



MGM Energy Corp.

**Annual Shareholders' Meeting
May 11, 2010**

**Henry W. Sykes
President**





Corporate Overview

- Northern Canadian exploration & development company (TSX: MGX)
- Current market capitalization of approximately \$60 million
- Principal assets:
 - Several Mackenzie Delta and Central Mackenzie Valley discoveries
 - Oil and natural gas prospects in Mackenzie Delta and Central Valley
 - Extensive land holdings and seismic database
- Existing net contingent plus prospective resources of 887 Bcf¹ of natural gas
- Natural gas discoveries are not accessible to market until completion of Mackenzie Valley Pipeline
- Certain oil prospects accessible to existing pipeline infrastructure

MGM is Northern Energy

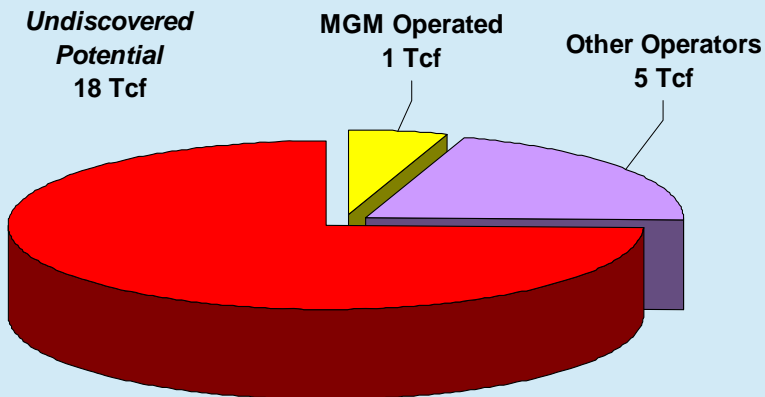
1. This presentation contains several references to MGM Energy's contingent and prospective resources. Refer to the MGM Energy's 2009 Annual Information Form for additional information and risk factors.



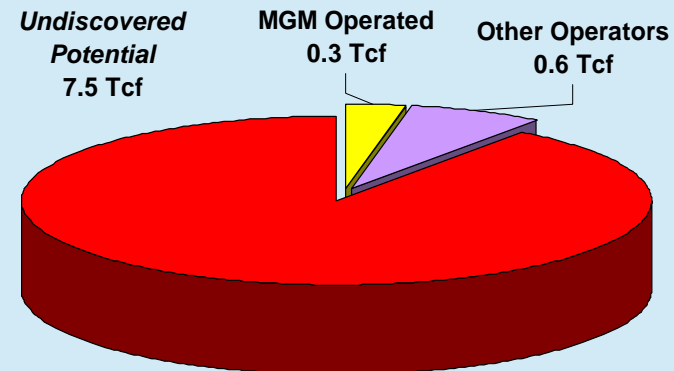
Why Northern Canada

- Mackenzie Delta and Central Mackenzie Valley are world class gas basins
- Discovered and potential resources more than sufficient to justify pipeline

Mackenzie Delta



Central Mackenzie Valley

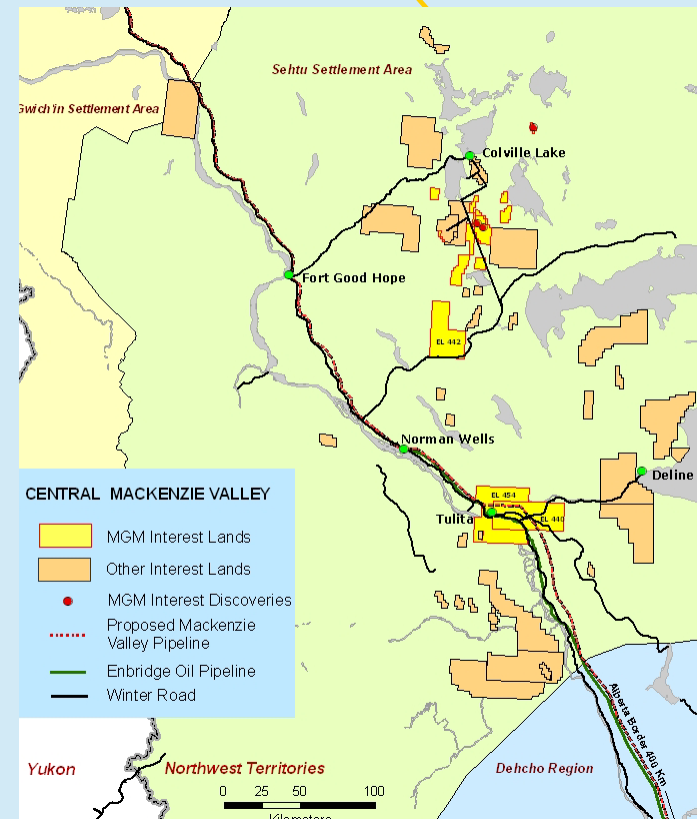
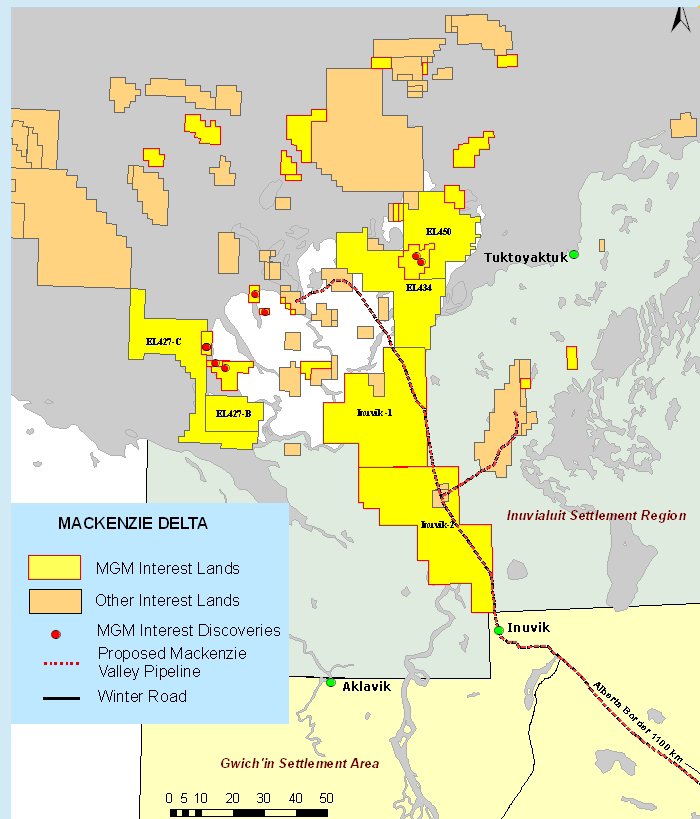


Northern Canada Holds Enormous Potential

Discovered resource data from NEB (1998) and MGM (2009); Potential data from Canadian Gas Potential Committee (2005)



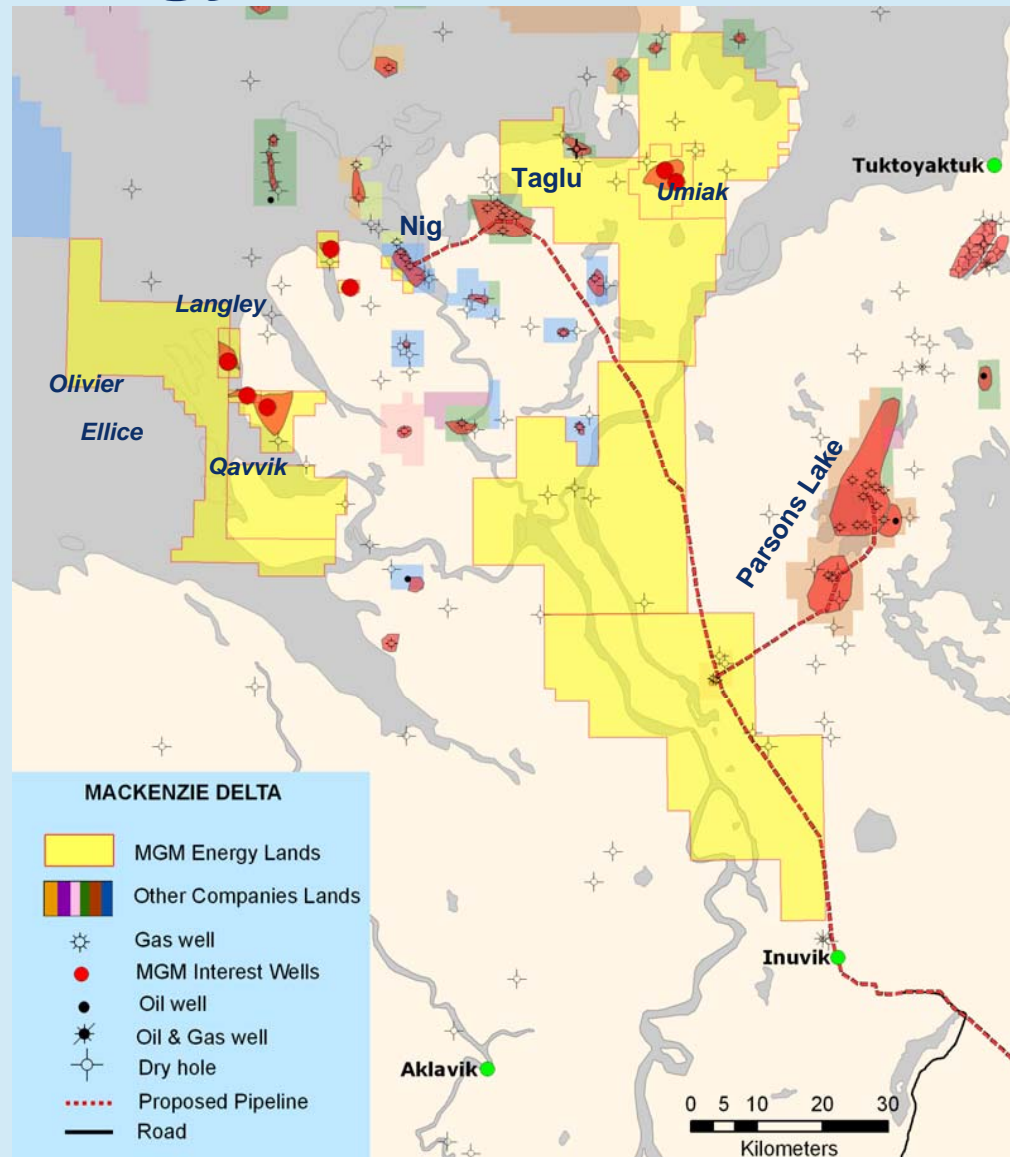
Activity Areas





MGM Energy Delta Discoveries

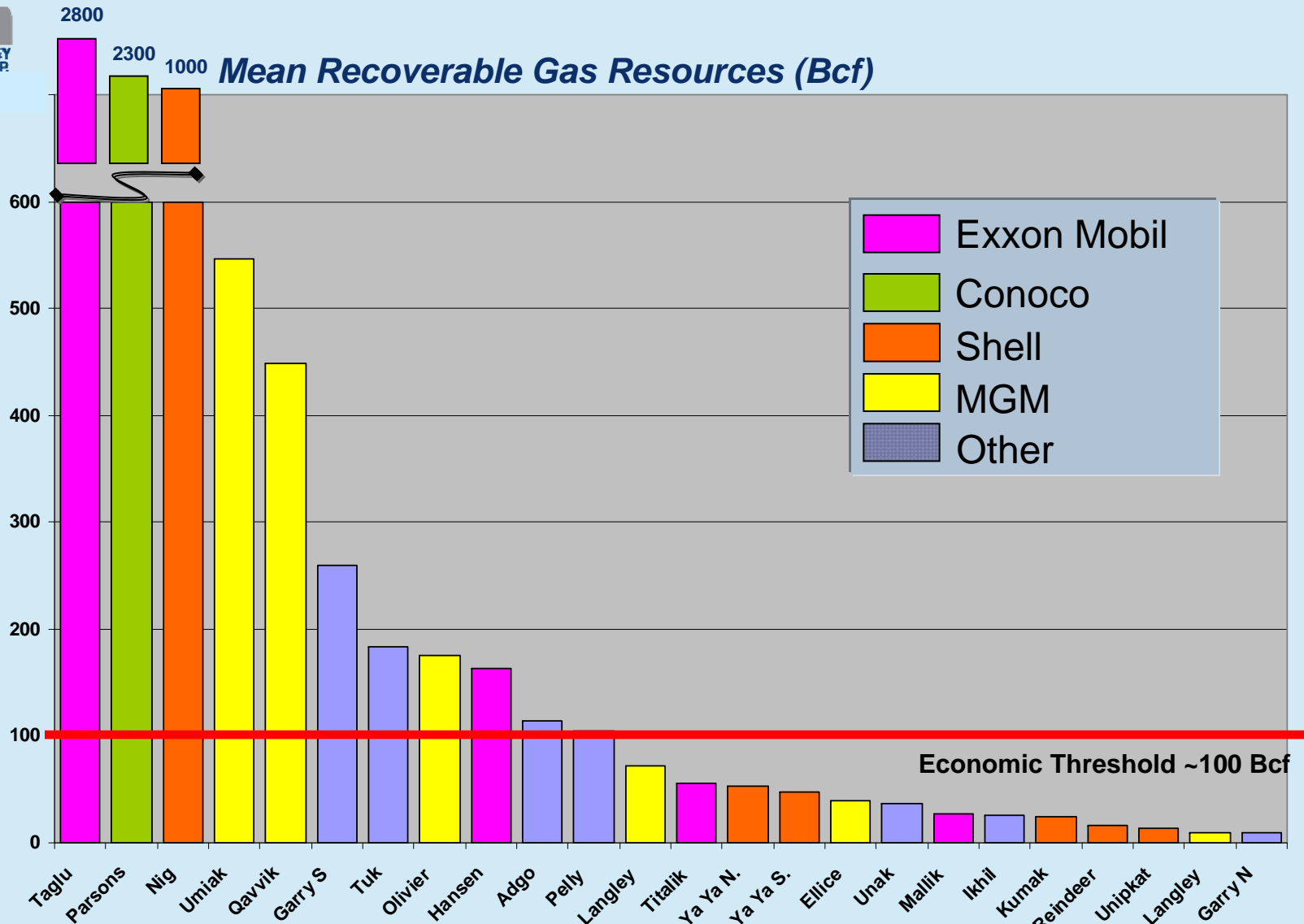
- **Qavvik (50% working interest):**
 - 448 Bcf mean gross contingent + prospective resource
- **Umiak (60% working interest):**
 - 547 Bcf mean gross contingent + prospective resource
- **Olivier, Ellice, Langley (50% working interest):**
 - 457 Bcf mean gross contingent + prospective resource



Large and Diversified Delta Asset Base



Mackenzie Delta Gas Fields



Note: Operated volumes. MVP published data for Anchor Fields; MGM data in accordance with National Instrument 51-101; Other Fields NEB Reference Data. Economic Threshold is MGM Energy estimate based on potential to develop as stand-alone field or in connection with adjacent, larger, field.



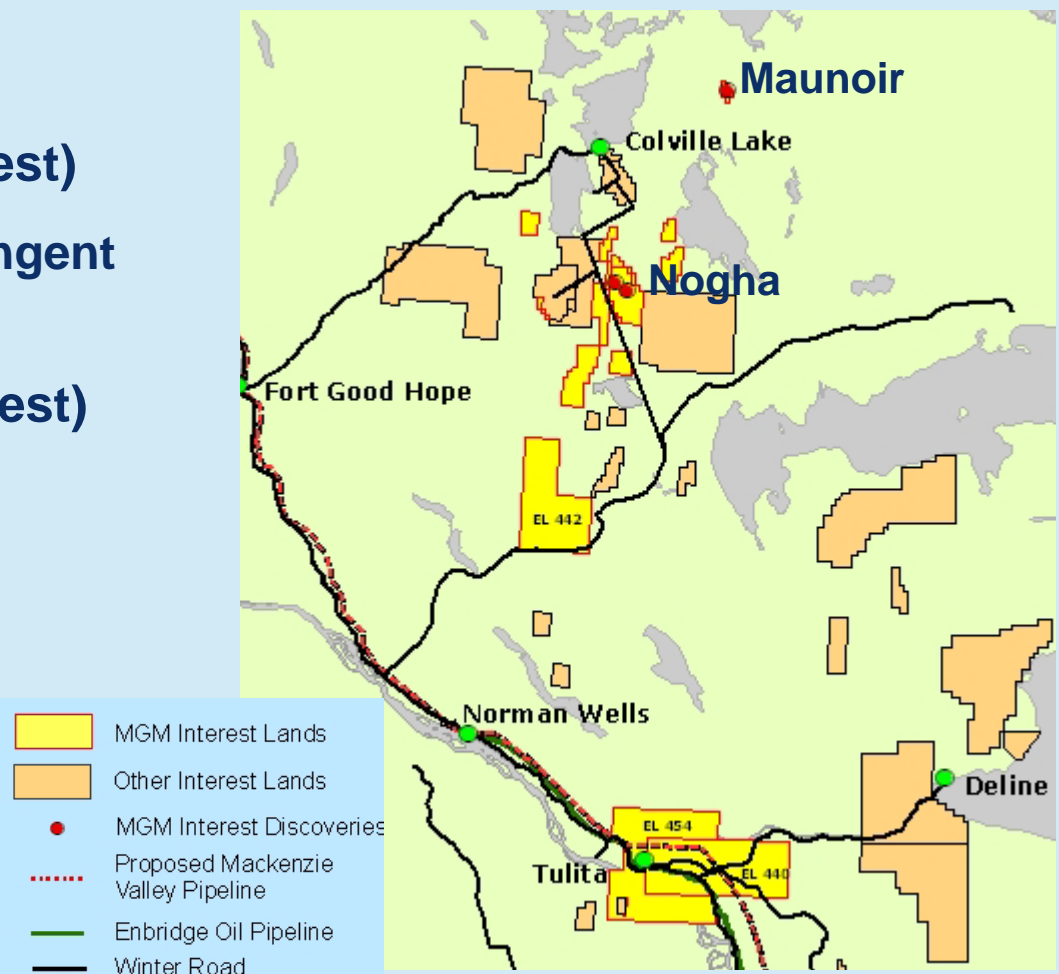
MGM Energy Central Mackenzie Valley Discoveries

Nogha Gas (50% working interest)

- 212 bcf mean gross contingent resource

Maunoir Oil (50% working interest)

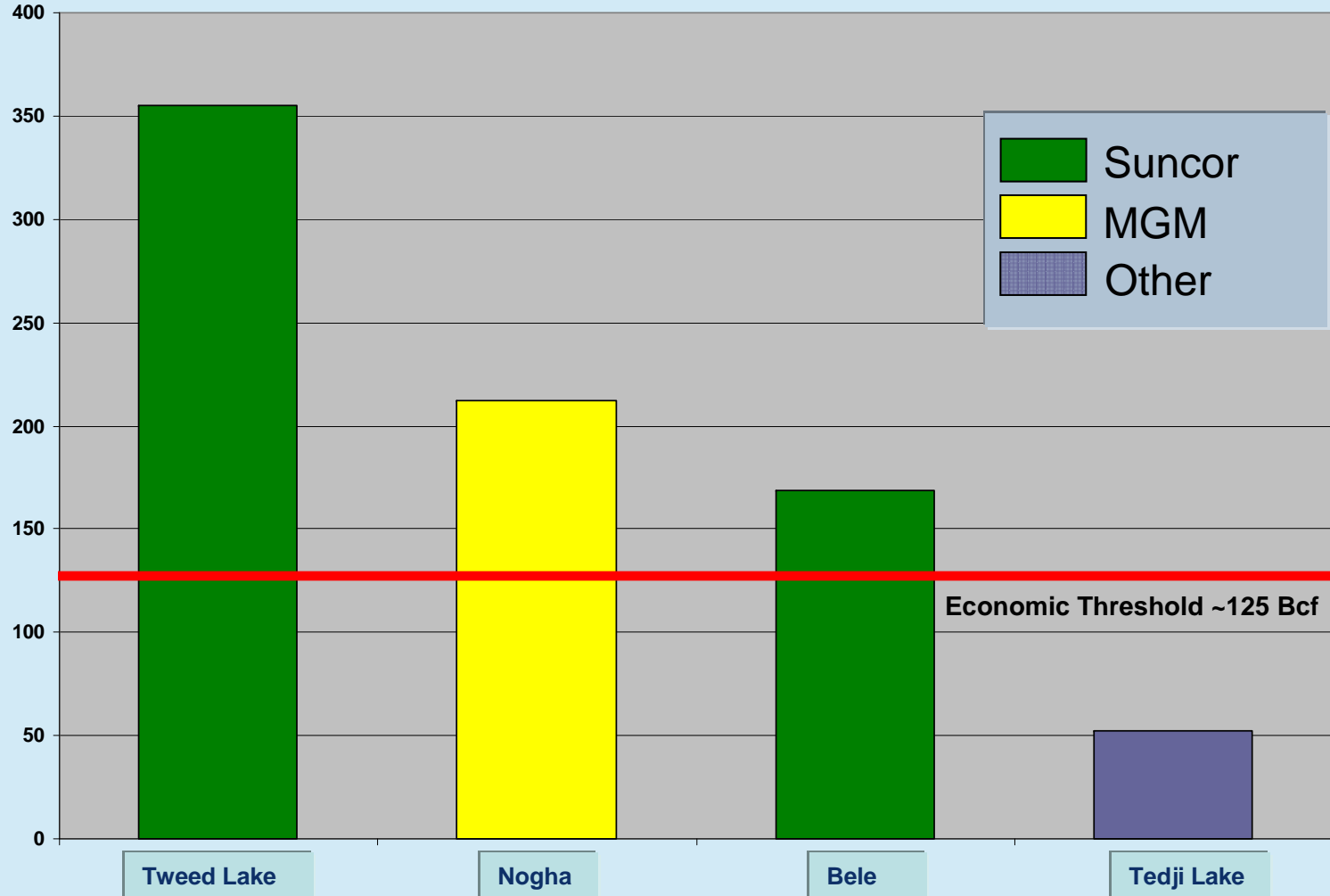
- 235 bbl/d test (C-34)
- 43° API





Central Mackenzie Gas Fields

Mean Recoverable Gas Resources (Bcf)



Note: Operated volumes. MGM data in accordance with National Instrument 51-101; Other fields NEB reference data



MGM Energy Discovered Resources

Mean Contingent + Prospective Resources

Area	W.I. %	Gross (bcf)	Net to MGM (bcf)
Umiak	60	547	328
Qavvik	50	448	224
Mackenzie Delta Joint Venture (Olivier, Langley, Ellice)	50	457	229
Nogha	50	212	106
Total		1,664	887

Notes:

1. Estimate of contingent and prospective resources have been prepared in accordance with National Instrument 51-101; however, the addition of contingent and prospective resources does not meet securities standards for resource disclosure. Individual totals may be found in MGM Energy Corp.'s Annual Information Form.
2. All volumes are based upon conceptual design and current geologic understanding. Actual volumes may be higher or lower, depending on ultimate design and operations.

Existing Areas With Substantial Resource Base + Upside



Resource Potential

MGM Energy has the following prospects on or near existing discoveries:

Area	Prospects	Exploration Upside ¹	Risk Profile
Umiak	4 Prospects	500 bcf	Medium/High
Qavvik	5 Additional Zones 2 Additional Prospects	600 bcf 350 bcf	Low/Medium High
Nogha	1 Prospect	125 bcf	Medium

Does not include additional MGM Energy prospects and leads on other lands, including oil prospects

1. Represents gross exploration upside, P-mean, unrisked

Significant Upside Potential



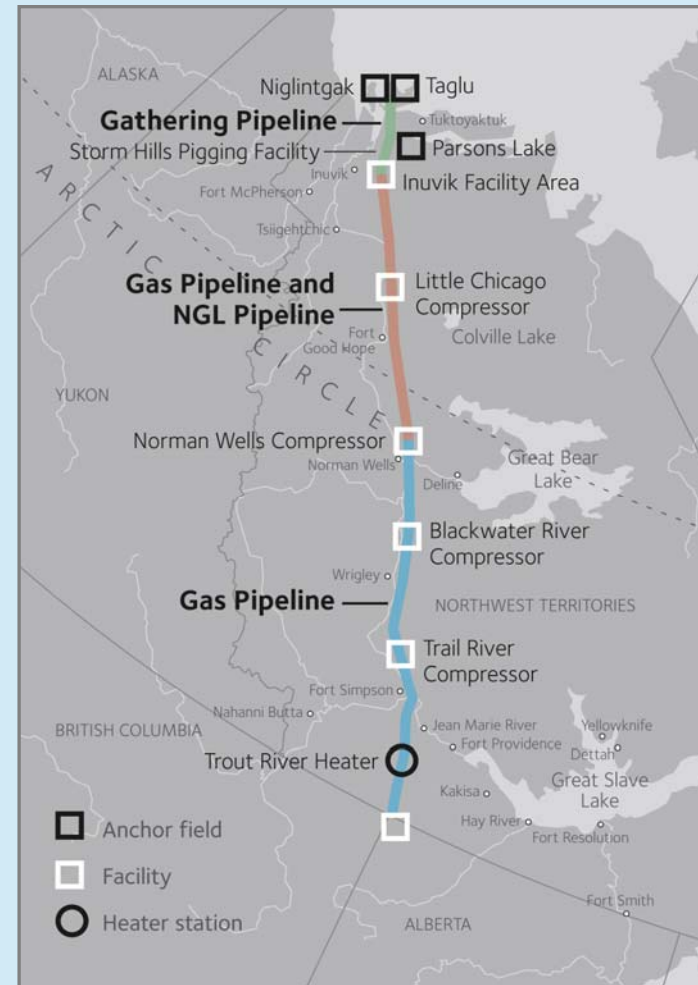
Mackenzie Valley Pipeline





Mackenzie Valley Pipeline

- 1,200 km 1.2 bcf/d Mackenzie Valley Pipeline to Alberta
- Three Anchor fields - 830 mmcf/d shipping commitment
 - Balance owned by Aboriginal Pipeline Group and available to third parties
- Project supported by all levels of government and substantially all affected native groups
- Government of Canada and proponents examining ways of improving project economics
- MGM Energy has 200 mmcf/d of capacity on gathering system which feeds pipeline



A Pipeline is Necessary for Full Value Realization



Pipeline Update

Joint Review Panel (“JRP”)

- JRP consisted of Northern regulatory bodies and reviewed project’s socio-economic and environmental impact
- JRP report issued December 30, 2009
- Report stated:
 - “The Mackenzie Gas Project provides a unique opportunity to build a sustainable future in the Mackenzie Valley and Beaufort Delta regions.”



Pipeline Update

National Energy Board (“NEB”)

- Final NEB hearings have been held
- September, 2010: NEB to issue final decision

Fiscal Negotiations

- Government of Canada and pipeline proponents must negotiate fiscal terms to enhance economics of the pipeline



Pipeline Update

Aboriginal Position

- Pipeline crosses lands owned or claimed by four Inuit and First Nations groups
- Three of four are members of Aboriginal Pipeline Group, currently owner of one-third of pipeline project
- Fourth group, Dehcho, are divided:
 - Currently negotiating land claim with Canada
 - Right-of-way for Mackenzie Valley pipeline is parallel to existing right-of-way for Norman Wells pipeline
 - Dehcho made up of five independent communities, some of which have expressed interest in joining Aboriginal Pipeline Group

Aboriginal Issues Will Not Impede Pipeline



Economic Aspects of Northern Gas





Need for Northern Gas

- **Some suggest existing gas resources in Canada and US render Northern gas unnecessary**
- **Issue is described as “shale gas vs. Northern gas”**
- **In reality, issue is simply one of economics: If Northern gas has competitive cost of supply compared to alternative sources, it will be produced**

Northern Gas is Needed as Part of North American Gas Supply



Northern Gas vs. Western Canada Gas

Cost Item	Comparison	Rationale
Finding & Development	Northern gas lower	Discoveries are much larger in the North
Operating Costs	Northern gas lower	Pool sizes are much larger, resulting in economies of scale
Transportation	Northern gas higher	Cost of pipeline from NWT to Alberta
Royalties	Northern gas lower	Capital costs recovered and royalty rates lower in North

Northern Gas Compares Favorably With Western Canada Gas



Comparative Costs¹

	W. Canada	Northern Gas
F&D	2.46	1.15 - 1.50
Operating Costs	1.85	0.20 - 0.40
Transportation	(in Op Costs)	3.00 – 3.25
Royalty Rate	2.5% to 5% during first year of production, then up to 36% depending on production rate and gas price	Up to 5% until recovery of capital costs, then 30% of net revenue (after tolls and opex)

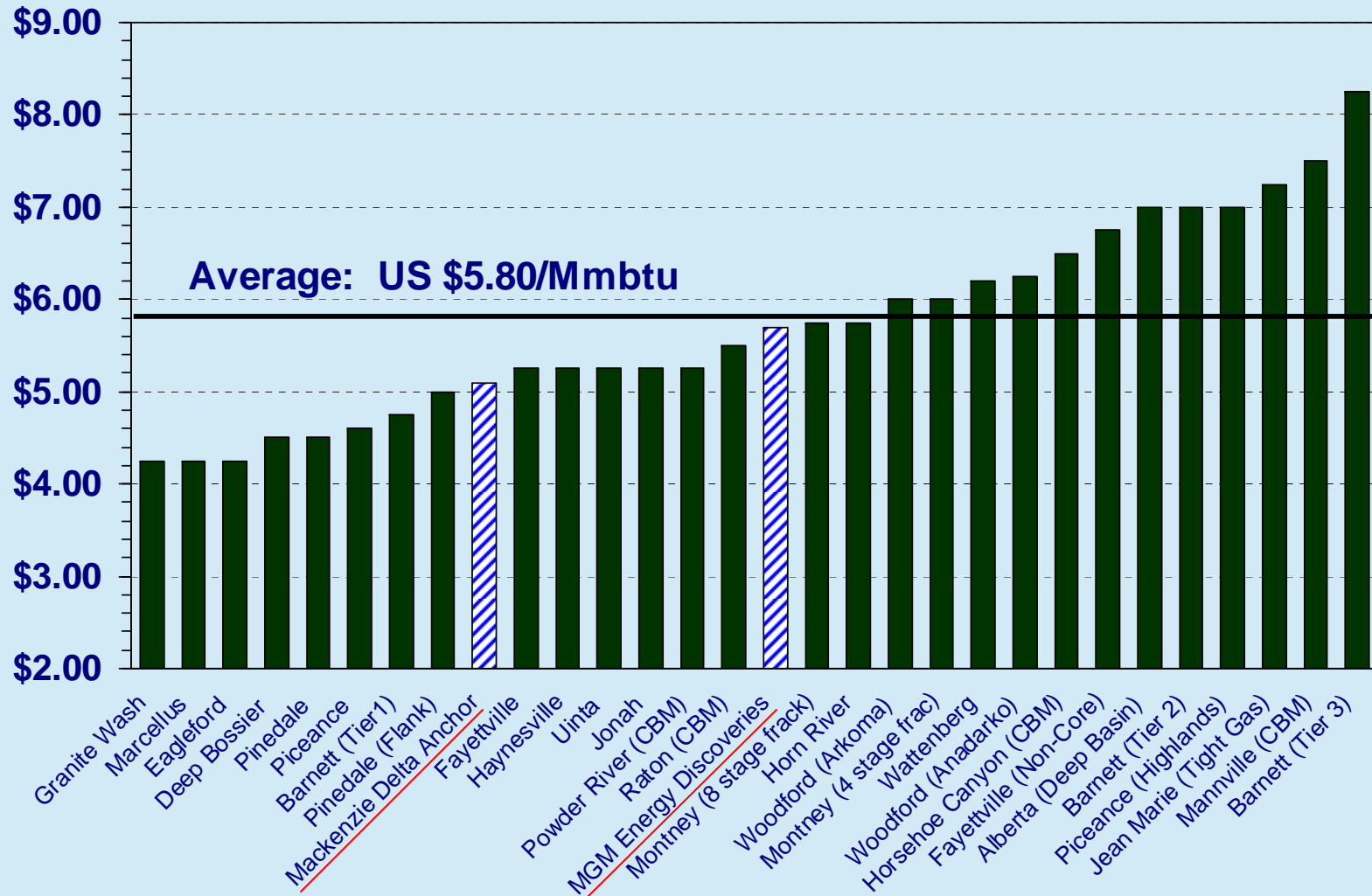
1. W. Canada costs represents historical information of a range of gas-weighted producers. Northern Gas costs based on published estimates of anchor fields and MGM Energy internal estimates. Refer presentation on MGM Energy’s website “Cost of Supply Comparison” for further details.

Northern Gas is Competitive on Full Cycle Basis



Cost of Supply

Estimated Break Even Price for Various North American Natural Gas Basins (after-tax; 10% rate of return)



Source: FirstEnergy Capital Corp April 9, 2010 report: "Natural Gas Price Forecast Update"; Mackenzie Delta data based on MGM Energy estimates using \$3.00/mcf MVP toll; 2% inflation and 2010 gas price.



Northern Gas: Conclusion

- **Based on current and assumed economics, Northern gas is competitive with other North American basins**
- **Important to have multiple sources of many play types**
 - conventional, shale, CBM, Northern gas, high and low decline
 - to ensure continued adequacy of supply
- **Development of pipeline is important to Canada**
 - Promotes northern sovereignty
 - Enables development of northern infrastructure
 - Material positive economic impact in North and rest of Canada
 - Fits with environmental agenda

Northern Gas is Competitive with Alternate Sources of Gas



2010-2011 Plans





Plans for 2010-11

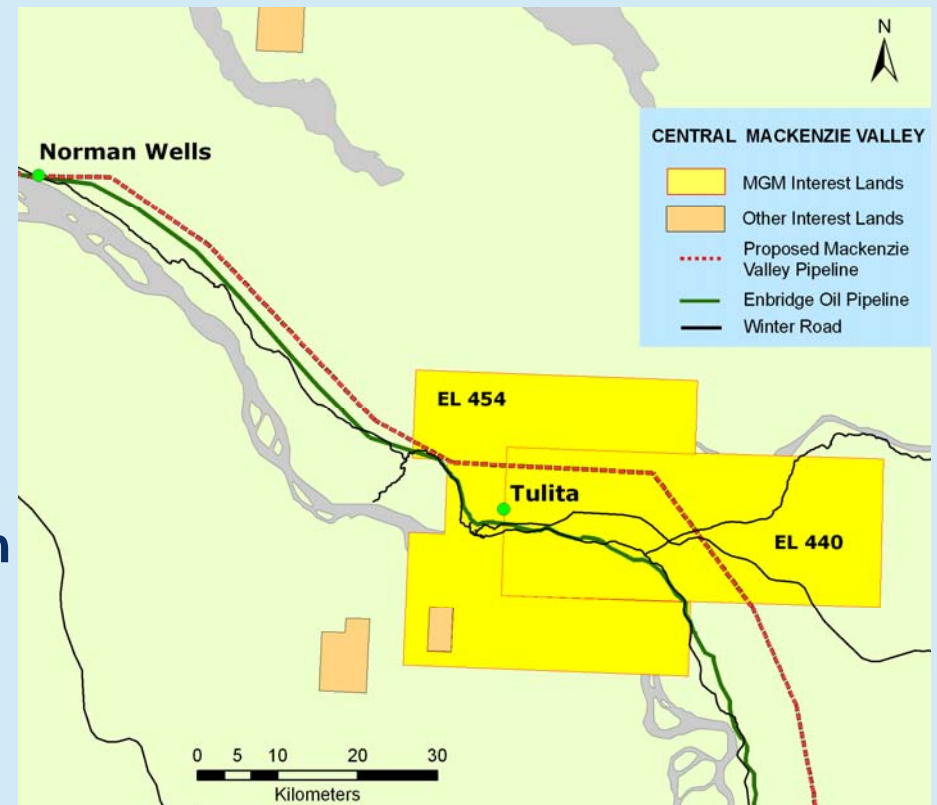
- **Determine whether to drill Great Bear oil prospect in 2011**
- **Continue G&G work on existing lands and potential opportunities**
 - Create geo-models for all fields
 - Build robust prospect inventory and farm-out packages
 - Assess other NWT lands for prospectivity
- **Commence conceptual work on field developments and begin to consider regulatory strategy**
- **Reduce general and administrative costs**
- **Continue participation in regulatory process and fiscal discussions**
- **Be ready to move quickly once pipeline gains momentum**

Significant Activity but Reduced Spending Until More Certainty on Pipeline



Great Bear River Prospect

- Great Bear River (EL440 and EL454): 170,000 hectares (gross)
- MGM Energy is operator and 50% owner with Devon Canada of oil rights and 100% owner of gas rights
- No drilling required until 2012
- Properties are prospective for both oil and gas
- Oil prospects are situated along existing Norman Wells oil pipeline
- Currently processing seismic acquired in winter of 2010



Oil Prospects Not Dependent on Mackenzie Valley Pipeline

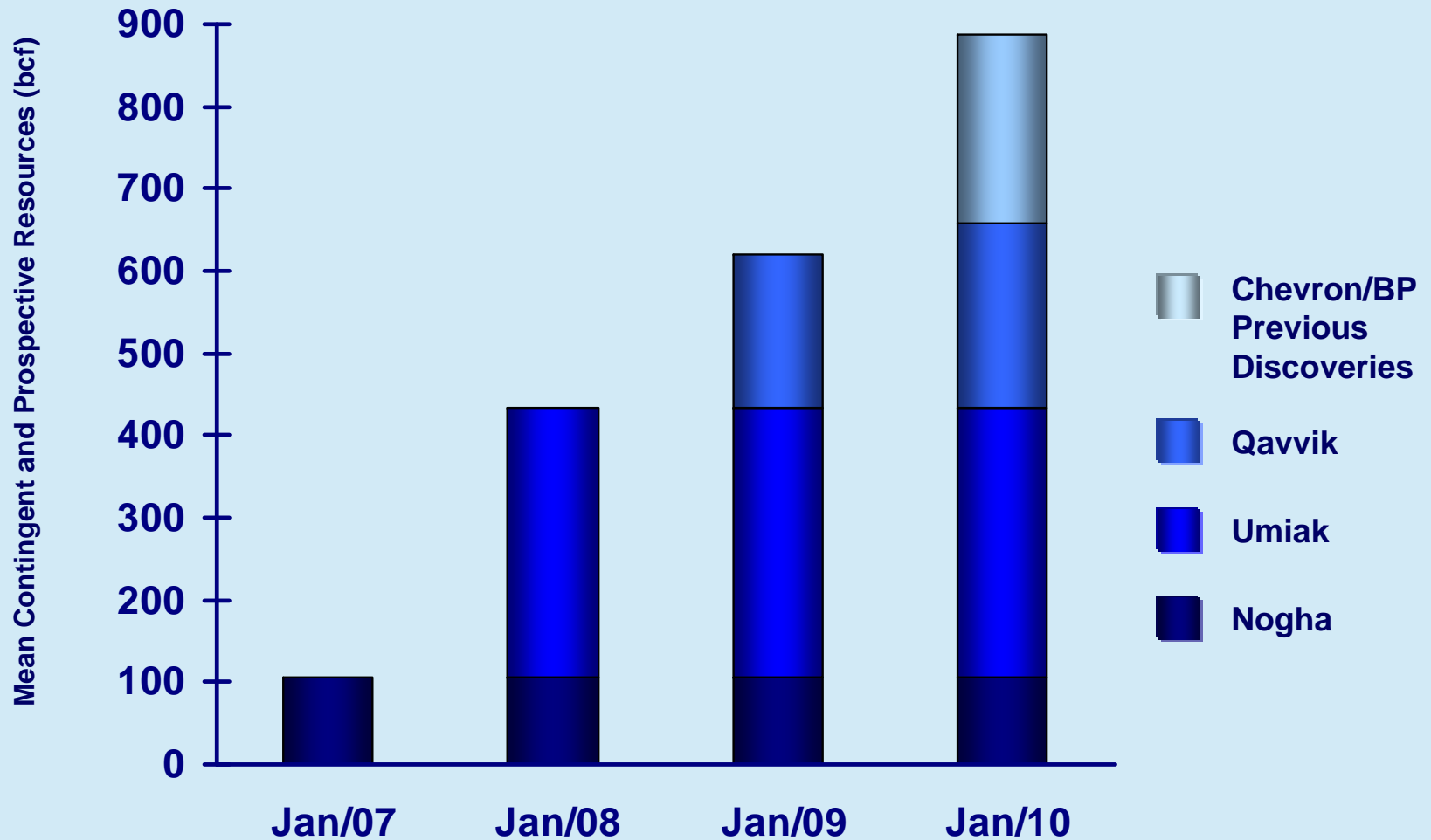


Investment Rationale





MGM Energy Resource Base



Compound Annual Growth Rate > 200%



Why MGM Energy ...

- **Significant Resource Base:** 887 bcf net contingent + prospective resources plus substantial resource upside, in three developable fields
- **Material Resource Upside:** Exposure to material additional resources through robust prospect inventory
- **Resources Currently Undervalued:** Current market value equates to approximately \$0.07 per mcf of contingent plus prospective resource – much less than current value should be under any reasonable pipeline development scenario
- **Inexpensive Option on Northern Gas:** MGM Energy represents only substantial “pure-play” on Northern energy development
- **Additional Prospects not Dependent on Pipeline:** Oil prospects in Central Mackenzie Valley proximate to Norman Wells pipeline
- **Experienced People:** A team of dedicated professionals with significant Northern and frontier experience focused on the North

Large Upside Potential to be Unlocked



Forward-Looking Statements Advisory

This presentation contains forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements with respect to: MGM Energy Corp.'s ("MGM Energy") resources and potential resources in the area surrounding MGM Energy's interests, the potential of MGM Energy's assets and the surrounding area, the metrics and timing of potential developments of MGM Energy's assets, MGM Energy's business strategy and MGM Energy's anticipated capital expenditures and budgets.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect.

Although MGM Energy believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because MGM Energy can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by MGM Energy and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: resources evaluations and estimates, MGM Energy's exploration success and its ability to transport its oil and gas production, oil and gas prices, MGM Energy's ability to raise capital, exploration and development costs, general risks related to exploration and development and general economic and business conditions.

The forward-looking statements or information contained in this presentation are made as of the date hereof and MGM Energy undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.