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Calgary, Alberta
October 29, 2009



NEWS RELEASE: MGM ENERGY CORP.
Financial Results for the Three and
Nine Months Ended September 30, 2009

CALGARY, ALBERTA – MGM Energy Corp. (“MGM Energy” or the “Company”) announced today its financial results for the three and nine months ended September 30, 2009.

The Company reported a net loss for the three month period ended September 30, 2009 of \$4.5 million (\$47.6 million for the nine month period ended September 30, 2009). The net loss during the three month period was primarily due to additional dry-hole costs on the Company’s North Ellice J-17 and Ellice A-25 wells drilled during the 2008/09 winter season. As at September 30, 2009, the Company had positive working capital of \$13.3 million, including restricted cash of \$10 million.

As previously announced, MGM Energy will not undertake a drilling program this winter. The Company will be focusing its efforts on better understanding the geological potential of existing discoveries and lands and monitoring the regulatory process. With the Joint Review Panel report due in December 2009 and the National Energy Board providing a timetable for the completion of their report by Q3 2010, the Company is encouraged that the regulatory process is nearing conclusion.

“We have noted recent articles in the media regarding the status of the fiscal discussions on the Mackenzie Valley Pipeline with the Government of Canada” said Henry Sykes, President of MGM Energy “We have had no communication with Government of Canada which would confirm the stories. On the contrary, we are continuing to work with all parties, including the Government of Canada, on the pipeline project.”

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).

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

For further information, please contact:

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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 business strategy and objectives, exploration and drilling plans and the timing thereof, 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.

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

	As at September 30 2009	As at December 31 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,236	\$ 82,001
Restricted cash	10,000	-
Accounts receivable and other current assets	1,404	1,850
	15,640	83,851
Property, plant and equipment	232,807	220,725
Future income taxes	258	9,014
	\$ 248,705	\$ 313,590
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,320	\$ 12,628
Due to related parties	17	108
	2,337	12,736
Asset retirement obligations	2,686	1,996
	5,023	14,732
Shareholders' Equity		
Share capital	446,322	455,336
Contributed surplus	6,092	4,664
Deficit	(208,732)	(161,142)
	243,682	298,858
	\$ 248,705	\$ 313,590

MGM Energy Corp.
Statements of Loss and Other Comprehensive Loss (Unaudited)

(\$000s, except as noted)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Revenue				
Interest income	\$ 7	\$ 668	\$ 227	\$ 2,137
Expenses				
General and administrative	1,011	956	3,357	3,672
Stock-based compensation	374	705	1,428	1,711
Pipeline regulatory and access	-	-	-	55
Exploration	571	(235)	1,579	28,058
Lease rental and land costs	233	63	1,286	3,273
Dry hole	2,378	-	39,467	32,432
Interest and financing charges	154	75	542	214
Accretion of asset retirement obligations	58	36	148	91
Gain on settlement of asset retirement obligation	(114)	-	(114)	-
Depreciation	127	99	382	226
	4,792	1,699	48,075	69,732
Loss before tax	(4,785)	(1,031)	(47,848)	(67,595)
Future income tax expense (recovery)	(258)	12	(258)	(16,604)
Net loss and other comprehensive loss	\$ (4,527)	\$ (1,043)	\$ (47,590)	\$ (50,991)
Net loss per Common Share (\$/share)				
Basic	(0.02)	(0.00)	(0.18)	(0.31)
Diluted	(0.02)	(0.00)	(0.18)	(0.31)
Weighted average Common Shares outstanding (000s)				
Basic	263,195	241,306	263,195	166,672
Diluted	263,195	241,306	263,195	166,672

Statements of Deficit (Unaudited)

(\$000s)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Deficit, beginning of period	\$ (204,205)	\$ (110,929)	\$ (161,142)	\$ (60,981)
Net loss	(4,527)	(1,043)	(47,590)	(50,991)
Deficit, end of period	\$ (208,732)	\$ (111,972)	\$ (208,732)	\$ (111,972)

MGM Energy Corp.
Statements of Cash Flows (Unaudited)

(\$000s)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Operating activities				
Net loss and other comprehensive loss	\$ (4,527)	\$ (1,043)	\$ (47,590)	\$ (50,991)
Add (deduct):				
Stock-based compensation	374	705	1,428	1,711
Exploration	571	(235)	1,579	28,058
Dry hole	2,378	-	39,467	32,432
Accretion of asset retirement obligations	58	36	148	91
Depreciation	127	99	382	226
Non-cash general and administrative expense	(35)	-	(35)	-
Gain on settlement of asset retirement obligations	(114)	-	(114)	-
Future income tax expense (recovery)	(258)	12	(258)	(16,604)
	(1,426)	(426)	(4,993)	(5,077)
Change in non-cash working capital	751	742	(3,514)	1,003
	(675)	316	(8,507)	(4,074)
Financing activities				
Common shares issued, net of issuance costs	-	77,237	-	77,237
Investing activities				
Restricted cash contributions	-	-	(10,000)	-
Capital expenditures	(3,686)	(5,147)	(52,820)	(80,474)
Change in non-cash working capital	(5,702)	(2,374)	(6,438)	(10,079)
	(9,388)	(7,521)	(69,258)	(90,553)
Increase (decrease) in cash and cash equivalents	(10,063)	70,032	(77,765)	(17,390)
Cash and cash equivalents, beginning of period	14,299	23,879	82,001	111,301
Cash and cash equivalents, end of period	\$ 4,236	\$ 93,911	\$ 4,236	\$ 93,911