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

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2012

Commission File Number: 000-49760



GRAVIS OIL CORPORATION

(Name of Registrant)

Suite 902, #105, 150 Crowfoot Crescent N.W., Calgary, Alberta, Canada T3G 3T2

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

GRAVIS OIL CORPORATION

EXHIBITS

Exhibit	Description of Exhibit
Number:	
99.1	Management's Discussion and Analysis for the period ended October 31, 2011
99.2	Consolidated Financial Statements for the period ended October 31, 2011
99.3	Certification of the Chief Executive Officer
99.4	Certification of the Chief Financial Officer

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.

GRAVIS OIL CORPORATION

Date: January 4, 2012 By: /s/ JEFFREY
FREEDMAN

Jeffrey Freedman
Chief Financial Officer

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Dated December 20, 2011

This management's discussion and analysis ("MD&A") for the three and six months ended October 31, 2011, is a review of operations, current financial position and outlook for Gravis Oil Corporation ("Gravis" or "the Company"). It should be read in conjunction with the unaudited interim consolidated financial statements for the three and six months ended October 31, 2011, and the audited consolidated financial statements for the year ended April 30, 2011, and the notes thereto, prepared in accordance with United States generally accepted accounting principles.

Additional information relating to Gravis is available on SEDAR (www.sedar.com) or on the Company's website (www.Gravisenergy.com).

REPORTING REQUIREMENTS

The Company is a reporting issuer in Alberta, Canada and as such has certain reporting obligations. On September 7, 2011 the Alberta Securities Commission issued a cease trade order pertaining to the trading of the Company's securities in Alberta until it files its April 30, 2011 audited consolidated financial statements and management discussion and analysis (filed) and the Alberta Securities Commission revokes or varies this order.

The Company is also an OTC reporting issuer under British Columbia Instrument 51-509 and as such has certain reporting obligations in British Columbia, Canada. On September 8, 2011 the British Columbia Securities Commission issued a cease trade order pertaining to the trading of the Company's securities in British Columbia until it files its April 30, 2011 audited consolidated financial statements and management discussion and analysis (filed), an annual information form for the year ended April 30, 2011 (filed) and the Executive Director of the British Columbia Securities Commission makes an order revoking the cease trade order.

The Alberta Securities Commission is currently reviewing the Company's filings. However, as of the date of this report the cease trade orders have not been revoked and no assurances can be given as to when or if they will be revoked. Until these cease trade orders are revoked the Company's ability to raise capital is significantly restricted.

CHANGE IN REPORTING AND FUNCTIONAL CURRENCY

The Company's audited April 30, 2011, consolidated financial statements and its October 31, 2011 interim financial statements have been prepared using the United States dollar as the reporting currency, as management is of the opinion the use of US dollars to prepare the annual financial statements enhances communication with shareholders and improves comparability of financial information reported with peer group companies. Financial statements in prior years were prepared using a Canadian dollar (Cdn dollar) reporting currency; however, both current year and historical financial information have been translated to US dollars in accordance with the method described in the significant accounting policies. The change in reporting currency resulted in the recognition of a cumulative foreign currency translation reserve of \$272,156 in accumulated other comprehensive income at April 30, 2011.

Effective July 30, 2010, the Company and its subsidiaries changed functional currency from the Cdn dollar to the US dollar. This change was made as a result of the financing completed in July 2010, causing the Company's primary source of funding to be in US dollars and making the US dollar the currency of the economic environment in which the entity primarily generates and expends cash.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

SHARE CONSOLIDATION

Effective June 20, 2011, the Company's share capital was consolidated on a one-for-ten basis. All common share, warrant and stock option figures disclosed herein are reported on a consolidated basis.

OVERVIEW

The primary business activity of Gravis and its subsidiaries (collectively "the Company") has been the acquisition, exploration and development of a number of unproven heavy oil properties in the United States. Its activities to date have included analysis and evaluation of technical data, preparation of geological models, acquisition of mineral rights, exploration and development drilling, conceptual engineering, construction and operation of thermal demonstration projects, and securing capital to fund these expenditures.

The Company has now completed a work-over of virtually all of its production wells in both Missouri projects. Pumps were upgraded or replaced and tubing relanded. Thermal and pressure data acquisition equipment has been installed, and well logs have been run to identify the un-swept areas of the reservoir. Chemical surfactant and seismic stimulation technologies have been tested with varied results. In October 2011, as a result of the Company's financial position, cost factors and market conditions, operations on the Missouri oil and gas assets were suspended.

During September 2011 the Alberta and British Columbia Securities Commissions issued cease trade orders against the Company for failure to file certain information. The Company has submitted the required information and the Alberta Securities Commission is currently reviewing the Company's filings. However, until these cease trade orders are revoked the Company's ability to raise capital is significantly restricted and there can be no assurance as to when or if these cease trade orders will be revoked.

Gravis' future operations are dependent upon its ability to continue to obtain financing and ultimately achieve enhanced production results, reserve assignment and profitable operations. Additional capital may be in the form of equity, debt, sale of properties or assets, working interest farmouts or any combination thereof.

The Company's unaudited interim consolidated financial statements for the three and six months ended October 31, 2011, are prepared on a going concern basis. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Owing to the factors noted above, there is significant uncertainty about the Company's continued ability to use the going concern assumption which presumes the Company's ability to continue to be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The financial statements and this management report do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to secure additional funding and or ultimately attain profitable operations.

CHANGES IN ACCOUNTING POLICIES

The accounting policies set out in Note 5 to the April 30, 2011, audited consolidated financial statements have been applied consistently to all periods presented in the October 31, 2011, unaudited interim consolidated financial statements and the April 30, 2011, audited consolidated financial statements.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

SELECTED INFORMATION

	Three months ended October 31		Six months ended October 31		Year ended April 30
	2011	2010	2011	2010	2011
Revenue					
Oil sales	\$ 72,948	\$ 172,077	\$ 430,164	\$ 888,305	\$ 1,565,963
Interest income	5,477	1,331	10,534	1,331	16,213
	78,425	173,408	440,698	889,636	1,582,176
Expenses					
Operating	191,075	541,972	1,150,154	1,634,775	3,470,746
Impairment of oil and gas assets	-	-	-	-	12,848,677
General and administrative	778,743	325,155	1,505,764	1,090,217	3,307,060
Depreciation, depletion and accretion	61,152	50,850	231,119	542,476	844,160
Interest and accretion	849,588	346,603	1,637,873	370,581	1,512,443
Foreign exchange loss (gain)	(5,337)	(183,959)	(4,608)	(317,392)	(86,959)
Change in fair value of derivatives	(674,650)	(2,725,910)	(13,918,248)	(3,300,719)	9,395,435
	1,200,571	(1,645,289)	(9,397,946)	19,938	31,291,562
Net loss	(1,122,146)	1,818,697	\$ 9,838,644	\$ 869,698	\$ (29,709,386)
Net loss per share					
Basic	(0.08)	0.14	\$ 0.70	\$ 0.07	\$ (2.22)
Diluted	(0.08)	0.14	\$ 0.12	\$ 0.07	\$ (2.22)
Weighted average shares outstanding					
Basic	14,078,947	13,328,947	14,078,947	13,328,947	13,387,166
Diluted	120,658,941	13,328,947	82,164,885	13,328,947	13,387,166

	As at October 31		As at April 30
	2011	2010	2011
Total assets	\$ 19,430,294	\$ 31,470,583	\$ 20,818,512
Long-term liabilities	\$ 6,481,591	\$ 2,331,546	\$ 20,061,550
Total liabilities	\$ 10,349,977	\$ 4,451,979	\$ 23,650,925
Capital stock ⁽¹⁾	\$ 81,113,952	\$ 78,836,171	\$ 79,016,425
Shareholders' equity (deficiency in assets)	\$ 9,080,317	\$ 27,018,604	\$ (2,832,413)
Common shares outstanding	14,078,947	13,328,947	14,078,947

⁽¹⁾ Includes share capital and preferred shares.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

OPERATIONAL AND PROJECT REVIEW

Cost	Missouri	Kentucky	Montana	Kansas	Other	Total
Balance, April 30, 2011	\$ 16,364,000	\$ 100,000	\$ 75,000	\$ 98,214	\$ 1,338,616	\$ 17,975,830
Additions	257,435	-	-	-	-	257,435
Depletion	(170,880)	-	-	-	-	(170,880)
Balance, October 31, 2011	\$ 16,450,555	\$ 100,000	\$ 75,000	\$ 98,214	\$ 1,338,616	\$ 18,062,385

Missouri

The Company's Missouri lease holdings totaled 38,041 net mineral acres with 98.3 % operating interest. On separate pilot projects at Deerfield, Gravis has built two 500 barrel of oil per day steam drive production facilities (Marmaton River and Grassy Creek) comprised of 116 development production wells, 39 steam injection wells and 14 service and observation wells. Throughout the Deerfield area, the Company has drilled 73 exploration/delineation wells with a 67% success rate.

The Company has completed work-overs on all production wells in both projects. Pumps were upgraded or replaced and a number of surface equipment upgrades were made. Thermal and pressure data acquisition equipment was installed, and well logs were run to identify swept versus un-swept areas of the reservoir. Chemical, solvent and surfactant technologies were tested.

Phases I and II of the Marmaton River steam drive project together occupy 20 acres of project land developed as a pre-commercial project, which includes a steam generation and oil treating plant with a throughput capacity of 500 barrels of oil per day, 23 steam injection wells, 64 producing wells, and 6 service and observation wells. All Phase II wells have been tied in with steam injection initiated in 3 of 10 patterns. As at October 31, 2011, cumulative production at Marmaton is 43,573 barrels of oil.

The Grassy Creek steam drive project has a steam injection and production treating plant similar to Marmaton River with a design capacity of 500 barrels of oil per day. Phase I of the project consists of 46 production wells, 15 steam injection wells, and 6 service and observation wells occupying approximately 20 acres of the project site. As at October 31, 2011, cumulative production at Grassy Creek is 30,875 barrels of oil. In April 2011, the Company drilled, completed and equipped the first of several phase 2 patterns utilizing improved technology and methods that leverage what has been learned by operating Phase 1. The pattern was put into operation in early May 2011.

Gravis sells all of its oil production for a field gate price equivalent to 80% of the NYMEX posted price for West Texas Intermediate oil sales. Gravis purchases natural gas to fuel its boilers for an "at the burner tip" price approximately equivalent to the NYMEX Henry Hub spot price for natural gas.

In October, 2011 as a result of the Company's financial position, cost factors and market conditions, it suspended operations on its Missouri oil and gas assets.

The primary purpose of the Company's activities to date has been to gather information related to the property so that a production plan can be put into place. To date production operations have achieved encouraging initial oil production rates of up to 300 bbls per day of clean sales oil; however, the Company has not yet achieved economic production levels. Gravis believes that greater efficiencies and potentials are achievable from its property with additional investment in technology, coupled with what we have learned from our initial production operations. It is anticipated that each of these projects could develop 250 to 300 acres of their respective 320 acres of leases over their 25 to 30 year project life. Additional drilling phases on each of these projects would be necessary to maintain the individual project 500 barrel per day target oil production rates. It is further anticipated that a number of additional projects of similar design and size may be drilled and constructed across Gravis' Missouri lease holdings. However, given the Company's financial position it has suspended its operations for the time being and is currently seeking funding and/or a joint venture partner before it renews its exploration activity on this project.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

As at April 30, 2011, the Company determined that its capitalized costs for the proven and unproven Missouri land exceeded the ceiling limitation. As a result, during the year ended April 30, 2011, the Company recorded an impairment charge of \$9,066,590 on the Missouri projects and now carries the value of the Missouri properties at the value of proved and probable reserves. Owing to improved pricing since April 30, 2011, the Company did not record any impairment in the six months ended October 31, 2011. It will, however, continue to review the status of the project and its ability to secure financing and may in the future record an impairment.

Kentucky

The Kentucky lease holdings include a 37.5 % working interest in 29,147 unproved mineral acres (10,930 net acres).

On September 21, 2010, the Company and its 62.5% working interest partner (together the "Farmor") signed a farm-out agreement for their interest in 5,100 net acres in the Little Muddy Area of Butler County, Kentucky to a Houston-based independent exploration and production company ("Farmee").

On December 4, 2010, this farm-out agreement was expanded to cover the full 29,147 unproved net mineral acres. All acreage leased in Kentucky by the Farmor and the Farmee in Butler, Warren, Edmonson and Muhlenberg counties shall be pooled and be subject to the new agreement. The Farmee currently owns about 1,000 net acres contiguous with Farmor's leases which will be included in the joint lands.

During the year ended April 30, 2011, the Company recorded an impairment charge of \$3,179,174 on the Kentucky project as a result of the lack of development activity by the Farmee and the curtailment of Company plans to continue exploration on the project due to a lack of available capital. As a result of these factors and to help raise capital for other purposes the Company is seeking to dispose of its interest in this property. To date no offers have been received on the property and the amount that may be ultimately realized is uncertain. The Company did not record any impairment in the six months ended October 31, 2011.

Montana

The Montana leases total 3,982 gross acres (2,019 net) divided amongst two prospects: Devils Basin and Teton. The leasehold in the Devils Basin prospect totals 1,175 gross acres (881 net acres). Gravis currently owns a 75% working interest in this prospect. There are two active leases in the Teton Prospect totaling 2,807 gross acres (1137 net acres). Gravis currently owns a 53.69% working interest in this prospect.

Trade seismic was purchased on the Devils Basin prospect to identify one or more prospective drill locations targeting light oil from the Heath Shale. The Company has no near-term plans to proceed with the project.

During the year ended April 30, 2011, the Company recorded an impairment charge of \$602,913 on the Montana project. The impairment was recorded due to the expiry of leases and the continued curtailment of plans to continue exploration on the lands in the near term because of the lack of capital available for this project. The remaining costs represent the Company's estimate of the fair value of the leases as determined by sales in the area for long-term leases with farmout potential and related seismic value. The Company did not record any impairment in the six months ended October 31, 2011.

Kansas

The Chetopa project is a pre-commercial heavy oil demonstration project located two miles south of Chetopa, Kansas. The project is currently suspended, and includes certain oil and gas equipment and a 100% interest in two oil and gas leases covering 385 acres. Subsequent to October 31, 2011, one of the leases expired leaving the Company with an interest in 320 acres. The Company has no near-term plans to proceed with the project. The carrying value of the Chetopa project represents the estimated salvage value of the equipment.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Other

Other costs consist primarily of five used steam generators and related equipment that will be assigned to future projects.

FINANCIAL REVIEW

	Three Months Ended October 31		Six Months Ended October 31	
	2011	2010	2011	2010
Revenue and other income				
Oil sales	\$ 72,948	\$ 172,077	\$ 430,164	\$ 888,305
Interest income	5,477	1,331	10,534	1,331
	78,425	173,408	440,698	889,636
Expenses				
Operating	191,075	541,972	1,150,154	1,634,775
General and administrative	778,743	325,155	1,505,764	1,090,217
Depreciation, depletion and accretion	61,152	50,850	231,119	542,476
Interest and accretion	849,588	346,603	1,637,873	370,581
Foreign exchange loss (gain)	(5,337)	(183,959)	(4,608)	(317,392)
Change in fair value of derivatives	(674,650)	(2,725,910)	(13,918,248)	(3,300,719)
	1,200,571	(1,645,289)	(9,397,946)	19,938
Net income (loss)	\$ (1,122,146)	\$ 1,818,697	\$ 9,838,644	\$ 869,698
Net income (loss) per share				
Basic	\$ (0.08)	\$ 0.14	\$ 0.70	\$ 0.07
Diluted	\$ (0.08)	\$ 0.14	\$ 0.12	\$ 0.07

Oil sales

During the six months ended October 31, 2011, the Company's Missouri properties produced 5,788 barrels of oil at an average price (net of royalties) of \$77 per barrel as compared to production of 18,147 barrels at an average price (net of royalties) of \$60 per barrel for the six months ended October 31, 2010.

Production was lower in the current quarter compared to the October 31, 2010 quarter due to curtailment of gas purchases at both Grassy Creek and Marmaton River Projects, and the cessation of operations in early October.

Interest income

Interest income for the six months ended October 31, 2011 is primarily comprised of interest earned on the long-term receivable at U.S bank prime rate plus 3%.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Operating expenses

During the three and six months ended October 31, 2011, the Company incurred operating costs of \$191,075 (\$174 per barrel) and \$1,150,154 (\$198 per barrel), respectively, compared to \$541,972 (\$384 per barrel) and \$1,634,775 (\$90 per barrel), respectively, in the three and six months ended October 31, 2010. Operating costs were higher in the current quarter compared to the October 31, 2010 quarter due to lower production volumes and the cost of conducting chemical and mechanical tests of alternate production methods. The primary purpose of the Company's activities to date has been to gather information related to its oil and gas resources so that a production plan can be put into place. As such the cost per barrel is not deemed to be indicative of future costs.

General and administrative expenses

	For the Three Months Ended October 31		For the Six Months Ended October 31	
	2011	2010	2011	2010
Stock-based compensation:				
Stock options	\$ 22,998	\$ 83,730	\$ 45,990	\$ 180,032
Compensation warrants	-	-	-	-
Consulting warrants	-	(162,729)	-	81,510
Shares issued for services	-	-	-	-
Less: capitalized portion	-	(1,910)	-	(4,245)
	22,998	(80,909)	45,990	257,297
Salaries and benefits	546,925	232,534	1,048,399	502,413
Professional fees	69,917	112,001	134,382	227,051
Investor relations	33,303	74,660	85,227	101,292
Office and administration	116,119	33,432	223,718	88,340
Information technology	19,310	8,493	29,964	23,448
Less: capitalized portion	(29,829)	(55,056)	(61,916)	(109,624)
	755,745	406,064	1,459,774	832,920
	\$ 778,743	\$ 325,155	\$ 1,505,764	\$ 1,090,217

The primary variances in general and administrative expenses for the 2011 periods as compared to the 2010 periods are as follows:

- Stock-based compensation expense is dependent on the timing of the granting of options and is higher in the comparative October 31, 2010 period primarily due to the granting of 720,000 consulting warrants in October 2010.
- Salaries and benefit costs are higher in the current quarter due to the hiring of a new president in January 2011. Staffing levels were reduced in the comparative quarter.
- Professional fees, consisting of legal, audit, accounting and tax advisory fees were higher in the comparative quarter due to the Company's dispute with its landlord (see Contingency and Contractual Obligation section).
- Office and administrative are higher in the current quarter due to the cost of enhanced insurance coverage, the move of certain administrative functions to Houston and an increase in corporate travel.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Interest and accretion

Interest and accretion expense is related to convertible notes issued during the year ended April 30, 2011:

	Principal amount	Issue date	Annual interest rate	Effective interest rate
Junior Notes	\$2.5 million	July 30, 2011	7.5%	47%
Senior I Notes	\$2.5 million	July 30, 2011	12%	43%
Senior II Notes	\$4.6 million	December 2010, January & March 2011	12%	43%

Interest and accretion expense for the six months ended October 31, 2011 includes \$48,147 of amortization of deferred transaction costs for the issuance of the convertible notes.

Interest and accretion expense for the six months ended October 31, 2010 includes \$20,267 of interest on a natural gas purchase line of credit agreement with a private lender.

Foreign exchange gain/loss

The net foreign exchange loss for the six months ended October 31, 2011 is comprised losses on the translation of Canadian dollar denominated transactions and balances to U.S dollars.

The comparative quarter net foreign exchange gain is comprised of Canadian dollar foreign exchange losses on the translation of U.S. dollar denominated transactions and balances to Canadian dollars prior to the change of the Company's functional currency to U.S. dollars.

Change in fair value of derivatives

The decrease in the fair value of the following derivative liabilities during the six months ended October 31, 2011 is due to the decrease in the market price of the Company's shares since April 30, 2011 and is recognized in the consolidated statement of operations as change in fair value of derivatives income and includes \$259,704 for the expiry of Preferred B Options:

	Preferred A Warrants	Preferred B Option	Conversion Feature Derivative	Warrants	Consulting Warrants	Total
Balance, April 30, 2010	\$ 740,269	\$ 590,640	\$ -	\$ -	\$ -	\$ 1,330,909
Fair value on date of issue	-	-	1,883,200	1,808,070	166,810	3,858,080
Conversion of Senior I Notes	-	-	(84,530)	-	-	(84,530)
Change in fair value	2,479,431	4,531,654	1,070,960	988,820	324,570	9,395,435
Balance, April 30, 2011	3,219,700	5,122,294	2,869,630	2,796,890	491,380	14,499,894
Exercise of Preferred B Option	-	(1,904,496)	-	-	-	(1,904,496)
Expiry of Preferred B Option	-	(259,704)	-	-	-	(259,704)
Fair value of Preferred B warrants on date of issue	-	-	-	1,636,300	-	1,636,300
Change in fair value	(3,118,200)	(2,958,094)	(2,863,490)	(4,239,540)	(479,220)	(13,658,544)
Balance, October 31, 2011	\$ 101,500	\$ -	\$ 6,140	\$ 193,650	\$ 12,160	\$ 313,450

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

SUMMARY OF QUARTERLY RESULTS

(000's except per share amounts)

	Fiscal 2012			Fiscal 2011			Fiscal 2010	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue (\$)	73	362	464	229	173	716	992	558
Net income (loss) (\$) ⁽¹⁾	(1,122)	10,961	(24,107)	(6,115)	1,461	(949)	(3,800)	(1,788)
Basic net income (loss) per share (\$) ⁽²⁾	(.08)	0.78	(1.78)	(0.46)	0.11	(0.07)	(0.29)	(0.13)
Total assets (\$)	19,430	20,654	21,719	34,784	31,780	32,930	31,597	32,413

⁽¹⁾ Net income in Q1 2012 and Q2 2011 is due to fair value adjustments on derivatives. Larger losses incurred in Q4 2011 and Q4 2010 were a result of impairments recorded on oil and gas assets.

⁽²⁾ Sum of quarters may not add to total for the year due to rounding.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2011, the Company had a working capital deficiency of \$3,080,274 compared to a working capital deficiency of \$1,428,025 at April 30, 2011.

During June 2011 the Company raised \$1.76 million on the exercise of 17,600 Preferred B Options.

As noted above under Reporting Requirements during September 2011 the Company was cease traded by the Alberta and British Columbia securities commission for failure to file certain financial information. The Alberta Securities Commission is currently reviewing the Company's filings. However, as of the date of this report the cease trade orders have not been revoked and no assurances can be given as to when or if they will be revoked. Until these cease trade orders are revoked the Company's ability to raise capital is significantly restricted.

We expect that our current capital and our other existing resources will be sufficient only to provide a limited amount of working capital. We anticipate that we will require up to approximately \$2 million for our anticipated operations for the next twelve months, depending on revenues. We believe that our currently available funds can sustain our current level of operations for approximately two months from the date of this report. In addition when our Senior Notes and Junior Notes come due the Company currently lacks the resources to repay them. While the Company plans on renegotiating the terms of the Senior Notes and Junior Notes there can be no assurance that the Company will be successful and the Senior Note and Junior Note holders may demand repayment and or force their security interests against our assets. We will require additional capital to continue to operate our business and to further expand our exploration and development programs. However, there can be no assurance that the Company will be able to obtain additional capital when required. Furthermore, inability to secure capital in a timely basis may have a significantly negative impact on our future consolidated results of operations, financial condition and our ability to continue as a going concern - see Overview above.

Investing activities

During the six months ended October 31, 2011, the Company incurred \$318,760 of expenditures on oil and gas assets compared to \$576,629 in the six months ended October 31, 2010.

Financing activities

In June 2011, the Company raised \$1.76 million pursuant to the exercise of 17,600 Preferred B Options and issued 15,399,125 Preferred B Warrants exercisable at \$0.20 until June 7, 2016. The remaining 2,400 Preferred B Options expired unexercised.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Common shares and dilutive instruments

The Company's common shares trade in the United States on the Over-the-Counter Bulletin Board exchange ("OTC").

The number of outstanding shares and the number of shares that could be issued if all dilutive instruments are converted to shares is as follows:

As at	December 20 2011	October 31 2011	July 31 2011	April 30 2011
Common shares ⁽¹⁾	14,078,947	14,078,947	14,078,947	14,078,947
Preferred A Warrants ⁽³⁾⁽¹¹⁾	19,250,000	19,250,000	19,250,000	19,250,000
Preferred B Shares ⁽⁴⁾⁽¹¹⁾	8,799,500	8,799,500	8,799,500	10,000,000
Preferred B Warrants ⁽⁴⁾⁽¹¹⁾	15,399,125	15,399,125	15,399,125	17,500,000
Senior I Notes ⁽⁵⁾⁽¹¹⁾	11,750,000	11,750,000	11,750,000	11,750,000
Senior I Warrants ⁽⁵⁾⁽¹¹⁾	12,500,000	12,500,000	12,500,000	12,500,000
Senior II Notes ⁽⁶⁾⁽¹¹⁾	23,000,000	23,000,000	23,000,000	23,000,000
Senior II Warrants ⁽⁶⁾⁽¹¹⁾	9,200,000	9,200,000	9,200,000	9,200,000
Junior Notes ⁽²⁾⁽¹¹⁾	12,505,340	12,505,340	12,505,340	12,505,340
Consulting Warrants ⁽⁷⁾	2,720,000	2,720,000	2,720,000	2,720,000
Stock Options ⁽¹⁾⁽⁹⁾	1,404,300	1,404,300	1,404,300	1,404,300
Compensation Warrants ⁽¹⁾⁽⁹⁾	480,000	480,000	480,000	480,000
Accrued Senior I Notes (interest) ⁽¹⁰⁾⁽¹¹⁾	1,893,616	1,725,123	1,415,096	1,105,068
Accrued Senior II Notes (interest) ⁽¹⁰⁾⁽¹¹⁾	2,474,959	2,096,877	1,401,205	705,534
Accrued Junior Notes (interest) ⁽¹⁰⁾⁽¹¹⁾	1,305,352	1,176,872	940,470	704,068
	136,761,139	136,086,084	134,843,983	136,903,257

⁽¹⁾ As at December 20, 2011, senior management and directors held an aggregate of 120,000 common shares, 250,000 Preferred B shares, 250,000 Preferred B warrants and 1,192,500 stock options.

⁽²⁾ The Junior Notes are redeemable in cash at any time at the Company's option or convertible into common shares at \$0.20 per common share at the Company's option under terms and conditions specified in the agreement.

⁽³⁾ The Preferred A Warrants remain as issued on August 28, 2009. Each warrant allows the holder to purchase one common share at US \$0.20 per share for a period of five years from issuance.

⁽⁴⁾ Pursuant to the agreements with MP1, until November 26, 2010 (extended to June 7, 2011), the Investors have the option to purchase up to 2,000 Series B convertible preferred shares with a stated value of \$100 each (the "Preferred B Shares"), for up to US \$2,000,000 on similar terms to the Preferred A Shares except the conversion price is US \$0.20 per common share. After 12 months from the date of issue, the Company may force the conversion of the Preferred B Shares provided certain conditions are met. In conjunction with the Preferred B Share issuance, the Company will issue to the Investors up to 17,500,000 warrants ("Preferred B Warrants"). Each Preferred B Warrant allows the holder to purchase a common share at US \$0.20 per share for a period of five years from issuance. After nine months from the date of issuance, a cashless conversion option is provided only with respect to Preferred B Warrant shares not included for unrestricted public resale in an effective registration statement on the date notice of exercise is given to the Company.

On June 7, 2011, the Company issued 17,600 Preferred B shares on the exercise of 17,600 Preferred B Options convertible into common shares at US \$0.20 per common share and issued 15,399,125 Preferred B Warrants exercisable at \$0.20 until June 7, 2016. The remaining 2,400 Preferred B Options expired unexercised.

⁽⁵⁾ On July 30, 2010, the Company issued US \$2,500,000 of Senior I Notes. The Notes are redeemable in cash at any time at the Company's option or convertible into common shares at US \$0.20 per common share at the Company's option under terms and conditions specified in the agreement.

One warrant ("Senior I Warrant") has been issued to the holder for each \$0.20 principal amount of the Senior I Notes for a total of 12,500,000 warrants exercisable at \$0.20 per share.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

⁽⁶⁾ In December 2010, January 2011 and March 2011, the Company issued US \$4,600,000 of Senior II Notes. The Notes are redeemable in cash at any time at the Company's option or convertible into common shares at US \$0.20 per common share at the Company's option under terms and conditions specified in the agreement.

One warrant ("Senior II Warrant") has been issued to the holder for each \$0.50 principal amount of the Senior II Notes for a total of 23,000,000 warrants exercisable at \$0.25 per share.

⁽⁷⁾ Consulting warrants are exercisable at \$0.25 per share.

⁽⁸⁾ Stock options are exercisable at a weighted average exercise price of \$0.60 per share.

⁽⁹⁾ Compensation warrants are exercisable \$0.50 per share.

⁽¹⁰⁾ Interest accrued on the junior notes and the senior notes are payable in additional junior notes and senior notes. As at October 31, 2011, \$999,774 (December 20, 2011 - \$1,134,785) of accrued interest is convertible at \$0.20 per share.

⁽¹¹⁾ As of December 20, 2011, the holders of the Senior I & II Notes and Junior Notes upon exercise or conversion of all dilutive derivative instruments held by them, would hold a total of approximately 118,077,892 common shares or 86.3% of the fully diluted common shares of Gravis, and could have the ability to control all matters submitted to Gravis' shareholders for approval (including the election and removal of directors and any merger, consolidation or sale of all or substantially all of our Company's assets) and to control the Company's management and affairs. Accordingly, this potential concentration of ownership may have the effect of delaying, deferring or preventing a change in control of the Company, impeding a merger, consolidation, takeover or other business combination involving the Company or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the market price of Gravis' shares.

CONTINGENCY AND CONTRACTUAL OBLIGATIONS

(a) Contingency:

In January 2010, the Company experienced a flood in its office premises as a result of a broken water pipe. There was significant damage to the premises rendering them unusable until remediation had been completed by the landlord. Pursuant to the lease contract, the Company has asserted that rent should be abated during the remediation process and accordingly, the Company has not paid rent since December 2009. During the remediation process, the Company engaged an independent environmental testing company to test for air quality and for the existence of other potentially hazardous conditions. The testing revealed the existence of potentially hazardous mould and the consultant provided specific written instructions for the effective remediation of the premises. During the remediation process, the landlord did not follow the consultant's instructions and correct the potentially hazardous mould situation and subsequently in June 2010 gave notice and declared the premises to be ready for occupancy. The Company re-engaged the consultant to re-test the premises and the testing results again revealed the presence of potentially hazardous mould. The Company has determined that the premises are not fit for re-occupancy and considers the landlord to be in default of the lease and the lease terminated.

The landlord disputes the Company's position and has given notice that it considers the Company to be in default of the lease for failure to re-occupy the premises.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

In addition, the landlord has claimed that the Company owes monthly rent for the premises from January 2010 to June 30, 2010 in the amount of \$234,871 (Cdn\$234,098) and has claimed that, as a result of the alleged default, pursuant to the terms of the lease, the Company owes three months accelerated rent in the amount of \$109,044 (Cdn\$108,685).

The landlord has also asserted that the Company would be liable for an amount up to the full lease obligation of \$1,515,800 (Cdn\$1,510,816) which otherwise would have been due as follows:

Year Ended April 30	
2011	\$ 449,191
2012	449,191
2013	449,191
2014	168,227
Thereafter	-
Total	\$1,515,800

To date, no legal action has been commenced by the landlord and the cost, if any, to the Company is not determinable. Accordingly, no amounts related to rent or the disputed lease obligation have been recorded in these financial statements.

(b) Severance Obligation:

At October 31, 2011 pursuant to employment agreements with a senior officer, the Company is obligated to pay up to \$195,684 (Cdn\$195,040) under certain events around employment termination.

(c) Legal Proceedings:

Except as noted above under contingency and under reporting requirements; there are no legal actions either in process or pending and the Company is not aware of any contemplated, legal, governmental or arbitration proceedings, including those related to bankruptcy, receivership or those involving a third party which have, or may have, significant effects on the Company's financial position or profitability.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 5 to the annual consolidated financial statements for the year ended April 30, 2011. The consolidated financial statements are prepared in conformity with US GAAP.

The preparation of the financial statements requires making estimates and judgments that affect our reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis the Company evaluates the estimates, including those related to acquisitions, status of oil and gas projects (proved or unproved), asset impairment, tax valuation allowances, volatility and market value of our share price, the valuation of preferred shares and contingencies. These estimates are based on information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could vary from those estimates under different assumptions and conditions.

The critical accounting policies that affect the more significant judgments and estimates used in preparation of our consolidated financial statements are described below.

Oil and gas operations

Gravis follows the full cost method to account for its oil and gas operations, whereby all costs of exploring for and developing oil and gas reserves are capitalized and accumulated in country-by-country cost centers. These capitalized costs will be depleted using the unit-of-production method based on estimates of proved reserves once the underlying property is considered proved. The costs related to unproved properties are not subject to depletion. Factors used to make this assessment included commercial production levels on demonstration projects for an extended period of time and the existence of proved reserves which are not yet considered commercially viable and which require additional capital to complete their ultimate development.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

The capitalized costs in each unproved project are assessed to determine whether it is likely such costs will be recovered in the future. Costs which are not likely to be recovered in the future are written-off. We assess the carrying amounts of our unproved oil and gas assets for impairment by assessing the likelihood of recovering our costs through cash flow projections of future net revenues.

Management prepared estimates of future net revenues using internal and independent estimates of resource potential. The process of estimating quantities of resource potential is inherently uncertain and complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing exploration activities becomes available and as economic conditions impacting oil and gas prices and costs change. Our resource estimates are based on assumed exploration success, availability of future capital to finance development, future production forecasts, prices and economic conditions. Additional assumptions and estimates used in the future net revenue calculations include:

- estimates of production and recovery rates, which vary depending on the method of extraction used and the characteristics of the reservoir and resource estimates;
- estimates of operating costs, which vary with equipment and facility efficiency, inflation; and
- estimates of future capital costs, which vary with inflation, equipment and facility performance.
- Significant changes in these factors could reduce our estimates of future net revenues and accordingly could result in an impairment of our oil and gas assets. Management will perform quarterly assessments of the carrying amounts of its oil and gas assets as additional data from ongoing exploration activities becomes available.

As a result of these procedures, the Company recorded a \$12,848,677 impairment charge on its properties of during the year ended April 30, 2011 (2010 - \$1,162,545; 2009 - \$57,468,799). The Company did not record any impairment in the six months ended October 31, 2011.

Fair value of the Company's common shares, options and warrants and derivatives

Gravis used valuation techniques that rely on unobservable inputs for its derivatives to estimate their fair values such as expected volatility rates comparable to peer companies.

The fair value of options and warrants granted and the conversion feature of convertible notes were based on Black-Scholes and binomial pricing models, which use the common share fair value on the grant date as an input.

PENDING ACCOUNTING CHANGES

The FASB has issued ASU No. 2010-13, Compensation - Stock Compensation (Topic 718): Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades. This ASU codifies the consensus reached in EITF Issue No. 09-J, "Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades." The amendments to the Codification clarify that an employee share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity shares trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. This rule will not have a material impact on the Company's financial position or results of operations. The Company has applied the principles from the update in its financial reporting.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011
(in United States dollars unless otherwise indicated)

In January 2010, the FASB issued Accounting Standards Update 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. The ASU amends Subtopic 820-10 with new disclosure requirements and clarification of existing disclosure requirements. New disclosures required include the amount of significant transfers in and out of levels 1 and 2 fair value measurements and the reasons for the transfers. In addition, the reconciliation for level 3 activity will be required on a gross rather than net basis. The ASU provides additional guidance related to the level of disaggregation in determining classes of assets and liabilities and disclosures about inputs and valuation techniques. The amendments are effective for annual or interim reporting periods beginning after December 15, 2009, except for the requirement to provide the reconciliation for level 3 activities on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Company is currently assessing the impact of ASU 2010-6 and does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

The FASB has issued ASU 2011-05, Comprehensive Income: Presentation of Comprehensive Income, the requirements of which increase in the prominence of other comprehensive income in financial statements. The Company is currently assessing the impact of ASU 2011-05 and does not expect adoption of this guidance to have a material impact on its consolidated financial statements.

FINANCIAL INSTRUMENTS

Expected maturities of the Company's financial instruments are presented in the following table:

	2012	2013	2014	2015	2016	Total
Cash and cash equivalents	\$ 465,122	\$ -	\$ -	\$ -	\$ -	\$ 465,122
Cash in escrow	49,074	-	-	-	-	49,074
Accounts receivable	115,749	-	-	-	-	115,749
Long-term receivable	10,000	286,784	-	-	-	296,784
	\$ 639,945	\$ 286,784	\$ -	\$ -	\$ -	\$ 926,729

	2012	2013	2014	2015	2016	Total
Accounts payable and accrued liabilities	\$ 557,721	\$ -	\$ -	\$ -	\$ -	\$ 557,721
Interest payable	1,020,684	-	-	-	-	1,020,684
Liability portion of convertible notes	2,069,694	3,741,507	1,878,878	-	-	7,690,079
Derivatives	-	430	55,120	101,500	156,400	313,450
	\$ 3,648,099	\$ 3,741,937	\$ 1,933,998	\$ 101,500	\$ 156,400	\$ 9,581,934

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements other than the items noted above in contractual obligations.

RISKS AND UNCERTAINTIES

Gravis has yet to attain profitable operations and because the Company needs additional financing to fund its exploration activities, there is a doubt about the Company's ability to continue as a going concern.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

To date, Gravis has acquired interests in five oil and gas properties; however, the Company has not established a proved project on any of its properties that generates commercial revenues. The Company's short-term prospects depend upon the success of the production response to steaming and other remedial operations at its Marmaton River and Grassy Creek projects in Missouri. For the six months ended October 31, 2011, Gravis reported net income of \$9,838,644 which included a \$13,918,248 unrealized fair value adjustment gain on derivatives; excluding this gain, Gravis incurred a net loss of \$4,079,604. Gravis has an accumulated deficit from development stage of \$125,704,928 to October 31, 2011. The Company has not generated significant revenues nor has it realized a profit from operations to date. Any profitability in the future from the business will be dependent upon locating and developing economic reserves of oil and gas, which itself is subject to numerous risk factors as set out herein.

Gravis requires additional financing to continue as a going concern.

The Company will need additional financing to fund the development of its projects to commercial viability. The development of Gravis' oil and gas projects will require additional funding. Gravis' future operations are dependent upon its ability to continue to obtain financing and ultimately achieve profitable operations. Additional capital may be in the form of equity, debt, sale of properties, joint venture farmouts or any combination thereof. However, as noted above, during September 2011 the Company was cease traded by the Alberta and British Columbia Securities Commission for failure to file certain financial information. The Alberta Securities Commission is currently reviewing the Company's filings, however, as of the date of this report the cease trade orders have not been revoked and no assurances can be given as to when or if they will be revoked. Until these cease orders are revoked the Company's ability to raise capital is significantly restricted. - see Liquidity and Capital Resources above.

The oil and gas industry is highly competitive and Gravis may be unsuccessful in acquiring further leases.

The oil and gas industry is intensely competitive. Gravis competes with numerous individuals and companies, including many major oil and gas companies, which have substantially greater technical, financial and operational resources and staff for suitable business opportunities, desirable oil and gas properties for drilling operations, drilling equipment and funds. We may be unable to raise the necessary funds or complete any projected work.

Gravis' primary and most valuable assets are pledged as security against the Company's indebtedness.

In order to finance its exploration activities with a view toward establishing commercial operations, the Company has pledged its assets in Missouri as security against its line of credit, Senior Notes and Junior Notes. Default by the Company on the terms of any of these credit instruments could lead to foreclosure and the ultimate loss of these assets

As Gravis' Missouri, Kansas, Kentucky, and Montana properties are in early stages of development, the Company may not be able to establish commercial reserves on these projects.

Exploration for commercial reserves of oil and gas is subject to a number of risk factors. Few of the prospects that are explored are ultimately developed into producing oil and/or gas fields. To April 30, 2011, a portion of the reserves associated with the Missouri Marmaton River and Grassy Creek projects are classified as developed producing. Gravis may not be able to establish commercial reserves in Missouri and it is therefore considered to be an exploration stage company.

The potential profitability of oil and gas ventures depends upon factors beyond the control of Gravis, any of which may have a material adverse effect on the Company.

The potential profitability of oil and gas projects is dependent upon many factors beyond the Company's control, including: world prices and markets for oil and gas which are unpredictable, highly volatile, potentially subject to governmental fixing, pegging or controls; adverse weather conditions can hinder drilling and production operations; production from any well may be unmarketable if it is impregnated with water or other deleterious substances; and the marketability of oil and gas which may be acquired or discovered will be affected by proximity and capacity of oil and gas pipelines and processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental protection. The extent of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Oil and gas operations are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company. Exploration and production activities are subject to certain environmental regulations which may prevent or delay the commencement or continuance of the Company's operations .

Oil and gas operations in United States are also subject to federal and state laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Various permits from government bodies are required for drilling and production operations to be conducted; we may not receive such permits. Furthermore oil and gas operations in the United States are also subject to federal and state laws and regulations including, but not limited to: the construction and operation of facilities; the use of water in industrial processes; the removal of natural resources from the ground; and the discharge/release of materials into the environment.

Environmental standards imposed by federal and state authorities may be changed and such changes may have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on Gravis. Additionally, the Company may be subject to liability for pollution or other environmental damages which the Company may elect not to insure against due to prohibitive premium costs and other reasons. Gravis' current and anticipated exploration and drilling activities are subject to the aforementioned environment regulations. When and if Gravis establishes reserves or enters into production, the Company will become subject to additional regulations which do not currently pertain to the Company or affect current operations.

Exploratory drilling involves many risks and Gravis may become liable for pollution or other liabilities which may have an adverse effect on the Company's financial position.

Drilling operations generally involve a high degree of risk. Hazards such as unusual or unexpected geological formations, blow-outs, sour gas leakage, fire, inability to obtain suitable or adequate machinery, equipment or labour, and other risks are involved. The Company may become subject to liability for pollution or hazards against which it cannot adequately insure or which it may elect not to insure. Incurring any such liability may have a material adverse effect on Gravis' financial position and operations.

Gravis has oil and gas leases in respect of the real property associated with its projects, but the real property may be subject to prior unregistered agreements, or transfers, which have not been recorded or detected through title searches.

Gravis has oil and gas leases with respect to the real property associated with its projects and the Company believes its interests are valid. These leases do not guarantee title against all possible claims. The real property may be subject to prior unregistered agreements, or transfers which have not been recorded or detected through title research. If the oil and gas leases to the real property associated with Gravis' projects are challenged, the Company may have to expend funds defending any such claims and may ultimately lose some or all of any revenues generated from the projects if the Company loses its interest in such leases.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

Shareholders' interests in the Company will be diluted and investors may suffer dilution in their net book value per share if Gravis issues additional shares or raise funds through the sale of equity securities.

Gravis' constituting documents authorize the issuance of an unlimited number of common shares, without par value, and an unlimited number of preferred shares, without par value. In the event that the Company is required to issue additional shares, enter into private placements to raise financing through the sale of equity securities or acquire additional oil and gas property interests in the future from the issuance of shares of our common stock to acquire such interests, the interests of existing shareholders in the Company may be diluted and existing shareholders may suffer dilution in their net book value per share depending on the price at which such securities are sold. If Gravis does issue additional shares, it will cause a reduction in the proportionate ownership and voting power of all existing shareholders.

Upon exercise or conversion of certain dilutive instruments such as convertible Senior Notes, convertible Junior Notes and warrants, the owners of these rights and the resulting common shares would have significant influence regarding share ownership. This concentration could lead to conflicts of interest and difficulties for investors effecting corporate changes, and could adversely affect the Company's share price.

As of December 20, 2011 the holders of the Senior and Junior Notes upon exercise or conversion of all dilutive derivative instruments held by them, would hold a total of 118,077,892 common shares or 86.3% of the fully diluted common shares of Gravis, and could have the ability to control all matters submitted to Gravis' shareholders for approval (including the election and removal of directors and any merger, consolidation or sale of all or substantially all of our Company's assets) and to control the Company's management and affairs. Accordingly, this potential concentration of ownership may have the effect of delaying, deferring or preventing a change in control of the Company, impeding a merger, consolidation, takeover or other business combination involving the Company or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, which in turn could have a material adverse effect on the market price of Gravis' shares.

Trading of Gravis common stock may be restricted by the Securities and Exchange Commission (SEC)'s "Penny Stock" rules which may limit a shareholder's ability to buy and sell the Company's shares.

The SEC has adopted rules which generally define "penny stock" to be any equity security that has a market price (as defined) less than US \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Gravis' securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of US \$5,000,000 or individuals with a net worth in excess of US \$1,000,000 or annual income exceeding US \$200,000 or US \$300,000 jointly with their spouse.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the share that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. Management believes that the penny stock rules discourage investor interest in and limit the marketability of the Company's common shares.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

The National Association of Securities Dealer (NASD) has adopted sales practice requirements which may limit a shareholder's ability to buy and sell the Company's shares.

In addition to the "penny stock" rules described above, the NASD has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the NASD believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The NASD requirements make it more difficult for broker-dealers to recommend that their customers buy Gravis common shares, which may limit your ability to buy and sell the Company's shares and have an adverse effect on the market for the Company's shares.

Gravis' articles contain provisions indemnifying its officers and directors against all costs, charges and expenses incurred by them .

Gravis' articles contain provisions that state, subject to applicable law, every director or officer of the Company must be indemnified, subject to the limitations of the Business Corporations Act (Alberta), against all losses or liabilities that the Company's directors or officers may sustain or incur in the execution of their duties. The Company's articles further state that no director or officer will be liable for any loss, damage or misfortune that may happen to, or be incurred by the Company in the execution of his duties if he acted honestly and in good faith with a view to the best interests of our Company. Such limitations on liability may reduce the likelihood of litigation against Gravis' officers and directors and may discourage or deter shareholders from suing the Company's officers and directors based upon breaches of their duties to the Company, though such an action, if successful, might otherwise benefit the Company and its shareholders.

Because Gravis has not adopted a formal conflicts of interest policy, the occurrence of one or more conflicts could have a negative impact on the Company's ability to raise capital and/or the Company's share price.

Some of the Company's directors and officers serve or may serve as directors or officers of other oil and gas or mineral exploration companies or have interests in other oil and gas or mineral exploration companies or ventures. To the extent that Gravis has dealings with such companies or ventures, certain of the Company's directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such dealings. Pursuant to the provisions of the Business Corporations Act (Alberta), the Company's directors and senior officers must disclose material interests in any contract or transaction (or proposed contract or transaction) material to the Company. However, the Gravis' lack of a formal conflicts of interest policy may make it difficult for the Company to raise additional capital because institutional investors may be unable to invest in the Company.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Company's certifying officers will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Notice to Reader' stating that the certifying officers do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings.

GRAVIS OIL CORPORATION

Management's Discussion and Analysis

As at and for the three and six months ended October 31, 2011

(in United States dollars unless otherwise indicated)

ADVISORY REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and statements including opinions, assumptions, estimates and expectations of future production, cash flows and exploration results. Forward-looking statements include information that does not relate strictly to historical or current facts. When used in this document, the words "anticipate", "believe", "estimate", "expect", "forecast", "intent", "may", "project", "plan", "potential", "should" and similar expressions are intended to be among the statements that identify forward-looking statements.

Forward-looking statements, such as those under Liquidity and Capital Resources, are not guarantees of future performance and are subject to a wide range of known and unknown risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results, future actions, conditions or events to differ materially from those in the forward-looking statements, including, but not limited to, the volatility of oil and gas prices, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in oil and gas acquisition and drilling programs, operating risks, production rates, reserve estimates, changes in general economic conditions, and other factors. Undue reliance should not be placed on forward-looking statements as the Company can give no assurance that they will prove to be correct.

The forward-looking statements contained in this MD&A are made as of the date hereof. While the Company acknowledges that subsequent events and developments may cause the views expressed herein to change, the Company has no intention and undertakes no obligation to update, revise or correct such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

The Company believes that the expectations reflected in the forward-looking statements and information contained herein are reasonable, but no assurance can be given that these expectations, or the assumptions underlying these expectations, will prove to be correct and such forward-looking statements and information included in this document should not be unduly relied upon. The forward-looking information included herein represents the Company's views as of the date of this document and such information should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, these factors are not intended to represent a complete list of the factors that could affect us and there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. **There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.**

The risks and uncertainties that could affect future events or the Company's future financial performance are more fully described in the Company's annual reports (on Form 20-F filed in the U.S. and Canada) and the other recent filings in the U.S. and Canada. These filings are available at www.sec.gov in the U.S. and www.sedar.com in Canada.

COMPANY INFORMATION

Additional information related to Gravis is available on the Company's website at www.Gravisoil.com, SEDAR's website at www.sedar.com and EDGAR's website at www.sec.gov.



GRAVIS OIL CORPORATION

A Development Stage Enterprise

Interim Consolidated Financial Statements

October 31, 2011

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

/s/ Jeffrey Freedman
Chief Financial Officer

GRAVIS OIL CORPORATION (a development stage enterprise)
Interim Consolidated Statement of Operations and Comprehensive Income (Loss)
(Unaudited)

(United States dollars)

	October 31, 2011	April 30, 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 465,122	\$ 1,179,838
Cash in escrow (note 7(b))	49,074	658,000
Accounts receivable	115,749	231,316
Prepaid expenses and deposits	158,167	92,196
	788,112	2,161,350
Oil and gas assets (note 4)	18,062,385	17,975,830
Administrative assets	11,998	19,498
Long-term receivable (note 5)	296,874	294,862
Reclamation deposits (note 6)	143,943	143,696
Deferred transaction costs (note 7)	126,982	223,276
	\$ 19,430,294	\$ 20,818,512
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 557,721	\$ 1,251,736
Interest payable	1,020,684	505,696
Asset retirement obligations (note 6)	220,287	205,700
Current liability portion of convertible notes (note 7)	2,069,694	1,626,243
	3,868,386	3,589,375
Long-term liabilities		
Asset retirement obligations (note 6)	547,756	521,636
Liability portion of convertible notes (note 7)	5,620,385	5,040,020
Derivatives (note 8)	313,450	14,499,894
	10,349,977	23,650,925
Shareholders' Deficit		
Common shares - Unlimited shares without par value authorized; 14,078,947 issued at October 31, 2011 and April 30, 2011 (note 9)	79,016,425	79,016,425
Preferred B shares - 100,000,000 authorized; 17,600 issued with a \$100 stated value and no par value at October 31, 2011; nil issued at April 30, 2011 (note 9)	2,097,527	-
Contributed surplus	54,387,310	54,341,320
Accumulated other comprehensive loss	(272,156)	(272,156)
Accumulated deficit from prior operations	(443,861)	(443,861)
Accumulated deficit from development stage	(125,704,928)	(135,474,141)
	9,080,317	(2,832,413)
	\$ 19,430,294	\$ 20,818,512

Going concern (note 1)

Contingency and contractual obligations (note 16)

See accompanying notes to the interim consolidated financial statements.

Page 2

GRAVIS OIL CORPORATION (a development stage enterprise)
Interim Consolidated Statement of Operations and Comprehensive Income (Loss)
(Unaudited)

(United States dollars)

	Three Months Ended October 31		Six Months Ended October 31		From Development Stage Inception on November 1, 2006 through October 31, 2011
	2011	2010	2011	2010	
Revenue and other income					
Oil sales	\$ 72,948	\$ 172,077	\$ 430,164	\$ 888,305	\$ 3,571,277
Interest income	5,477	1,331	10,534	1,331	1,055,475
	78,425	173,408	440,698	889,636	4,626,752
Expenses					
Operating	191,075	541,972	1,150,154	1,634,775	8,575,984
Impairment of oil and gas assets	-	-	-	-	99,064,260
General and administrative (note 12)	778,743	325,155	1,505,764	1,090,217	33,547,724
Depreciation, depletion and accretion	61,152	50,850	231,119	542,476	1,584,260
Loss on marketable securities	-	-	-	-	1,676,173
Interest and accretion	849,588	346,603	1,637,873	370,581	5,526,106
Foreign exchange loss (gain)	(5,337)	(183,959)	(4,608)	(317,392)	1,530,152
Change in fair value of derivatives (note 8)	(674,650)	(2,725,910)	(13,918,248)	(3,300,719)	(3,693,647)
Change in fair value of exchange shares	-	-	-	-	(18,387,365)
	1,200,571	(1,645,289)	(9,397,946)	19,938	129,423,647
Net income (loss)	(1,122,146)	1,818,697	9,838,644	869,698	(124,796,895)
Foreign exchange translation	-	-	-	(283,771)	(272,156)
Total comprehensive income (loss)	\$ (1,122,146)	\$ 1,818,697	\$ 9,838,644	\$ 585,927	\$ (125,069,051)
Net income (loss) per share (note 11)					
Basic	\$ (0.08)	\$ 0.14	\$ 0.70	\$ 0.07	
Diluted	\$ (0.08)	\$ 0.14	\$ 0.12	\$ 0.07	

See accompanying notes to the interim consolidated financial statements.

Page 3

GRAVIS OIL CORPORATION (a development stage enterprise)

Interim Consolidated Statement of Shareholders' Deficit

(Unaudited)

(United States dollars)

	Common Shares	Preferred A Shares	Preferred B Shares	Warrants	Contributed Surplus	Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Deficit
Period from inception to April 30, 2008:								
Issued, net of costs	\$ 57,217,824	\$ -	\$ -	\$ 46,022,853	\$ (167,565)	\$ -	\$ -	\$ 103,073,112
Foreign exchange translation	-	-	-	-	-	8,859,733	-	8,859,733
Stock-based compensation	-	-	-	-	10,384,259	-	-	10,384,259
Net loss	-	-	-	-	-	-	(37,472,384)	(37,472,384)
Balance at April 30, 2008	\$ 57,217,824	\$ -	\$ -	\$ 46,022,853	\$ 10,216,694	\$ 8,859,733	\$ (37,472,384)	\$ 84,844,720
Issued, net of costs	21,610,709	-	-	(3,911,252)	-	-	-	17,699,457
Foreign exchange translation	-	-	-	-	-	(13,832,144)	-	(13,832,144)
Stock-based compensation	-	-	-	-	784,887	-	-	784,887
Expiry of warrants	-	-	-	(42,111,601)	42,111,601	-	-	-
Net loss	-	-	-	-	-	-	(59,947,271)	(59,947,271)
Balance at April 30, 2009	\$ 78,828,533	\$ -	\$ -	\$ -	\$ 53,113,182	\$ (4,972,411)	\$ (97,419,655)	\$ 29,549,649
Issued, net of costs	7,638	1,662,467	-	-	-	-	-	1,670,105
Preferred A Shares dividend	-	218,795	-	-	-	-	(218,795)	-
Foreign exchange translation	-	-	-	-	-	4,984,026	-	4,984,026
Stock-based compensation	-	-	-	-	500,293	-	-	500,293
Net loss	-	-	-	-	-	-	(7,950,359)	(7,950,359)
Balance at April 30, 2010	\$ 78,836,171	\$ 1,881,262	\$ -	\$ -	\$ 53,613,475	\$ 11,615	\$ (105,588,809)	\$ 28,753,714
Issued, net of costs	180,254	-	-	-	-	-	-	180,254
Preferred A Shares dividend	-	82,274	-	-	-	-	(82,274)	-
Preferred A Shares exchange	-	(1,963,536)	-	-	-	-	(537,533)	(2,501,069)
Foreign exchange translation	-	-	-	-	-	(283,771)	-	(283,771)
Stock-based compensation	-	-	-	-	727,845	-	-	727,845
Net loss	-	-	-	-	-	-	(29,709,386)	(29,709,386)
Balance at April 30, 2011	\$ 79,016,425	\$ -	\$ -	\$ -	\$ 54,341,320	\$ (272,156)	\$ (135,918,002)	\$ (2,832,413)
Issued, net of costs (note 9)	-	-	2,028,096	-	-	-	-	2,028,096
Preferred B Shares dividend	-	-	69,431	-	-	-	(69,431)	-
Stock-based compensation	-	-	-	-	45,990	-	-	45,990
Net income	-	-	-	-	-	-	9,838,644	9,838,644
Balance at October 31, 2011	\$ 79,016,425	\$ -	\$ 2,097,527	\$ -	\$ 54,387,310	\$ (272,156)	\$ (126,148,789)	\$ 9,080,317

See accompanying notes to the interim consolidated financial statements.

Page 4

GRAVIS OIL CORPORATION (a development stage enterprise)

Interim Consolidated Statements of Cash Flows

(Unaudited)

(United States dollars)

	Three Months Ended October 31		Six Months Ended October 31		From Development Stage Inception on November 1, 2006 through October 31, 2011
	2011	2010	2011	2010	
Operating activities					
Net income (loss)	\$ (1,122,146)	\$ 1,818,697	\$ 9,838,644	\$ 869,698	\$(124,796,895)
Adjustments to reconcile net income (loss) to cash used by operating activities:					
Impairment of oil and gas assets	-	-	-	-	99,064,260
Depreciation, depletion and accretion	61,152	50,850	231,119	542,476	1,584,260
Interest and accretion expense	849,588	346,603	1,637,873	370,581	5,526,106
Stock-based compensation	22,998	(80,909)	45,990	257,297	18,198,228
Unrealized foreign exchange loss	(697)	(493,720)	116	(257,846)	1,725,085
Loss on marketable securities	-	-	-	-	1,676,173
Unrealized change in fair value of derivatives	(674,650)	(2,725,910)	(13,918,248)	(3,300,719)	(3,693,647)
Unrealized change in fair value of exchange shares	-	-	-	-	(18,387,365)
Interest paid	(1,329)	(8,356)	(2,774)	(28,623)	(52,857)
Change in long-term accounts receivable	(3,477)	(7,401)	(2,012)	8,839	(293,374)
Change in non-cash working capital	(219,996)	(15,057)	(583,094)	212,035	407,880
	(1,088,557)	(1,115,203)	(2,752,386)	(1,326,262)	(19,042,146)
Financing activities					
Proceeds from issuance of convertible notes	-	-	-	2,500,000	7,100,000
Proceeds from issuance of preferred shares	-	-	1,759,900	-	3,896,850
Proceeds from issuance of common shares	-	-	-	-	48,068,853
Proceeds from exercise of stock options and warrants	-	-	-	-	458,945
Transaction costs	-	-	-	(190,752)	(327,752)
Notes payable	-	-	-	-	(36,182)
Change in cash in escrow	(1,074)	2,005	608,926	(500,000)	(49,074)
	(1,074)	2,005	2,368,826	1,809,248	59,111,640
Investing activities					
Expenditures on oil and gas assets	(70,990)	(531,794)	(318,760)	(579,629)	(33,644,466)
Expenditures on administrative assets	(8,324)	(685)	(12,033)	(3,054)	(397,556)
Disposition of oil and gas assets	-	-	-	-	2,391,077
Acquisitions, net of cash acquired	-	-	-	-	(4,153,508)
Marketable securities	-	-	-	-	(1,675,193)
Change in reclamation deposit	(80)	(1,408)	(247)	(21)	(143,943)
	(79,394)	(533,887)	(331,040)	(582,704)	(37,623,589)
Change in cash and cash equivalents	(1,169,025)	(1,647,085)	(714,600)	(99,718)	2,445,905
Exchange rate fluctuations on cash and cash equivalents	697	968	(116)	659	(1,988,448)
Cash and cash equivalents, beginning of period	1,633,450	1,697,063	1,179,838	150,005	7,665
Cash and cash equivalents, end of period	\$ 465,122	\$ 50,946	\$ 465,122	\$ 50,946	\$ 465,122

See accompanying notes to the interim consolidated financial statements.

Page 5

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

1. Development Stage and Going Concern:

Gravis Oil Corporation (“Gravis” or the “Company”) is a development stage enterprise that is developing heavy oil properties. Gravis has been a development stage company since November 2006 and its activities have included analysis and evaluation of technical data, preparation of geological models, exploration drilling, conceptual engineering, construction and operation of thermal demonstration projects, and securing capital to fund operations.

As at October 31, 2011, the Company has a working capital deficiency of \$3.1 million, recurring losses and net cash outflows from operating activities and an accumulated deficit during the development stage of \$126.2 million. In October 2011, as a result of the Company’s financial position, cost factors and market conditions, operations on the Missouri oil and gas assets were suspended. The Company currently has approximately two months of cash available and will need to raise additional funds by means of additional equity issuances, debt financing or selling of working interests in order to discharge its liabilities and continue its activities. During September 2011 the Alberta and British Columbia Securities Commissions issued cease trade orders against the Company for failure to file certain information. The Company has submitted the required information and the Alberta Securities Commission is currently reviewing the Company’s filings. However, until these cease trade orders are revoked, the Company’s ability to raise capital is significantly restricted and there can be no assurance as to when or if these cease trade orders will be revoked. In the longer term, the recoverability of the carrying value of the Company’s long-lived assets is dependent upon the Company’s ability to preserve its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations. These matters raise substantial doubt about the Company’s ability to continue as a going concern.

While the outcome of fund raising and exploration activities cannot be determined at this time, these financial statements are prepared on the basis of a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. While there is substantial doubt about the ability of the Company to continue to use the going concern assumption, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to secure additional funding and attain profitable operations.

2. Share Consolidation:

Effective June 20, 2011, the Company’s share capital was consolidated on a one-for-ten basis. All common share, preferred share, warrant and stock option figures disclosed herein are reported on a consolidated basis.

3. Significant Accounting Policies:

(a) Basis of Presentation

The accompanying unaudited interim consolidated financial statements of the Company have not been audited and are presented in United States dollars unless otherwise noted and have been prepared by management in accordance with United States generally accepted accounting principles.

In the opinion of management, these unaudited interim consolidated financial statements reflect all of the normal and recurring adjustments necessary to present fairly the financial position at October 31, 2011 and April 30, 2011, the results of operations and cash flows for the three and six months ended October 31, 2011 and 2010 and for the period from development stage inception on November 1, 2006 to October 31, 2011. In preparing these accompanying unaudited interim consolidated financial statements, management has made certain estimates and assumptions that affect reported amounts in the financial statements and related disclosures. The Company bases its estimates on various assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or circumstances.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted in these unaudited interim consolidated financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's annual April 30, 2011 audited consolidated financial statements. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

(b) Principles of Consolidation:

These financial statements include the accounts of Gravis and its wholly-owned subsidiary, MegaWest Energy USA Corp. and its wholly owned subsidiaries:

MegaWest Energy Texas Corp.
MegaWest Energy Kentucky Corp.
MegaWest Energy Missouri Corp.
MegaWest Energy Kansas Corp.
MegaWest Energy Montana Corp.

A significant portion of the Company's activities are conducted jointly with others and these consolidated financial statements reflect only the Company's proportionate interest in such activities. All intercompany balances and transactions have been eliminated.

(c) Use of Estimates and Measurement Uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and other disclosures in these financial statements. Actual results may differ from those estimates due to factors such as fluctuations in interest rates, currency exchange rates, inflation levels and commodity prices, changes in economic conditions and legislative and regulatory changes.

Significant estimates used in the preparation of these financial statements include estimates of oil and gas reserves and resources and the estimated value of the unproved properties, fair value of the Preferred A Shares at the date of their exchange, derivative fair values, stock-based compensation fair values and estimated cost and timing related to asset retirement obligations.

Certain fair value estimates are based on expected volatility of the Company's share price. In the current period and the year ended April 30, 2011, the Company used a volatility rate based on peer entities rather than historical trading prices of its common shares as used in 2010 and prior years. The volatility of peer entities is considered more representative for the Company due to the dilutive impact of financings completed in 2011 and the limited trading of the Company's shares on the OTC Bulletin Board.

4. Oil and Gas Assets:

The following table summarizes the oil and gas assets by project:

Cost	Missouri (a)	Kentucky(b)	Montana (c)	Kansas (d)	Other (e)	Total
Balance, April 30, 2010	\$ 24,936,309	\$ 3,215,682	\$ 686,209	\$ 94,613	\$ 1,354,996	\$ 30,287,809
Additions	1,516,465	102,364	-	4,745	-	1,623,574
Depletion	(720,740)	-	-	-	-	(720,740)
Impairment	(9,066,590)	(3,179,174)	(602,913)	-	-	(12,848,677)
Foreign currency translation	(301,444)	(38,872)	(8,296)	(1,144)	(16,380)	(366,136)
Balance, April 30, 2011	\$ 16,364,000	\$ 100,000	\$ 75,000	\$ 98,214	\$ 1,338,616	\$ 17,975,830
Additions	257,435	-	-	-	-	257,435
Depletion	(170,880)	-	-	-	-	(170,880)
Balance, October 31, 2011	\$ 16,450,555	\$ 100,000	\$ 75,000	\$ 98,214	\$ 1,338,616	\$ 18,062,385

During the three and six months ended October 31, 2011, the Company capitalized \$29,834 and \$61,916 (October 31, 2010 - \$55,056 and \$109,624), respectively, of administrative costs and \$22,998 and \$45,990 (October 31, 2010 - \$1,910 and \$4,245), of stock-based compensation costs, which have been included as part of the Missouri project additions.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

(a) *Missouri*

Gravis has a 100% working interest in the Marmaton River and Grassy Creek projects. At October 31, 2011, the Company had an average 98.3% working interest in approximately 38,041 unproved net mineral acres of oil and gas leases. Costs incurred relate to lease acquisition, geological and geophysical activities, exploration and delineation drilling and facilities for the Marmaton River and Grassy Creek projects. In October 2011, as a result of the Company's financial position, cost factors and market conditions, operations on the Missouri projects were suspended.

As at April 30, 2011, the Company performed a ceiling test calculation to assess the ceiling limitation of the proved oil properties in Missouri. As at April 30, 2011, the Company determined that its net capitalized costs for the Missouri projects exceeded the ceiling limitation. As a result, the Company recorded an impairment charge of \$9,066,590 on the Missouri projects in 2011.

(b) *Kentucky*

The Company has a 37.5% working interest in the shallow rights and an additional 37.5% working interest in the deep rights in certain oil and gas leases totaling approximately 29,147 unproved mineral acres (10,930 net acres).

During the year ended April 30, 2011, the Company recorded an impairment charge of \$3,179,174 on the Kentucky project as a result of the lack of development activity by the Farmee and the curtailment of Company plans to continue exploration on the project due to a lack of available capital.

As a result of these factors and to help raise capital for other purposes the Company is seeking to dispose of its interest in this property. To date no offers have been received on the property and the amount that may be ultimately realized is uncertain.

(c) *Montana*

The Montana leases total 3,982 gross acres (2,019 net) divided amongst two prospects: Devils Basin and Teton. The leasehold in the Devils Basin prospect totals 1,175 gross acres (881 net acres). Gravis currently owns a 75% working interest in this prospect. There are two active leases in the Teton Prospect totaling 2,807 gross acres (1137 net acres). Gravis currently owns a 53.69% working interest in this prospect.

During the year ended April 30, 2011, the Company recorded an impairment charge of \$602,913 on the Montana project. The impairment was recorded due to the expiry of leases and curtailment of plans to continue exploration on the lands in the near term because of the lack of capital available for this project. The remaining costs represent the Company's estimate of the fair value of the leases as determined by sales in the area for long-term leases with farmout potential and related seismic value.

(d) *Kansas*

The Chetopa project is a pre-commercial heavy oil demonstration project located two miles south of Chetopa, Kansas. The project is currently suspended, and includes certain oil and gas equipment and a 100% interest in two oil and gas leases covering 385 acres. Subsequent to October 31, 2011, one of the leases expired leaving the Company with an interest in 320 acres. The Company has no near-term plans to proceed with the project. The carrying value of the Chetopa project represents the estimated salvage value of the equipment. .

(e) *Other*

Other costs consist of five used steam generators and related equipment.

5. Long-term Receivable:

The \$296,874 (April 30, 2011 - \$294,862) long-term receivable is for capital and operating costs owing from Mega Partners 1, LLC ("MP1") on the Marmaton River and Grassy Creek projects in Missouri. In July 2010, the Company and MP1 entered into an arrangement whereby the Company reacquired the remaining 10% working interest in the projects in exchange for a 2.75% gross overriding royalty ("GOR"). Under this arrangement, the Company will recover the balance owing from 50% of the GOR payments to the partner. During the time the receivable is outstanding, the Company earns interest on the outstanding balance at the U.S bank prime rate plus 3%. Included in the reported amount receivable is \$23,773 (April 30, 2011 - \$15,050) of interest earned on the outstanding balance. The Company expects to recover approximately \$10,000 of the long-term receivable in the next 12 months.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

6. Asset Retirement Obligations:

The total future asset retirement obligation was estimated based on the Company's ownership interest in all wells and facilities, the estimated legal obligations required to retire, dismantle, abandon and reclaim the wells and facilities and the estimated timing of such payments. The Company estimated the present value of its asset retirement obligations at October 31, 2011 based on a future undiscounted liability of \$1,208,292. These costs are expected to be incurred within one to 24 years. A credit-adjusted risk-free discount rate of 10% and an inflation rate of 2% were used to calculate the present value.

Changes to the asset retirement obligation were as follows:

Balance, April 30, 2011	\$ 727,336
Accretion	40,707
	768,043
Current portion for cash flows expected to be incurred within one year	(220,287)
Long-term portion, end of year	\$ 547,756

Expected timing of asset retirement obligations:

Year Ended April 30	
2012	\$ 220,000
2013	40,000
2014	-
2015	122,200
2016	135,600
Thereafter	690,493
	1,208,293
Effect of discount	(440,250)
Total	\$ 768,043

As at October 31, 2011, the Company has \$143,943 (April 30, 2011 - \$143,696) of reclamation deposits with authorities to secure certain abandonment liabilities in Missouri.

7. Convertible Notes:

In July 2010, the Company closed a financing with a group of its existing shareholders for \$2.5 million of funding. The transactions included the issuance of \$2.5 million in senior secured convertible notes ("Senior I Notes"), the conversion of the outstanding Preferred A Shares into \$2.5 million junior secured convertible notes ("Junior Notes") and the reacquisition of a 10% working interest in the Marmaton River and Grassy Creek projects from MPI in exchange for a 2.75% gross overriding royalty on these properties.

On December 28, 2010, January 31, 2011 and March 7, 2011, the Company issued a total of \$4.6 million senior secured convertible notes ("Senior II Notes").

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

The Senior I and Senior II Notes are senior obligations of the Company secured by the oil and gas assets in the state of Missouri. The Junior Notes are secured by the same assets, but rank behind the Senior I and II Notes in priority.

The investors in the Senior I Notes and the Junior Notes were extended full anti-dilution protection on all convertible securities, including notes and warrants.

For a period of one year following the closing date of each note, the investors in the notes have a right to participate in future financings of the Company.

In the event the Company issues common shares or securities convertible into or exercisable for common shares at a price per share or conversion or exercise price less than the conversion or exercise prices agreed to for each note, the conversion price of the notes and the exercise price of the warrants automatically reduce to such lower prices. The number of warrants outstanding will be increased such that the expected exercise proceeds remain unchanged.

The Company incurred \$327,752 of transaction costs for the issuance of Senior and Junior Notes which are presented as a deferred asset on the balance sheet and recognized as an expense over the term of the Notes. During the three and six months ended October 31, 2011, the Company recognized \$48,147 and \$96,294 (October 31, 2010 - \$287 and \$26,095) resulting in a deferred asset balance of \$126,982 as at October 31, 2011 (April 30, 2011 - \$223,276).

The table details the continuity of convertible notes:

	Face Value of the Notes	Carrying Amount of the Notes
Balance, April 30, 2010	\$ -	\$ -
Issued	9,601,069	5,909,799
Interest and accretion	-	856,307
Conversion of Senior I Notes	(150,000)	(99,843)
Balance, April 30, 2011	9,451,069	6,666,263
Interest and accretion	-	1,023,816
Balance, October 31, 2011	\$ 9,451,069	\$ 7,690,079

	October 31, 2011	April 30, 2011
Current portion	\$ 2,069,694	\$ 1,626,243
Long-term portion	5,620,385	5,040,020
	\$ 7,690,079	\$ 6,666,263

(a) *Senior I Notes*

The Senior I Notes pay interest quarterly at an annual rate of 8% in cash or 12% in additional Senior I Notes at the Company's option until January 30, 2011 and at the holder's option thereafter. The Senior I Notes mature on January 30, 2012 and are convertible at any time at the holder's option at a conversion price of \$0.20 per common share. The Senior I Notes are also redeemable in cash at any time at the Company's option or convertible into common shares at the Company's option if certain conditions have been met. In the event of redemption before the end of the term, there will be a 5% repayment premium. Note holders may elect to receive the redemption amount in common shares at the conversion price.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

In addition, one warrant was issued to the Senior I Note holders for each \$0.50 principal amount of the Senior I Notes for a total of 12,500,000 Senior I Warrants ("Senior I Warrants"). The Senior I Warrants are exercisable at \$0.20 per share until July 29, 2013.

The fair values of the conversion feature and Senior I Warrants were estimated on the date of issuance using the Black-Scholes pricing model based on a risk-free rate of 0.29% - 0.84%, expected volatility of 75% - 100%, and an expected life of 18 months to 3 years.

In March and April 2011, the Company issued 750,000 common shares on the conversion of \$150,000 principal amount of Senior I Notes.

(b) *Senior II Notes*

The Senior II Notes pay interest quarterly at an annual rate of 8% in cash or 12% in additional Senior II Notes at the Company's option for the first six months after closing and at the holder's option thereafter. The Senior II Notes mature 18 months after closing (June 28, 2012, July 31, 2012, or September 7, 2012) and are convertible at any time at the holder's option at a conversion price of \$0.20 per common share. The Senior II Notes are also redeemable in cash at any time at the Company's option or convertible into common shares at the Company's option if certain conditions have been met. In the event of redemption before the end of the term, there will be a 15% premium due on the investment amount. Note holders may elect to receive the redemption in common shares at the conversion price.

In addition, one warrant has been issued to the Senior II Note holders for each \$0.50 principal amount of the Senior Notes for a total of 9,200,000 Senior II Warrants ("Senior II Warrants"). The Senior II Warrants have an exercise price of \$0.25 per share, of which 2,400,000 are exercisable until December 28, 2013, 5,600,000 are exercisable until January 31, 2014 and 1,200,000 are exercisable until March 7, 2014.

The fair values of the conversion feature and Senior II Warrants were estimated on the dates of issuance using the Black-Scholes pricing model based on a risk-free rate of 0.29% - .84%, expected volatility of 75% - 100%, and an expected life of 18 months to 3 years.

As at October 31, 2011 \$49,073 (April 30, 2011 - \$658,000) of Senior II Note proceeds were held in an escrow account. This amount was released from escrow subsequent to October 31, 2011.

(c) *Junior Notes*

The Junior Notes pay interest quarterly at an annual rate of 5% in cash or 7.5% in additional Junior Notes at the Company's option until January 30, 2011 and at the holder's option thereafter. The Junior Notes mature on July 30, 2013 and are convertible at any time at the holder's option at a conversion price of \$0.20 per common share. The Junior Notes are redeemable in cash at any time at the Company's option or convertible into common shares at the Company's option if certain conditions have been met. In the event of redemption before the end of the term, there will be a 5% premium due on the investment amount. Note holders may elect to receive the redemption amount in common shares at the conversion price.

The fair value of the conversion feature was estimated on the date of issuance using the Black-Scholes pricing model based on a risk-free rate of 0.84%, expected volatility of 100%, and an expected life of 3 years.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

8. Derivatives

The table summarizes the Company's derivative instruments:

	Preferred A Warrants	Preferred B Option	Note Conversion Features	Warrants	Consulting Warrants	Total
Balance, April 30, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred A Warrants (a)	323,564	-	-	-	-	323,564
Preferred B Option (b)	-	138,671	-	-	-	138,671
Foreign currency translation	25,479	14,029	-	-	-	39,508
Change in fair value	391,226	437,940	-	-	-	829,166
Balance, April 30, 2010	740,269	590,640	-	-	-	1,330,909
Preferred B Option (b)	-	10,894	-	-	-	10,894
Consulting Warrants (c)	-	-	-	-	166,810	166,810
Senior I Notes (note 7)	-	-	327,790	926,720	-	1,254,510
Senior II Notes (note 7)	-	-	627,830	881,350	-	1,509,180
Junior Notes (note 7)	-	-	927,580	-	-	927,580
Conversion of Senior I Notes	-	-	(84,530)	-	-	(84,530)
Change in fair value	2,479,431	4,520,760	1,070,960	988,820	324,570	9,384,541
Balance, April 30, 2011	3,219,700	5,122,294	2,869,630	2,796,890	491,380	14,499,894
Exercise of Preferred B Option (b)	-	(1,904,496)	-	-	-	(1,904,496)
Expiry of Preferred B Option (b)	-	(259,704)	-	-	-	(259,704)
Preferred B Warrants (b)	-	-	-	1,636,300	-	1,636,300
Change in fair value	(3,118,200)	(2,958,094)	(2,863,490)	(4,239,540)	(479,220)	(13,658,544)
Balance, October 31, 2011	\$ 101,500	\$ -	\$ 6,140	\$ 193,650	\$ 12,160	\$ 313,450

The fair values of derivative instruments were estimated using the Black-Scholes pricing model based on the following weighted-average assumptions:

	Preferred A Warrants	Conversion Feature Derivative	Preferred B Warrants	Senior Warrants	Consulting Warrants
Risk-free rate	0.41%	0.25%	0.99%	0.25%	0.25%
Expected volatility	100%	104%	100%	100%	100%
Expected life	2.8 years	0.9 years	4.6 years	1.9 years	2.3 years

The following table summarizes the Company's derivative warrants outstanding and exercisable as at October 31, 2011:

Issuance	Number of Warrants	Weighted Avg. Exercise Price	Weighted Avg. Life Remaining
Preferred A Warrants	19,250,000	\$ 0.20	2.8 years
Preferred B Warrants	15,399,125	0.20	4.6 years
Senior I Warrants	12,500,000	0.20	1.7 years
Senior II Warrants	9,200,000	0.25	2.2 years
Consulting Warrants	2,720,000	0.25	2.3 years
	59,069,125	\$ 0.21	2.9 years

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

(a) Preferred A Warrants:

In conjunction with the Preferred A Shares issuance in August 2009, the Company issued 19,250,000 warrants (the "Preferred A Warrants") to the Series A investors. Each Preferred A Warrant allows the holder to purchase a common share at \$0.20 per share until August 28, 2014. After May 28, 2010, a cashless conversion option was available only with respect to Preferred A Warrant shares not included for unrestricted public resale in an effective registration statement on the date notice of exercise is given to the Company. All of the Preferred A Warrants are outstanding as at October 31, 2011 and the Company has no effective registration statement in effect related to the Preferred A Warrant shares.

(b) Preferred B Option:

Junior Note holders received an option to purchase up to 20,000 Series B convertible preferred shares for a stated value of \$100 each until June 7, 2011, convertible at US\$0.20 per common share (the "Preferred B Option").

On June 7, 2011, 17,600 Preferred B Options were exercised for gross proceeds of \$1,759,900 and the remaining 24,000 Preferred B Options expired. Upon exercise, the Company credited \$3,664,396 to share capital (note 9(b)) comprised of the cash proceeds and \$1,904,496 for the pro-rata share of the Preferred B Option fair value on the date of exercise.

A \$2,958,094 fair value adjustment was recognized for the change in fair value from April 30, 2011 to June 7, 2011 and \$259,704 was recognized in the statement of operations on the expiry of the remaining Preferred B Options.

In conjunction with the exercise of the Preferred B Option, the Company issued 15,399,125 warrants ("Preferred B Warrants"). Each warrant allows the holder to purchase a common share at US\$0.20 per share until June 7, 2016. After nine months from the date of issuance, a cashless conversion option is provided only with respect to warrant shares not included for unrestricted public resale in an effective registration statement on the date notice of exercise is given to the Company.

The fair value of Preferred B Warrants was estimated on the date of issuance at \$1,636,300 using the Black-Scholes pricing model based on a risk-free rate of 1.59%, expected volatility of 100%, and an expected life of 5 years.

(c) Consulting Warrants:

During 2010, the Company issued the warrants to consultants for professional services:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Fair Value		
				Issue Date	April 30, 2011	October 31, 2011
July 30, 2010	720,000	\$ 0.25	July 30, 2013	\$ 81,510	\$ 109,560	\$ 1,040
December 28, 2010	2,000,000	\$ 0.25	December 28, 2013	85,300	381,820	11,120
	<u>2,720,000</u>			<u>\$ 166,810</u>	<u>\$ 491,380</u>	<u>\$ 12,160</u>

9. Share Capital:

The authorized capital of the Company consists of unlimited common shares without par value and 100,000,000 preferred shares without par value.

(a) Issued Common Shares:

	Number of Shares	Amount
Balance, October 31, 2011	14,078,947	\$ 79,016,425

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

(b) Preferred B Shares:

	Number of Shares	Amount
Issued, June 7, 2011 (note 8(b))	17,600	\$ 3,664,396
Preferred B Warrants (note 8(b))	-	(1,636,300)
Dividends	-	69,431
Outstanding, October 31, 2011	17,600	\$ 2,097,527

Preferred B Shares

On June 7, 2011, the Company issued 17,600 Series B convertible preferred shares (the "Preferred B Shares"), with a stated value of \$100 for gross cash proceeds of \$1,759,900 and convertible into common shares at \$0.20 per common share.

The Preferred B Shares carried a cumulative quarterly dividend of 5% payable in cash or, at the Company's discretion, of 150% of the 5% dividend payable in additional Preferred B Shares. As at October 31, 2011, the Company had declared a total of \$69,431 of accumulated dividends. A portion of the dividends were calculated at 15% (instead of 5%) pursuant to the Preferred B Share Subscription Agreement as the Company did not make the dividend payment when it became due on a quarterly basis.

10. Stock Based Compensation:

Gravis has two equity incentive plans. The number of shares reserved for issuance in aggregate under both plans is limited to 10% of the issued and outstanding common shares of Gravis. The exercise price, term and vesting schedule of stock options granted are set by the board of directors at the time of grant. Stock options granted under the plans can be exercised on a cashless basis, whereby the employee receives a lesser amount of shares in lieu of paying the exercise price based on the quoted market price of the shares on the exercise date.

As at April 30, 2011 and October 31, 2011, the Company had 1,404,300 stock options outstanding with a weighted average exercise price of \$0.57 and 480,000 compensation warrants outstanding with a weighted average exercise price of \$0.50.

The following table summarizes information about stock options outstanding and exercisable at October 31, 2011:

Exercise Price	Options Outstanding			Options Exercisable	
	Options	Weighted Avg. Life Remaining	Weighted Avg. Exercise Price	Options	Weighted Avg. Exercise Price
\$0.50	1,302,000	2.7 years	\$0.50	772,500	\$0.50
\$1.50	97,150	0.5 years	\$1.50	75,050	\$1.50
\$1.80	5,000	2.2 years	\$1.80	2,500	\$1.80
\$6.20	150	0.6 years	\$6.20	150	\$6.20
	1,404,300	2.6 years	\$0.57	850,200	\$0.59
Aggregate Intrinsic Value	\$ -			\$ -	

As at October 31, 2011, total compensation cost related to non-vested stock options not yet recognized is \$66,700 (April 30, 2011 - \$110,420) which will be recognized over a weighted average period of 2.7 years.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

The following table summarizes information about compensation warrants outstanding at October 31, 2011, all of which are exercisable:

	Number of Warrants	Weighted Avg. Exercise Price	Weighted Avg. Life Remaining At October 31, 2011
Outstanding and exercisable, April 30, 2011 and October 31, 2011	480,000	\$ 0.50	2.7 years
Aggregate Intrinsic Value at October 31, 2011		\$ -	

11. Per Share Amounts:

	Three Months Ended October 31		Six Months Ended October 31	
	2011	2010	2011	2010
Net income (loss)	\$ (1,122,146)	\$ 1,818,697	\$ 9,838,644	\$ 869,698
Weighted average number of common shares	14,078,947	13,328,947	14,078,947	13,328,947
Basic net income (loss) per share	\$ (0.08)	\$ 0.14	\$ 0.70	\$ 0.07

	Three Months Ended October 31		Six Months Ended October 31	
	2011	2010	2011	2010
Net income (loss)	\$ (1,122,146)	\$ 1,818,697	\$ 9,838,644	\$ 869,698
Weighted average number of common shares	14,078,947	13,328,947	14,078,947	13,328,947
Dilutive effect of stock options, warrants, convertible notes and Preferred B shares	106,579,994	—	68,085,938	—
	120,658,941		82,164,885	
Diluted net income (loss) per share	\$ (0.08)	\$ 0.14	\$ 0.12	\$ 0.07

For the three and six months ended October 31, 2010, the effects of stock options, warrants and convertible notes were anti-dilutive and therefore not considered in computing diluted net loss per share.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

12. General and Administrative Expenses:

	Three Months Ended		Six Months Ended		From Development Stage Inception on November 1, 2006 through October 31, 2011
	October 31		October 31		
	2011	2010	2011	2010	
Stock-based compensation:					
Stock options	\$ 22,998	\$ 83,730	\$ 45,990	\$ 180,032	\$ 16,025,884
Compensation warrants	-	-	-	-	152,010
Consulting warrants	-	(162,729)	-	81,510	1,614,816
Shares issued for services	-	-	-	-	1,955,486
Less: capitalized portion	-	(1,910)	-	(4,245)	(1,549,968)
	22,998	(80,909)	45,990	257,297	18,198,228
Salaries and benefits	546,925	232,534	1,048,399	502,413	9,685,482
Professional fees	69,917	112,001	134,382	227,051	3,012,246
Investor relations	33,303	74,660	85,227	101,292	1,048,512
Office and administration	116,119	33,432	223,718	88,340	3,706,519
Information technology	19,310	8,493	29,964	23,448	499,934
Less: capitalized portion	(29,829)	(55,056)	(61,916)	(109,624)	(2,603,197)
	755,745	406,064	1,459,774	832,920	15,349,496
	\$ 778,743	\$ 325,155	\$ 1,505,764	1,090,217	\$ 33,547,724

13. Supplemental Cash Flow Information:

	Three Months Ended		Six Months Ended		From Development Stage Inception on November 1, 2006 through October 31, 2011
	October 31		October 31		
	2011	2010	2011	2010	
Interest received	\$ 5,477	\$ 1,331	\$ 10,534	\$ 1,331	\$ 1,055,475
Interest paid	1,329	8,356	2,774	28,623	52,857
Income taxes paid	-	-	-	-	-
Oil and gas assets acquired through the issuance of common shares	\$ -	\$ -	\$ -	\$ -	\$ 21,566,252

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

14. Segmented Information:

Gravis presently has one reportable business segment, that being oil and gas development. Gravis' corporate and administrative operations are conducted in both Canada and the United States, while all of the oil and gas properties and operations are located in the United States.

	Three Months Ended October 31, 2011			Three Months Ended October 31, 2010		
	Canada	USA	Consolidated	Canada	USA	Consolidated
Revenue	\$ -	\$ 78,425	\$ 78,425	\$ 1,331	\$ 172,077	\$ 173,408
Expenses ⁽¹⁾	223,050	977,521	1,200,571	(2,225,586)	580,297	(1,645,289)
Net income (loss)	(223,050)	(899,096)	(1,122,146)	2,226,917	(408,220)	1,818,697
Oil and gas assets	-	21,924	21,924	-	528,548	528,548
Administrative assets	(1,804)	6,519	4,715	685	-	685
Oil and gas asset additions	-	54,634	54,634	-	-	-
Oil and gas asset impairment	-	-	-	-	-	-
Administrative asset additions	\$ -	\$ 8,324	\$ 8,324	\$ -	\$ -	\$ -

	Six Months Ended October 31, 2011			Six Months Ended October 31, 2010		
	Canada	USA	Consolidated	Canada	USA	Consolidated
Revenue	\$ -	\$ 440,698	\$ 440,698	\$ 1,331	\$ 888,305	\$ 889,636
Expenses ⁽¹⁾	515,013	(9,912,959)	(9,397,946)	(2,107,472)	2,127,410	19,938
Net income (loss)	(515,013)	10,353,657	9,838,644	2,108,803	(1,239,105)	869,698
Oil and gas assets	1,303,158	16,759,226	18,062,384	1,338,616	28,658,880	29,997,496
Administrative assets	2,048	9,950	11,998	46,653	-	46,653
Oil and gas asset additions	-	257,434	257,434	-	568,458	568,458
Oil and gas asset impairment	-	-	-	-	-	-
Administrative asset additions	\$ 3,709	\$ 8,324	\$ 12,033	\$ 3,054	\$ -	\$ 3,054

(1) Expense recovery and net income in the three months ended October 31, 2010, and the six months ended October 31, 2011, and 2010 are due to fair value adjustments on derivatives.

15. Financial Instruments and Fair Value Measurements:

Expected maturities of the Company's financial instruments are presented in the following table:

	2012	2013	2014	2015	2016
Cash and cash equivalents	\$ 465,122	\$ -	\$ -	\$ -	\$ -
Cash in escrow	49,074	-	-	-	-
Accounts receivable	115,749	-	-	-	-
Long-term receivable	10,000	286,874	-	-	-
	\$ 639,945	\$ 286,874	\$ -	\$ -	\$ -

	2012	2013	2014	2015	2016
Accounts payable and accrued liabilities	\$ 557,721	\$ -	\$ -	\$ -	\$ -
Interest payable	1,020,684	-	-	-	-
Liability portion of convertible notes	2,069,694	3,741,507	1,878,878	-	-
Derivatives	-	430	55,120	101,500	156,400
	\$ 3,648,099	\$ 3,741,937	\$ 1,933,998	\$ 101,500	\$ 156,400

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

The carrying values of cash and cash equivalents, cash in escrow, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair values due to their short terms to maturity. The long-term receivable is reported at amortized cost which approximates fair value.

Gravis' financial liabilities are reported at fair value as presented in the following tables:

	Carrying Amount	Total Fair Value	Fair Value Measurements Using:		
			Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
October 31, 2011					
Liability portion of convertible notes:					
Current portion	\$2,069,694	\$ 2,411,780	\$ -	\$ 2,411,780	\$ -
Long-term portion	5,620,385	5,294,940	-	5,294,940	-
	\$ 7,690,079	\$ 7,706,720	\$ -	\$ 7,706,720	\$ -
October 31, 2011					
Derivatives:					
Consulting warrants	\$ 12,160	\$ 12,160	\$ -	\$ -	\$ 12,160
Senior I Notes	5,680	5,680	-	-	5,680
Senior II Notes	32,000	32,000	-	-	32,000
Junior Notes	5,710	5,710	-	-	5,710
Preferred A Warrants	101,500	101,500	-	-	101,500
Preferred Warrants	156,400	156,400	-	-	156,400
	\$ 313,450	\$ 313,450	\$ -	\$ -	\$ 313,450

The effect of changes in the fair value of the derivatives is included in note 8.

16. Contingency and Contractual Obligations:

(a) Contingency:

In January 2010, the Company experienced a flood in its office premises as a result of a broken water pipe. There was significant damage to the premises rendering them unusable until remediation had been completed by the landlord. Pursuant to the lease contract, the Company has asserted that rent should be abated during the remediation process and accordingly, the Company has not paid rent since December 2009. During the remediation process, the Company engaged an independent environmental testing company to test for air quality and for the existence of other potentially hazardous conditions. The testing revealed the existence of potentially hazardous mould and the consultant provided specific written instructions for the effective remediation of the premises. During the remediation process, the landlord did not follow the consultant's instructions and correct the potentially hazardous mould situation and subsequently in June 2010 gave notice and declared the premises to be ready for occupancy. The Company re-engaged the consultant to re-test the premises and the testing results again revealed the presence of potentially hazardous mould. The Company has determined that the premises are not fit for re-occupancy and considers the landlord to be in default of the lease and the lease terminated.

GRAVIS OIL CORPORATION (a development stage enterprise)

Notes to the Interim Consolidated Financial Statements

For the three and six months ended October 31, 2011

(Unaudited)

(United States dollars unless otherwise indicated)

The landlord disputes the Company's position and has given notice that it considers the Company to be in default of the lease for failure to re-occupy the premises.

In addition, the landlord has claimed that the Company owes monthly rent for the premises from January 2010 to June 30, 2010 in the amount of \$234,871 (Cdn\$234,098) and has claimed that, as a result of the alleged default, pursuant to the terms of the lease, the Company owes three months accelerated rent in the amount of \$109,044 (Cdn\$108,685). The landlord has also asserted that the Company would be liable for an amount up to the full lease obligation of \$1,515,800 (Cdn\$1,510,816) which otherwise would have been due as follows:

Year Ended April 30	
2011	\$ 449,191
2012	449,191
2013	449,191
2014	168,227
Thereafter	-
Total	\$ 1,515,800

To date, no legal action has been commenced by the landlord and the cost, if any, to the Company is not determinable. Accordingly, no amounts related to rent or the disputed lease obligation have been recorded in these financial statements.

(b) Severance Obligation:

At October 31, 2011 pursuant to employment agreements with a senior officer, the Company is obligated to pay up to \$195,684 (Cdn\$195,040) under certain events around employment termination.

Form 52-109FV2
Certification of interim filings - venture issuer basic certificate

I, Jeffery Freedman, Chief Financial Officer of Gravis Oil Corporation, certify the following:

1. **Review:** I have reviewed the interim Financial Statements and interim MD&A (together, the “interim filings”) of Gravis Oil Corporation (the “issuer”) for the interim period ended October 31, 2011.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **December 29, 2011**

“Jeffery Freedman”

Jeffery Freedman
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2
Certification of interim filings - venture issuer basic certificate

I, Jeffery Freedman, Chief Financial Officer of Gravis Oil Corporation, certify the following:

1. **Review:** I have reviewed the interim Financial Statements and interim MD&A (together, the “interim filings”) of Gravis Oil Corporation (the “issuer”) for the interim period ended October 31, 2011.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **December 29, 2011**

“Jeffery Freedman”

Jeffery Freedman
 Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.