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Calgary, Alberta
October 28, 2011



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

CALGARY, ALBERTA – MGM Energy Corp. (“MGM Energy” or the “Company”) announced today its financial results for the three and nine months ended September 30, 2011. The Company reported a net loss for the three month period ended September 30, 2011 of \$1.9 million (\$7.6 million for the nine month period ended September 30, 2011). MGM Energy’s unaudited condensed interim financial statements and accompanying Management’s Discussion and Analysis will be filed shortly on the SEDAR website (www.sedar.com).

MGM Energy also announced that it has begun regulatory and operations planning for the drilling of a well in the winter of 2012/13 targeting the shale oil play in the Central Mackenzie Valley. “As we previously announced, MGM Energy holds a significant land position in the emerging Central Mackenzie Valley shale oil play, encompassing parcels acquired in this summer’s land sale and our existing exploration license EL454,” said Henry Sykes, President of MGM Energy. “We are very excited about the opportunities that this play provides to MGM Energy. We look forward to providing updates on our planned activities.”

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.
Interim Balance Sheets (Unaudited)
(\$000s)

| | As at September 30 2011 | As at December 31 2010 |
|---|-------------------------------|------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 13,580 | \$ 1,174 |
| Accounts receivable and other current assets | 196 | 1,640 |
| | 13,776 | 2,814 |
| Non-current assets | | |
| Exploration and evaluation assets | 212,969 | 233,051 |
| Property and equipment | 190 | 272 |
| | 213,159 | 233,323 |
| Total Assets | \$ 226,935 | \$ 236,137 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 129 | \$ 2,175 |
| Due to related parties | 89 | 107 |
| | 218 | 2,282 |
| Non-current liabilities | | |
| Asset retirement obligation | 2,824 | 2,905 |
| | 2,824 | 2,905 |
| Total Liabilities | 3,042 | 5,187 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 454,465 | 454,465 |
| Contributed surplus | 8,324 | 7,820 |
| Deficit | (238,896) | (231,335) |
| Total Shareholders' Equity | 223,893 | 230,950 |
| Total Liabilities and Shareholders' Equity | \$ 226,935 | \$ 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.**Interim Statements of Changes in Equity (Unaudited)**

(\$000s)

| | Nine Months Ended September 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 |
| Options exercised | (15) | - |
| Share-based compensation | 519 | 1,209 |
| Balance, end of period | \$ 8,324 | \$ 7,543 |
| Deficit | | |
| Balance, beginning of period | \$ (231,335) | \$ (211,591) |
| Net loss | (7,561) | (17,539) |
| Balance, end of period | \$ (238,896) | (229,130) |
| Total Shareholders' Equity | \$ 223,893 | \$ 232,878 |

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

(\$000s)

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---------------------------------|--------------------|--------------------------------|--------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Oil and natural gas revenue | \$ - | \$ - | \$ - | \$ - |
| Expenses | | | | |
| General and administrative expenses | 675 | 766 | 2,200 | 2,705 |
| Share-based compensation | 198 | 308 | 519 | 1,209 |
| Exploration and evaluation expenditures | 898 | 10,728 | 1,449 | 12,733 |
| Dry hole | - | - | 2,804 | - |
| Accretion of asset retirement obligation | 14 | 15 | 43 | 44 |
| Depreciation | 31 | 55 | 90 | 165 |
| Pipeline and regulatory expenses | - | - | - | 11 |
| | 1,816 | 11,872 | 7,105 | 16,867 |
| Loss before net finance expenses | (1,816) | (11,872) | (7,105) | (16,867) |
| Finance income | (37) | (8) | (87) | (27) |
| Finance expenses | 170 | 236 | 543 | 699 |
| Net finance expenses | 133 | 228 | 456 | 672 |
| Net loss and comprehensive loss | \$ (1,949) | \$ (12,100) | \$ (7,561) | \$ (17,539) |
| Net loss per Common Share (\$/share) | | | | |
| Basic | \$ (0.01) | \$ (0.04) | \$ (0.02) | \$ (0.06) |
| Diluted | \$ (0.01) | \$ (0.04) | \$ (0.02) | \$ (0.06) |

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

(\$000s)

| | Nine Months Ended September 30 | |
|---|---------------------------------------|-----------------|
| | 2011 | 2010 |
| Operating activities | | |
| Net loss for the period | \$ (7,561) | \$ (17,539) |
| Adjustments for non-cash items | | |
| Share-based compensation | 519 | 1,209 |
| Cash payment for options exercised | (15) | - |
| Accretion of asset retirement obligation | 43 | 44 |
| Depreciation | 90 | 165 |
| Change in non-cash working capital | (574) | 9,235 |
| Cash flows used in operating activities | (7,498) | (6,886) |
| Financing activities | | |
| Common shares issued, net of issuance costs | - | 4,988 |
| Cash flows from financing activities | - | 4,988 |
| Investing activities | | |
| Capital expenditures | (50) | (287) |
| Proceeds from divestitures | 20,000 | - |
| Change in non-cash working capital | (46) | (10) |
| Cash flows from (used in) investing activities | 19,904 | (297) |
| Increase (decrease) in cash and cash equivalents | 12,406 | (2,195) |
| Cash and cash equivalents, beginning of period | 1,174 | 4,486 |
| Cash and cash equivalents, end of period | \$ 13,580 | \$ 2,291 |

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.