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Calgary, Alberta
July 28, 2011



NEWS RELEASE: MGM ENERGY CORP.
Financial Results for the Three and Six Months Ended June 30, 2011

CALGARY, ALBERTA – MGM Energy Corp. (“MGM Energy” or the “Company”) announced today its financial results for the three and six months ended June 30, 2011. The Company reported a net loss for the three month period ended June 30, 2011 of \$1.3 million (\$5.6 million for the six month period ended June 30, 2011). 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 it has posted an updated presentation on its website regarding the recent land acquired in the Central Mackenzie Valley. As announced on July 4, 2011, MGM Energy acquired a 50% interest in three parcels of land in the Central Mackenzie Valley. The presentation posted on the website provides additional information regarding MGM Energy’s preliminary assessment of the liquids rich shale play in the Central Mackenzie Valley. As previously announced, MGM Energy intends to provide an update on its plans respecting these new land parcels by the end of September 2011.

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 and exploration and drilling plans and the timing thereof. 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.
Condensed Interim Balance Sheets (Unaudited)
(\$000s)

	As at June 30 2011	As at December 31 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 15,198	\$ 1,174
Accounts receivable and other current assets	510	1,640
	15,708	2,814
Non-current assets		
Exploration and evaluation assets	212,954	233,051
Property and equipment	213	272
	213,167	233,323
Total Assets	\$ 228,875	\$ 236,137
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 307	\$ 2,175
Due to related parties	99	107
	406	2,282
Non-current liabilities		
Asset retirement obligations	2,810	2,905
	2,810	2,905
Total Liabilities	3,216	5,187
SHAREHOLDERS' EQUITY		
Share capital	454,465	454,465
Contributed surplus	8,141	7,820
Deficit	(236,947)	(231,335)
Total Shareholders' Equity	225,659	230,950
Total Liabilities and Shareholders' Equity	\$ 228,875	\$ 236,137

Note: MGM Energy adopted International Financial Reporting Standards ("IFRS") effective for fiscal years beginning on or after January 1, 2011 and the Company has applied IFRS as of January 1, 2010 for comparative purposes. Certain prior period amounts have been adjusted to reflect the changes in the Company's accounting policies.

MGM Energy Corp.**Condensed Interim Statements of Changes in Equity (Unaudited)**

(\$000s)

	Six Months Ended June 30	
	2011	2010
Share Capital		
Balance, beginning of period	\$ 454,465	\$ 449,735
Issue of Common Shares	-	4,988
Tax adjustment on flow-through shares	-	(258)
Balance, end of period	\$ 454,465	\$ 454,465
Contributed Surplus		
Balance, beginning of period	\$ 7,820	\$ 6,334
Share-based compensation	321	901
Balance, end of period	\$ 8,141	\$ 7,235
Deficit		
Balance, beginning of period	\$ (231,335)	\$ (211,591)
Net loss	(5,612)	(5,439)
Balance, end of period	\$ (236,947)	(217,030)
Total Shareholders' Equity	\$ 225,659	\$ 244,670

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

(\$000s)

	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Oil and natural gas revenue	\$ -	\$ -	\$ -	\$ -
Expenses				
General and administrative expenses	617	874	1,525	1,939
Share-based compensation	232	619	321	901
Exploration and evaluation expenditures	275	577	551	2,005
Dry hole	-	-	2,804	-
Accretion of asset retirement obligation	13	15	29	29
Depreciation	29	55	59	110
Pipeline and regulatory expenses	-	4	-	11
	1,166	2,144	5,289	4,995
Loss before net finance expenses	(1,166)	(2,144)	(5,289)	(4,995)
Finance income	(39)	(13)	(50)	(19)
Finance expenses	170	221	373	463
Net finance expenses	131	208	323	444
Net loss and comprehensive loss	\$ (1,297)	\$ (2,352)	\$ (5,612)	\$ (5,439)
Net loss per Common Share (\$/share)				
Basic	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Diluted	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.02)

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MGM Energy Corp.
Condensed Interim Statements of Cash Flows (Unaudited)

(\$000s)

	Six Months Ended June 30	
	2011	2010
Operating activities		
Net loss for the period	\$ (5,612)	\$ (5,439)
Adjustments to add non-cash items		
Share-based compensation	321	901
Accretion of asset retirement obligation	29	29
Depreciation	59	110
Change in non-cash working capital	(796)	(809)
Cash flows used in operating activities	(5,999)	(5,208)
Financing activities		
Common shares issued, net of issuance costs	-	4,988
Cash flows from financing activities	-	4,988
Investing activities		
Capital expenditures	(27)	31
Proceeds from divestitures	20,000	-
Change in non-cash working capital	50	(32)
Cash flows used in (from) investing activities	20,023	(1)
Increase (decrease) in cash and cash equivalents	14,024	(221)
Cash and cash equivalents, beginning of period	1,174	4,486
Cash and cash equivalents, end of period	\$ 15,198	\$ 4,265

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