, except for certain lease agreements. Seaview has certain lease agreements that are entered into in the normal course of operations. All leases are treated as operating leases whereby the lease payments are included in operating expenses or G&A expense depending on the nature of the lease. No asset or liability value has been assigned to these leases on the balance sheet as at June 30, 2008. The total future obligation from these operating leases is described below in the section "Contractual obligations and commitments".

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As part of the Company's land capture strategy, it will commit to industry partners to drill wells and/or shoot seismic in order to earn positions in contiguous land blocks. As at June 30, 2008, Seaview had remaining commitments to drill 3 wells and to re-enter and complete a series of wells, totaling approximately \$0.7 million (net) in 2008 which will earn lands from area competitors in the Peace River Arch area of northwest Alberta. If the Company does not fulfill its obligations pursuant to these commitments it will not earn the lands associated with the farm-ins. At the time of the preparation of these financial statements, 1 of the 3 wells was drilling and preparations were underway to commence drilling of the last two locations prior to September 30, 2008.

The Company issued \$11,706,000 of flow through shares on October 17, 2007 under its Initial Public Offering. These funds must be spent on qualifying expenditures prior to December 31, 2008. As at June 30, 2008, the Company had a remaining commitment to spend \$7.5 million. Part of this commitment is fulfilled by fulfilling the farm-in obligations noted above. The Company issued \$6.0 million of flow through shares on May 29, 2008. These funds must be spent on qualifying expenditures by December 31, 2009. As at June 30, 2008, the Company had the full commitment remaining. The Company will fund these commitments from available credit facilities and future cash flows.

The Company must pay Crown royalties, surface rentals, mineral taxes and abandonment and reclamation costs with respect to its ongoing ownership of hydrocarbon production rights. The amounts paid with respect to these burdens will depend on the future ownership, production, commodity prices and regulatory environment at the time.

The Company enters into natural gas and crude oil financial contracts from time to time, some of which may have premiums attached to them. The future premiums Seaview is committed to pay are included in the table below. The Company's future contractual commitments are highlighted below:

	Total	2008	2009	2010	2011	2012
Operating leases	\$ 1,296,907	171,586	287,316	287,316	287,316	263,373
Farm-in and flow through share drilling	\$ 13,682,382	7,679,582	6,002,800	-	-	-
Financial instrument premiums	\$ 1,157,080	426,280	730,800	-	-	-
Total contractual obligations	\$ 16,136,369	8,277,448	7,020,916	287,316	287,316	263,373

SUBSEQUENT EVENTS

- a. On July 10, 2008, the Company closed a bought deal equity financing of \$10 million, issuing 2,899,000 Class A shares at a price of \$3.45. Net proceeds were approximately \$9.2 million, after deducting commissions and estimated out of pocket expenses
- b. On July 24, 2008, the Company acquired all of the outstanding common shares of C3 Resources Ltd ("C3") with the issuance of 5,891,925 Class A shares, at a value of \$3.24, determined in conjunction with a bought-deal private place announced on the same date, with applicable deductions, and \$6.3 million of cash. The Company also assumed all of C3's outstanding obligations. The acquisition will be accounted for using the purchase method of accounting where the Company is identified as the acquirer.

The purchase price allocation is estimated as at June 30, 2008 as follows and is subject to change once the final values are known:

Property, plant and equipment	\$	38,771,000
Working capital deficiency		(5,169)
Bank debt		(11,996,178)
Goodwill		5,486,173
Future income taxes		(5,665,525)
Asset retirement obligations		(392,122)
	\$	26,198,179
Consideration will be comprised of:		
Issuance of 5,891,925 Class A shares		19,110,756
Cash		6,337,423
Estimated transaction costs		750,000
	\$	26,198,179

OUTLOOK

During the first three quarters of operations, Seaview's management has aggressively positioned the Company for solid future growth through the successful execution of a balanced business strategy of acquiring, exploiting and exploring for high quality natural gas and light oil assets in Western Canada.

With the execution of two strategic corporate acquisitions and a material property acquisition adding the southeast Saskatchewan core area, combined with an ongoing successful drilling program, Seaview has revised upward its 2008 average production rate and exit rate estimates two times this year. As a result, Seaview now has the following corporate characteristics:

- o Forecasted 2008 average daily production estimate of more than 1,050 boe per day, and 2008 production exit rate target of more than 1,550 boe per day.
- o Forecasted annualized cash flow for Seaview of \$19.7 million (\$0.42 per share) based on fourth quarter annualized cash flow projection, assuming 2008 average AECO gas prices of \$8.10/GJ, and US\$110/bbl crude oil pricing.
- o Forecast debt to fourth quarter annualized cash flow ratio of 0.7 times.
- o Expanded land position of 116,916 gross acres (48,143 net acres), including 24,008 net acres of undeveloped lands.
- o Extensive drilling inventory of more than 90 locations, including over 70 prospects targeting multi-zone conventional prospects and an expanding inventory of light oil targets in southeast Saskatchewan. Seaview's prospect inventory is not currently reflected in the Company's independent reserve evaluation and therefore provides for significant long term growth potential.
- o Exposure to the Montney resource play in Pouce Coupe with 3.9 net sections of land in this exciting Montney tight gas play. Seaview is currently participating in drilling the Company's first horizontal test with potentially 12 net horizontal follow-up locations.
- o Seaview's available bank line is currently \$34 million, with the next review period in May, 2009.
- o 47.1 million Class A shares and 1.054 million Class B shares outstanding.

CRITICAL ACCOUNTING ESTIMATES

The reader is advised that the critical accounting estimates, policies and practices as described in the MD&A at December 31, 2007 continue to be critical in determining Seaview's financial results as at June 30, 2008.

CHANGE IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Pending Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The AcSB issued the "omnibus" exposure draft of IFRS with comments due by July 31, 2008, wherein early adoption by Canadian entities is also permitted. The eventual changeover to IFRS represents changes due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Corporation's reported financial position and results of operations.

The Corporation has not completed development of its IFRS changeover plan, which will include project structure and governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Corporation hopes to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities, such as financing and compensation arrangements, by June 30, 2009.

The IASB has stated that it plans to issue an exposure draft relating to certain amendments to IFRS 1 in order to make it more useful to Canadian entities adopting IFRS for the first time. One such exemption relating to full cost oil&gas accounting is expected to result in a reduced administrative transition from the current Canadian AcG-16 to IFRS. It is anticipated that this exposure draft will not result in an amended IFRS 1 standard until late in 2009. The amendment will potentially permit the Corporation to apply IFRS prospectively to their full cost pool, rather than the retrospective assessment of capitalized exploration and development expenses, with the requirement that a ceiling test, under IFRS standards, be conducted at the transition date.

RISK ASSESSMENT

The reader is advised that the risk assessment for the Company is fully described in the MD&A at December 31, 2007 and is relevant to the readers' understanding of the Company's financial results as at June 30, 2008.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on SEDAR and can be viewed at www.sedar.com. Information can also be obtained by contacting the Company at Seaview Energy Inc. 1500, 444 - 5th Avenue S.W., Calgary, Alberta, Canada T2P 2T8 or by email at info@Seaviewenergy.com. Information is also accessible on the Company's web site at www.Seaviewenergy.com.

COMMONLY USED ABBREVIATIONS

boe	Barrel of oil equivalent
boe/d	Barrel of oil equivalent per day
gj	Gigajoule
gj/d	Gigajoule per day
mboe	Thousand barrels of oil equivalent
mcf	Thousand cubic feet
mcf/d	Thousand cubic feet per day
mmcf	Million cubic feet
mmcf/d	Million cubic feet per day
bbl	Barrel
bbl/d	Barrels per day
MMBTU	Million British Thermal Units
6:1	Boe conversion ratio of six mcf to one bbl

CORPORATE INFORMATION

OFFICERS AND SENIOR MANAGEMENT

Michael J.J. Wuetherick, P.Eng
President and Chief Executive Officer

H. Scott Oldale
Vice President, Exploration and Chief Operating Officer

Stephanie A. Bunch, CA
Vice President, Finance and Chief Financial Officer

Davin Chandler, P.Eng
Vice President, Engineering

Timothy L. Campbell
Vice President, Land

DIRECTORS

Paul Colborne,⁽³⁾ *Calgary, Alberta*
Chairman

Daryl Gilbert, *P.Eng, Calgary, Alberta*
Reserves Committee Chair & Health Safety & Environment Committee Chair

James Howe,⁽⁴⁾ *CA, Calgary, Alberta*
Audit Committee Chair

Gregory Turnbull,⁽³⁾ *LLB, Calgary, Alberta*
Corporate Governance Committee Chair

Steven VanSickle,^{(1),(2),(5)} *Calgary, Alberta*
Compensation Committee Chair

Robert Peters,⁽³⁾ *Calgary, Alberta*
Director

Michael Culbert,⁽¹⁾ *Calgary, Alberta*
Director

Bruce Francis,^{(2),(5)} *P.Eng, Calgary, Alberta*
Director

Michael J.J. Wuetherick, *P.Eng, Calgary, Alberta*
President, Chief Executive Officer and Director

H. Scott Oldale, *Calgary, Alberta*
Vice President, Exploration, Chief Operating Officer and Director

Sanjib Gill, *LLB, Calgary, Alberta*
Corporate Secretary

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Member of the Reserves Committee

⁽³⁾ Member of the Compensation Committee

⁽⁴⁾ Member of the Corporate Governance Committee

⁽⁵⁾ Member of the Health, Safety and Environment Committee

BANKERS

National Bank of Canada

PETROLEUM CONSULTANTS

Sroule Associates Limited
Calgary, Alberta

LEGAL COUNSEL

McCarthy Tétrault LLP
Calgary, Alberta

AUDITORS

KPMG LLP
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

Olympia Trust Company
Calgary, Alberta

STOCK EXCHANGE LISTING

TSX - Venture: CVU.A & CVU.B

INVESTOR RELATIONS

Telephone: (403) 450-3713
Investor Toll Free: 1-877-242-0222
E-mail: info@seaviewenergy.com

SEAVIEW ENERGY INC



1500, 444-5th Avenue SW
Calgary, Alberta
Canada T2P 2T8

Telephone: (403) 450-3713
Toll Free: 1-877-242-0222
Facsimile: (403) 668-9177

Email: info@seaviewenergy.com
Website: www.seaviewenergy.com