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MGM Energy Corp.
Calgary, Alberta
July 29, 2010



NEWS RELEASE: MGM ENERGY CORP.
Financial Results for the Three and Six Months Ended June 30, 2010

CALGARY, ALBERTA – MGM Energy Corp. (“MGM Energy” or the “Company”) announced today its financial results for the three and six months ended June 30, 2010.

The Company reported a net loss for the three month period ended June 30, 2010 of \$2.4 million (\$5.5 million for the six month period ended June 30, 2010). 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).

The Company also announced that Gary Bunio has resigned as Chief Operating Officer of MGM Energy and has re-joined Paramount Resources Ltd., effective August 1, 2010.

“Gary was MGM Energy’s longest serving employee, and both personally and on behalf of the Company, I want to thank him for his contributions to MGM Energy over the years and wish him well at his new role at Paramount Resources.” said Henry Sykes, President of MGM Energy.

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”.

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 June 30 2010	As at December 31 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,265	\$ 4,486
Restricted cash	10,000	10,000
Accounts receivable and other current assets	917	1,650
	15,182	16,136
Property, plant and equipment	232,987	233,127
Future income taxes	-	258
	\$ 248,169	\$ 249,521
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,037	\$ 2,601
Due to related parties	61	70
	1,098	2,671
Asset retirement obligations	2,248	2,159
	3,346	4,830
Shareholders' Equity		
Share capital	454,465	449,735
Contributed surplus	7,348	6,420
Deficit	(216,990)	(211,464)
	244,823	244,691
	\$ 248,169	\$ 249,521

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

(\$000s, except as noted)

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
Revenue				
Interest income	\$ 13	\$ 31	\$ 19	\$ 220
Expenses				
General and administrative	874	1,266	1,939	2,346
Stock-based compensation	646	483	928	1,054
Pipeline regulatory and access	4	-	11	-
Exploration	327	504	1,704	1,008
Lease rental and land costs	250	803	301	1,053
Dry hole	-	2,849	-	37,089
Interest and financing charges	221	268	463	388
Accretion of asset retirement obligations	45	49	89	90
Depreciation	55	128	110	255
	2,422	6,350	5,545	43,283
Loss before tax	(2,409)	(6,319)	(5,526)	(43,063)
Future income tax	-	-	-	-
Net loss and other comprehensive loss	\$ (2,409)	\$ (6,319)	\$ (5,526)	\$ (43,063)
Net loss per Common Share (\$/share)				
Basic	(0.01)	(0.02)	(0.02)	(0.16)
Diluted	(0.01)	(0.02)	(0.02)	(0.16)
Weighted average Common Shares outstanding (000s)				
Basic	306,528	263,195	298,058	263,195
Diluted	306,528	263,195	298,058	263,195

Statements of Deficit (Unaudited)

(\$000s)

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
Deficit, beginning of period	\$ (214,581)	\$ (197,886)	\$ (211,464)	\$ (161,142)
Net loss	(2,409)	(6,319)	(5,526)	(43,063)
Deficit, end of period	\$ (216,990)	\$ (204,205)	\$ (216,990)	\$ (204,205)

MGM Energy Corp.
Statements of Cash Flows (Unaudited)

(\$000s)

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
Operating activities				
Net loss and other comprehensive loss	\$ (2,409)	\$ (6,319)	\$ (5,526)	\$ (43,063)
Add:				
Stock-based compensation	646	483	928	1,054
Exploration	327	504	1,704	1,008
Dry hole	-	2,849	-	37,089
Accretion of asset retirement obligations	45	49	89	90
Depreciation	55	128	110	255
	(1,336)	(2,306)	(2,695)	(3,567)
Change in non-cash working capital	(414)	(4,489)	(809)	(4,265)
	(1,750)	(6,795)	(3,504)	(7,832)
Financing activities				
Common shares issued, net of issuance costs	4,988	-	4,988	-
Investing activities				
Restricted cash contributions	-	(10,000)	-	(10,000)
Capital expenditures	(333)	(3,945)	(1,673)	(49,134)
Change in non-cash working capital	-	(16,816)	(32)	(736)
	(333)	(30,761)	(1,705)	(59,870)
Increase (decrease) in cash and cash equivalents	2,905	(37,556)	(221)	(67,702)
Cash and cash equivalents, beginning of period	1,360	51,855	4,486	82,001
Cash and cash equivalents, end of period	\$ 4,265	\$ 14,299	\$ 4,265	\$ 14,299