Manitok Energy Inc. Provides 2014 Capital Program and Guidance

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CALGARY, ALBERTA -- (Marketwired - Jan. 29, 2014) - Manitok Energy Inc. (the "Corporation" or "Manitok") (TSX VENTURE:MEI) is pleased to provide the following information regarding its anticipated 2014 capital expenditure program and guidance. All dollar figures are in Canadian dollars unless otherwise noted.

Highlights

- Capital expenditures of approximately $104.5 million.

- Average annual production of 6,000 to 6,200 boe/d (62% - 65% oil and liquids), which is approximately a 50% increase from the estimated 2013 average of 4,000 to 4,100 boe/d.

- 2014 exit rate of 7,100 to 7,500 boe/d (67% - 70% oil and liquids), which is approximately a 32% increase from the 2013 exit rate of 5,550 boe/d.

- Funds from operations of $69.0 to $71.0 million, or $0.94 to $0.96 per share based on 73,783,000 average basic shares outstanding.

- 34 gross (28.2 net) wells drilled targeting light oil in the Corporation's Stolberg, Entice and other Southern Alberta Foothills areas.

- 2014 exit net debt of approximately $69.0 - $71.0 million, resulting in a December 31, 2014 net debt to funds from operations ratio of approximately 1.0 times (with current credit facilities of $105.0 million).

Capital Expenditures

The Corporation's 2014 drilling program will see a continued investment of capital in its successful Cardium light oil play in the Stolberg area of Alberta. Management is also excited to begin drilling and evaluating the newly acquired Entice lands in Southeast Alberta, and a small portion of the capital budget has been allocated to the Southern Alberta Foothills area, primarily Quirk Creek, which is dependent on a successful production testing period for the two recently drilled wells in the area. In addition, Manitok will continue to advance other prospects and drilling opportunities within its core areas.

The allocation of 2014 capital expenditures is as follows:

	Total Capital	Wells Drilled	
	($ millions)	Gross	Net
Foothills - Stolberg	46.9	13.0	7.8
Foothills - Other	14.7	3.0	2.4
Entice	30.3	18.0	18.0
Land & Seismic	3.2	-	-
Other (1)	9.4	-	-
Total	104.5	34.0	28.2

(1) Other includes capital expenditures for a pilot waterflood project in Cordel, 2013 fourth quarter projects that carried into 2014, maintenance capital, corporate costs and capitalized overhead.

2014 Guidance

The Corporation provides the following guidance estimates for 2014:

2014 Guidance	
Production	
Annual (boe/d)	6,000 - 6,200
% Oil and liquids	62% - 65 %
Exit rate (boe/d)	7,100 - 7,500
% Oil and liquids	67% - 70 %
Benchmark pricing	
Crude oil - WTI (US$)	92.00
$CAD/$US exchange rate	1.06
Crude oil - WTI ($CAD)	97.52
Differential - WTI ($CAD) to Realized	(10.77)
Natural gas - AECO daily spot ($/mmbtu)	3.30
Funds from operations	$69.0 - $71.0 million
Capital expenditures, net	$104.5 million
Total net debt at Dec 31, 2014 (credit facilities of $105.0 million)	$69.0 - $71.0 million

2014 Financial Instruments

Manitok has 1,300 bbls/d of WTI oil hedged at CAD$94.52 for 2014. Manitok has contracted forward physical sales of 6,000 GJs/d during the summer months from April 1, 2014 to October 31, 2014, for $3.77/GJ. In addition, the Corporation holds put options on 10,000 GJs/d for 2014 at an average price of $3.55/GJ, with a deferred put option premium of $0.35/GJ.

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 oil and liquids-rich natural gas pools in both the Foothills and Southeast Alberta areas of the Western Canadian Sedimentary Basin.

For further information view our website at www.manitokenergy.com.

Forward-looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning planned capital expenditures, the breakdown of planned capital expenditures by class and area, planned exploration and development activities, the anticipated 2014 average and exit rates of production, the anticipated annual funds from operations in 2014, the anticipated year end net debt, the debt-to-funds from operations ratio for 2014, the hedging strategy for 2014 and the development and growth potential of Manitok's properties.

While the Corporation anticipates remaining disciplined with its 2014 capital program, readers are cautioned that the Corporation may make adjustments to its 2014 capital program, depending on business conditions and commodity prices throughout the fiscal year. Actual spending may vary due to a variety of factors, including changes to certain key expectations and assumptions set out below.

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 this 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, 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. The forward-looking statements included in this press release are not guarantees of future performance and should not be unduly relied upon. 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 SEDAR profile at www.sedar.com.*

The forward-looking statements regarding Manitok's expected 2014 funds from operations and net debt are included herein to provide readers with an understanding of Manitok's anticipated funds from operations and Manitok's ability to fund its expenditures based on the assumptions described herein. Readers are cautioned that this information may not be appropriate for other purposes.

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

Non-GAAP Financial Measures

This press release contains references to measures used in the oil and natural gas industry such as "funds from operations", "funds from operations per share", and "net debt". These measures do not have any standardized meanings prescribed by generally accepted accounting principles ("GAAP") and therefore, reported amounts may not be comparable measures reported by other companies where similar terminology is used. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding Manitok's liquidity and its ability to generate funds to finance its operations.

Funds from operations should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net earnings as determined in accordance with GAAP, as an indicator of Manitok's performance or liquidity. Funds from operations is used by Manitok to evaluate operating results and Manitok's ability to generate cash flow to fund capital expenditures and repay indebtedness. Funds from operations denotes cash flow from operating activities as it appears on the Corporation's Statement of Cash Flows before decommissioning expenditures and changes in non-cash operating working capital. Funds from operations is also derived from net income (loss) plus non-cash items including deferred income tax expense, depletion and depreciation expense, exploration and evaluation expense, impairment expense, stock-based compensation expense, accretion expense, acquisition-related expenses, unrealized gains or losses on financial instruments and gains or losses on asset divestitures. Funds from operations per share denotes funds from operations divided by the weighted average number of common shares outstanding. Manitok uses net debt as a measure to assess its financial position. Net debt includes current liabilities less current assets excluding the current portion of the fair value of financial instruments.

Barrels of Oil Equivalent

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas (6 mcf) to one barrel of oil (1 bbl). This boe conversion ratio of 6 mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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.

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