

PRESS RELEASE

THIS PRESS RELEASE IS NOT FOR DISTRIBUTION TO ANY UNITED STATES NEWSWIRE SERVICES OR OTHERWISE FOR DISTRIBUTION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS.

MGM ENERGY CORP.

Calgary, Alberta
June 25, 2008

MGM ENERGY CORP. Announces Offering of Common Shares and Flow-Through Common Shares

MGM Energy Corp. ("MGM Energy" or the "Company") (TSX:MGX) is pleased to announce that it has filed a preliminary short form prospectus for a new issue of common shares and flow-through common shares of the Company in all provinces of Canada and the Northwest Territories (the "Offering"). Aggregate gross proceeds from the Offering are anticipated to be approximately \$80 million. Clay Riddell and/or Paramount Resources Ltd. have indicated an intention to subscribe for a minimum of \$24 million of common shares and/or flow through common shares under the Offering.

The offering is being led by RBC Capital Markets, Peters & Co. Limited, Cormark Securities Inc., and includes BMO Capital Markets, Scotia Capital Inc., Canaccord Capital Corporation, and FirstEnergy Capital Corp. (collectively, the "Underwriters").

The proceeds from the Offering will be used by the Company to fund its 2008-2009 winter drilling program and for general corporate purposes. MGM Energy expects the pricing of the Offering to occur on or about June 26, 2008 and closing to occur on or about July 15, 2008. Completion of the Offering is subject to certain conditions including normal regulatory approvals.

The Corporation is currently planning to drill three or four wells under the Mackenzie Delta Farm In Agreement (the "MFDI Agreement") in the 2008-2009 winter season. Pursuant to the MFDI Agreement, for each well drilled, the Corporation's working interest in the Farmin Properties will increase by an additional 3% from the current level of 32%, up to a maximum working interest of 50%. In addition, if the Corporation drills a total of six wells by the end of the 2009-2010 winter season (three of which must be drilled in the 2008-2009 winter season), the Corporation will earn a 50% interest in the Previous Discoveries (being the existing discovery wells at Langley K-30, Olivier H-01 and Ellice I-48 and the existing discovery lands surrounding the discovery wells). Estimates of the potential resources (contingent and prospective) of the Previous Discoveries have been completed internally by a qualified reserves evaluator or audited by a qualified reserves auditor as at December 31, 2007 and are disclosed in the prospectus.

The common shares and the flow-through common shares to be issued under this offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from such registration. This news release shall not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States nor shall there be any offer or sale of securities in any jurisdiction where such offer, solicitation or sale would be unlawful.

MGM Energy is a Calgary based Canadian oil and natural gas exploration and development company with operations focused in Northern Canada. MGM Energy's common shares are listed on the Toronto Stock Exchange under the symbol "MGX".

Forward-Looking Statements: Certain statements or information included in this press release constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information in this press release include but are not limited to estimates of the size of discovered resources, the prospectivity of undeveloped land, business strategy and objectives, exploration and drilling plans and the timing thereof, future plans and operations, as well as the anticipated timing for seeking regulatory approvals. 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. The forward-looking statements or information contained in this document 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

MGM Energy Corp.
H.W. (Henry) Sykes
President
(403) 781-7808
(403) 781-7830 (FAX)

or

MGM Energy Corp.
Rick Miller
Chief Financial Officer
(403) 781-7809
(403) 781-7830 (fax)