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MGM Energy Corp.  
Calgary, Alberta  
November 3, 2008



**NEWS RELEASE: MGM ENERGY CORP.  
Announces Third Quarter Financial Results and Modification to  
2008/09 Drilling Program**

CALGARY, ALBERTA – MGM Energy Corp. (“MGM Energy” or the “Company”) announced today its financial and operating results for the three and nine months ended September 30, 2008.

The Company reported a net loss for the three month period ended September 30, 2008 of \$1.0 million (\$51.0 million for the nine month period ended September 30, 2008). The net loss during the three month period was primarily due to general and administrative and stock-based compensation expenses while the loss for the nine month period reflected the dry hole and seismic costs from the 2007/08 winter drilling program.

The Company also announced that it has modified its 2008/09 winter drilling program and will drill only three wells in the Mackenzie Delta this year as compared to the plan to drill four wells announced in September. The wells represent three of the four wells originally announced in the Company’s press release dated September 10, 2008. The three wells to be drilled are a well located on Ellice Island to test the Taglu formation (Ellice J-27), a well to test a stratigraphic play on the west side of Langley Island (Ellice J-17) and a well to test a footwall of the Ellice Island anticline (Ellice A-25). The Company considered it prudent to reduce the drilling program given the lack of progress in the Mackenzie Valley Gas Project regulatory process. In addition, the Company is reviewing all of its capital and operating expenditures to ensure they remain necessary in the current uncertain economic climate.

MGM Energy remains in a strong working capital position with sufficient funds raised in the July 2008 equity issue to fund the planned 2008/09 winter drilling program and to cover corporate expenses. All of the drilling and construction equipment required for the drilling program have been barged to the landing site in the Northwest Territories. It is expected that road construction will begin in mid-November with the first well spudded before Christmas. “Everything is on track to complete the three well drilling program this winter. We look forward to providing updates on our drilling results as they occur.” said Henry Sykes, President of MGM Energy.

MGM Energy’s full unaudited financial statements and accompanying Management’s Discussion and Analysis will be filed shortly on the SEDAR website ([www.sedar.com](http://www.sedar.com)).

MGM Energy is a Canadian oil and natural gas exploration and development company active in Northern Canada. MGM Energy’s common shares are listed on the Toronto Stock Exchange under the symbol “MGX”.

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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 exploration and drilling plans and the timing thereof, and future plans and operations. 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 press release 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.

**MGM Energy Corp.**  
**Balance Sheets (Unaudited)**  
(\$000s)

	As at September 30 2008	As at December 31 2007
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 93,911	\$ 111,301
Accounts receivable and other current assets	1,632	730
	<b>95,543</b>	112,031
<b>Property, plant and equipment</b>	<b>257,601</b>	237,320
<b>Future income taxes</b>	<b>3,730</b>	13,302
	<b>\$ 356,874</b>	<b>\$ 362,653</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,640	\$ 15,799
Due to related parties	66	81
	<b>7,706</b>	15,880
<b>Asset retirement obligations</b>	<b>1,786</b>	1,172
	<b>9,492</b>	17,052
<b>Shareholders' Equity</b>		
Share capital	455,336	404,275
Contributed surplus	4,018	2,307
Deficit	(111,972)	(60,981)
	<b>347,382</b>	345,601
	<b>\$ 356,874</b>	<b>\$ 362,653</b>

**MGM Energy Corp.**  
**Statements of Loss and Comprehensive Loss**  
**(Unaudited)**  
(\$000s)

For the period prior to January 12, 2007, the results of operations and cash flows of MGM Energy Corp. have been prepared on a carve-out basis from Paramount Resources Ltd.

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
<b>Revenue</b>				
Interest income	\$ 668	\$ 1,091	\$ 2,137	\$ 1,771
<b>Expenses</b>				
General and administrative	956	1,526	3,672	4,353
Stock-based compensation	705	750	1,711	2,180
Pipeline regulatory and access	-	166	55	426
Exploration	(235)	2,154	28,058	2,970
Lease rental and land costs	63	785	3,273	789
Dry hole	-	(2,156)	32,432	34,241
Interest and financing charges	75	40	214	136
Accretion of asset retirement obligations	36	64	91	134
Depreciation	99	33	226	60
	<b>1,699</b>	<b>3,362</b>	<b>69,732</b>	<b>45,289</b>
<b>Loss before tax</b>	<b>(1,031)</b>	<b>(2,271)</b>	<b>(67,595)</b>	<b>(43,518)</b>
Future income tax expense (recovery)	12	(442)	(16,604)	(12,497)
<b>Net loss and comprehensive loss</b>	<b>\$ (1,043)</b>	<b>\$ (1,829)</b>	<b>\$ (50,991)</b>	<b>\$ (31,021)</b>
<b>Net loss per Common Share (\$/share)</b>				
Basic	(0.00)	(0.02)	(0.31)	(0.50)
Diluted	(0.00)	(0.02)	(0.31)	(0.50)
<b>Weighted average Common Shares outstanding (000s)</b>				
Basic	241,306	114,532	166,672	62,516
Diluted	241,306	114,532	166,672	62,516

**Statements of Deficit (Unaudited)**  
(\$000s)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
Deficit, beginning of period	\$ (106,929)	\$ (27,842)	\$ (60,981)	\$ -
Net loss	(1,043)	(1,829)	(50,991)	(31,021)
Allocation to net investment by Paramount Resources Ltd.	-	-	-	1,350
<b>Deficit, end of period</b>	<b>\$ (111,972)</b>	<b>\$ (29,671)</b>	<b>\$ (111,972)</b>	<b>\$ (29,671)</b>

**MGM Energy Corp.**  
**Statements of Cash Flows (Unaudited)**

(\$000s)

For the period prior to January 12, 2007, the results of operations and cash flows of MGM Energy Corp. have been prepared on a carve-out basis from Paramount Resources Ltd.

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
<b>Operating activities</b>				
Net loss	\$ (1,043)	\$ (1,829)	\$ (50,991)	\$ (31,021)
Add (deduct):				
Stock-based compensation	705	750	1,711	2,180
Exploration	(235)	2,154	28,058	2,970
Dry hole	-	(2,156)	32,432	34,241
Accretion of asset retirement obligations	36	64	91	134
Asset retirement obligation expenditures	-	(2)	-	(402)
Depreciation	99	33	226	60
Future income tax expense (recovery)	12	(442)	(16,604)	(12,497)
<b>Funds flow used in operations</b>	<b>(426)</b>	<b>(1,428)</b>	<b>(5,077)</b>	<b>(4,335)</b>
Change in non-cash working capital	742	278	1,003	546
	<b>316</b>	<b>(1,150)</b>	<b>(4,074)</b>	<b>(3,789)</b>
<b>Financing activities</b>				
Repayment of note to Paramount Resources Ltd. resulting from spin-out	-	-	-	(12,000)
Proceeds on settlement of note	-	-	-	163
Common shares issued, net of issuance costs	77,237	106,400	77,237	355,106
Net investment by Paramount Resources Ltd. for period prior to spin-out.	-	-	-	3,195
	<b>77,237</b>	<b>106,400</b>	<b>77,237</b>	<b>346,464</b>
<b>Investing activities</b>				
Capital expenditures	(5,147)	(18,935)	(80,474)	(226,218)
Reorganization costs	-	-	-	(1,000)
Change in non-cash working capital	(2,374)	3,086	(10,079)	8,116
	<b>(7,521)</b>	<b>(15,849)</b>	<b>(90,553)</b>	<b>(219,102)</b>
Increase (decrease) in cash and cash equivalents	70,032	89,401	(17,390)	123,573
Cash and cash equivalents, beginning of period	23,879	34,172	111,301	-
<b>Cash and cash equivalents, end of period</b>	<b>\$ 93,911</b>	<b>\$ 123,573</b>	<b>\$ 93,911</b>	<b>\$ 123,573</b>