

Manitok Acquires Second Core Area Through Entering Into a Wide Area Lease Issuance and Drilling Commitment Agreement With Encana Corporation in Southeast Alberta

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CALGARY, ALBERTA -- (Marketwired - Oct. 21, 2013) - [Manitok Energy Inc.](#) (the "Corporation" or "Manitok") (TSX VENTURE:MEI) is pleased to announce that it has entered into a Lease Issuance and Drilling Commitment Agreement (the "Agreement") with [Encana Corporation](#) ("Encana"), whereby Manitok will acquire petroleum and natural gas leases covering a net 38,757 hectares (96,893 acres) in the Entice area of Southeast Alberta (the "Lands" or the "Entice Area").

In order to increase both the scalability and visibility of Manitok's oil drilling inventory, along with reducing its drilling risk profile, Manitok has acquired leases in a second core area pursuant to the Agreement with Encana. The Lands are contiguous, which will provide for efficiencies in both capital and operating expenditures and have about 300 well penetrations, as deep as the Devonian formation, with logs and drill stem tests. Using such data, along with extensive 2D and 3D seismic coverage, Manitok has identified potential opportunities in the Viking, Upper Mannville, Glauco, Ellerslie, Pekisko, Nisku and other Devonian formations. The Entice Area has multi-stacked pay and it is anticipated that Manitok will be able to test multiple zones with each wellbore which reduces its drilling risk. Manitok believes that the Lands are highly prospective for extensive reserves of oil and gas. The capital costs of drilling in the area are considerably less than in the foothills, with all-in well costs generally ranging from \$1.0 million to \$3.0 million depending on the depth drilled.

The major terms of the Agreement are as follows:

- Encana has granted to Manitok 3-year petroleum and natural gas leases (collectively, the "Leases"), over a total of 38,757 hectares in Southeast Alberta, subject to the other terms of the Agreement; Subject to the terms of the Agreement, Manitok has an option to extend the Leases for an additional 3 years;
- Manitok has a 100% working interest in the Leases, which are issued in an alternating, checkerboard pattern over approximately a 9 township area; with a few minor exceptions, Manitok has the rights from the base of the Belly River formation to the base of the Devonian formation on the even sections;
- Manitok has access to Encana's 100% proprietary 2D and 3D seismic data covering the Entice Area; and
- Manitok has paid a bonus payment to Encana in respect of the Leases and has agreed to perform a minimum annual work program for each of the next three years, which minimum work program will result in an aggregate expenditure commitment of approximately \$106 million over a three year period; the 2014 commitment is \$22 million.

All immediate costs associated with the Agreement will be financed by Manitok's existing cash flow and credit facilities.

With its two core areas combined, Manitok now has an undeveloped land base of 328,000 gross acres (275,800 net). Manitok continues to add to its land position in order to achieve its long term goal of reaching 20,000 boe/d of production. The combination of a large production base, a higher oil production ratio and an overall lower drilling risk profile should result in greater value for our shareholders in the future.

Guidance

Due to the extent of the lands and seismic acquired from Encana, Manitok will provide 2014 guidance once it has been able to review the data further and high grade its anticipated drilling opportunities on the Encana

Lands. With the closing of this transaction, Manitok anticipates net debt at October 31, 2013 to be about \$48 million.

Comment

"This is a game-changing transaction for Manitok." comments Massimo Geremia, President & CEO of Manitok, "We are proud to have the opportunity to work Encana's Entice Area for the benefit of both Manitok and Encana."

Manitok's financial advisors in the transaction were Integral Wealth Securities Limited, National Bank Financial Inc., Macquarie Capital Markets Canada Ltd. and Dundee Securities Inc.

About Manitok

Manitok is a public oil and gas exploration and development company focusing on conventional oil and gas reservoirs in the Canadian foothills and Southeast Alberta. The Corporation will utilize its experience and expertise to develop the untapped conventional sweet oil and liquids-rich natural gas pools in both the Foothills and Southeast Alberta areas of the Western Canadian Sedimentary Basin.

For further information regarding Manitok, view our website at www.manitokenergy.com.

Forward-Looking Information Cautionary Statement

This press release contains forward-looking statements. More particularly, this press release contains statements as to Manitok's operational plan.

The forward-looking statements in this press release are based on certain key expectations and assumptions made by Manitok, including the operational parameters specifically set out in the press release and expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the successful application of technology, validity of the geological and other technical interpretations that have been performed by Manitok's technical staff, prevailing weather conditions, commodity prices, royalty regimes and exchange rates and the availability of capital, labour and services.

Although Manitok believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Manitok can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), uncertainty as to the availability of labour and services, commodity price and exchange rate fluctuations, unexpected adverse weather conditions and changes to existing laws and regulations. Certain of these risks are set out in more detail in Manitok's current Annual Information Form, which is available on Manitok's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and on the Corporation's website at www.manitokenergy.com.

Forward-looking information is based on estimates and opinions of management of Manitok at the time the information is presented. Manitok may, as considered necessary in the circumstances, update or revise such forward-looking information, whether as a result of new information, future events or otherwise, but Manitok undertakes no obligation to update or revise any forward-looking information, except as required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

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