Manitok Energy Inc. Announces Unaudited 2013 Financial and Operating Results, the 2013 Reserves Evaluation and an Operational Update

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CALGARY, ALBERTA -- (Marketwired - April 15, 2014) - Manitok Energy Inc. (the "Corporation" or "Manitok") (TSX VENTURE:MEI) is pleased to announce its 2013 fourth quarter and year-end unaudited financial and operational results; provide highlights from its 2013 independent Reserves Evaluation and provide an operational update. All financial amounts referred to in this press release are management's best estimates and the year-end financial statements have not yet been audited.

The full text of Manitok's year-end report containing its audited financial statements as at and for the year ended December 31, 2013, the related management's discussion and analysis and Manitok's Annual Information Form for the year ended December 31, 2013 will be available electronically on Manitok's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and also on Manitok's website at www.manitokenergy.com on or before April 30, 2013.

Fourth Quarter Results (based on unaudited financial statements):

- Fourth quarter production averaged 4,989 boe/d (57% light oil and liquids), a 31% increase over production of 3,819 boe/d (49% light oil and liquids) in the third quarter of 2013 and a 62% increase over production of 3,078 boe/d (55% light oil and liquids) in the fourth quarter of 2012.

- Increased the oil and liquids weighting 16% over the oil and liquids weighting in third quarter of 2013.

- Recorded average production per share growth of 54% and cash flow per share growth of 75% when compared to the fourth quarter of 2012.

- Recorded funds from operations of $14.1 million ($0.19 per share), a 71% increase over funds from operations of $8.3 million ($0.12 per share) in the third quarter of 2013 and an 85% increase over funds from operations of $7.7 million ($0.11 per share) in the fourth quarter of 2012.

- Operating netback (excluding the realized gain or loss on financial instruments) was $35.11/boe, an 8% increase over the operating netback of $32.57/boe in the third quarter of 2013, and a 15% increase over the operating netback of $30.55/boe in the fourth quarter of 2012.

- Capital expenditures were approximately $44.2 million, which included drilling five gross (3.9 net) wells for about $19.8 million and closing a Lease Issuance and Drilling Commitment Agreement with Encana Corporation ("Encana Agreement") in the Entice area of Southeast Alberta, which accounted for $20.3 million, including capitalized overhead.

Year-end Results (based on unaudited financial statements):

- Production averaged 4,113 boe/d (52% light oil and liquids), a 72% increase over production of 2,389 boe/d (40% light oil and liquids) in 2012.

- Increased the oil and liquids weighting 30% over the oil and liquids weighting in 2012.

- Recorded average production per share growth of 54% and cash flow per share growth of 96% in 2013 when compared to 2012.

- Recorded funds from operations of $41.6 million ($0.59 per share), a 118% increase over funds from operations of $19.1 million ($0.30 per share) in 2012.

- Operating netback (excluding the realized gain or loss on financial instruments) was $33.07/boe, a 29%

increase over the operating netback of $25.59/boe in 2012.

- Capital expenditures including administrative assets and capitalized overhead were approximately $79.4 million, net of $3.4 million in dispositions. This included drilling 16 gross (9.8 net) wells for about $46.5 million, $9.0 million on equipment and facilities and closing the Encana Agreement, which accounted for $20.3 million including capitalized overhead.

- At December 31, 2013, net debt was approximately $32.5 million.

- At December 31, 2013, there were 74,492,340 outstanding common shares of Manitok ("Manitok Shares"). Subsequent to year-end and up to March 31, 2014, a total of 3,350,300 Manitok Shares were purchased through the normal course issuer bid program, at an average price of $2.39 per share and 473,366 Manitok Shares were issued through Manitok's stock option plan, at an average price of $1.50 per share, for a total net decrease in Manitok Shares of 2,876,934 in the first quarter of 2014. The total outstanding Manitok Shares as at March 31, 2014 was 71,615,406.

- Increased undeveloped land to 323,907 net acres as at December 31, 2013, a 46% increase from 222,181 net acres as at September 30, 2013 and an 81% increase from 178,938 net acres as at December 31, 2012.

2013 Independent Reserves Evaluation

Sproule Associates Limited ("Sproule"), Manitok's independent qualified reserves evaluator based in Calgary, Alberta, prepared a Reserves Estimation and Economic Evaluation effective December 31, 2013 in respect of Manitok's oil and natural gas properties ("2013 Sproule Report"). Sproule also prepared the reserves estimation and economic evaluation effective December 31, 2012 ("2012 Sproule Report" and together with the 2013 Sproule Report, the "Sproule Reports"). The reserves estimates stated herein are as at December 31, 2013 and 2012 and are extracted from the Sproule Reports. The Sproule Reports have been prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

2013 Year-End Reserves Highlights:

- The pre-tax net present value discounted at 10% ("NPV10%") of proved plus probable ("P+P") reserves amounted to approximately $304.4 million(1) in 2013, which is an increase of 75% from $173.6 million(1) in 2012. The net present value of total proved ("TP") reserves amounted to $182.8 million(1) in 2013, which is an increase of 78% from $102.9 million(1) in 2012. Each of these NPV10% amounts does not include any additional value for Manitok's undeveloped land base and there are no reserves booked to the land associated with the Encana Agreement in the 2013 Sproule Report.

- Proved developed producing ("PDP") reserves increased 46%, from 3,985.5 Mboe in 2012 to 5,801.5 Mboe in 2013, TP reserves increased 18%, from 8,029.3 Mboe in 2012 to 9,457.0 Mboe in 2013, and P+P reserves increased 12%, from 14,862.3 Mboe from 2012 to 16,719.5 Mboe in 2013 due to the success of Manitok's Cardium oil drilling program in the Stolberg area.

- PDP oil reserves increased 101%, from 1,063.0 Mbbls in 2012 to 2,131.8 Mbbls in 2013; TP oil reserves increased 39%, from 2,738.1 Mbbls in 2012 to 3,812.7 Mbbls in 2013; and P+P oil reserves increased 43%, to from 5,268.2 Mbbls in 2012 to 7,541.9 Mbbls in 2013.

- Based on the 2013 Sproule Report, Manitok's P+P reserves are comprised of 45% light oil on a boe basis and 82% on a NPV10% valuation basis.

Finding and development ("F&D") costs consisted of $25.33/boe for TP reserves and $23.89/boe for P+P reserves. These amounts include $20.1 million of capital expenditures associated with the Encana Agreement (which accounts for approximately 26% of total 2013 capital expenditures) and the change in future development capital ("FDC") from 2012. Recycle ratios consisted of 1.3 and 1.4 times for TP and P+P reserves respectively, based on a 2013 operating netback excluding the realized loss on financial instruments of $33.07/boe.

- Excluding the $20.1 million of capital expenditures related to the Encana Agreement which has no associated reserves in the 2013 Sproule Report, the Corporation achieved F&D costs including changes in FDC of $18.48/boe for TP reserves and $17.91/boe for P+P reserves. This represents a recycle ratio of 1.8 and 1.9 times for TP and P+P reserves respectively based on a 2013 operating netback excluding the realized loss on financial instruments of $33.07/boe.

- The three year average F&D costs including the change in FDC for Manitok is $21.46/boe for TP reserves and $14.86/boe for P+P reserves. Recycle ratios consisted of 1.5 and 2.2 times for TP and P+P reserves respectively, based on a 2013 operating netback excluding the realized loss on financial instruments of $33.07/boe.

1 Estimates of future net revenues whether discounted or not do not represent fair market value.

The following table summarizes Manitok's working interest oil and natural gas reserves at December 31, 2013, using the Sproule forecast price assumptions:

Summary of Oil and Natural Gas Reserves

Reserve Category	Light and Medium Oil		Natural Gas(2)		Natural Gas Liquids		Total	
	Gross(3) (Mbbls)	Net(4) (Mbbls)	Gross(3) (Mmcf)	Net(4) (Mmcf)	Gross(3) (Mbbls)	Net(4) (Mbbls)	Gross(3) (Mboe)	Net(4) (Mboe)
Proved								
Developed Producing	2,131.8	1,419.8	21,197	17,574	137.0	87.6	5,801.5	4,436.5
Developed Non-Producing	57.0	47.4	7,904	6,404	10.5	6.4	1,384.9	1,121.1
Undeveloped	1,623.9	1,103.4	3,616	2,947	44.0	31.1	2,270.6	1,625.7
Total Proved	3,812.7	2,570.7	32,717	26,925	191.5	125.1	9,457.0	7,183.3
Probable	3,729.2	2,488.7	20,109	16,739	181.8	122.4	7,262.5	5,400.9
Total Proved Plus Probable	7,541.9	5,059.4	52,826	43,664	373.3	247.5	16,719.5	12,584.2

(1) Based on Sproule's December 31, 2013 forecast prices and costs. The forecast of commodity prices used in the 2013 Sproule Report can be found at www.sproule.com.

(2) Estimates of reserves of natural gas include both associated and non-associated gas. Gross reserves are the Corporation's working interest share before deduction of royalty obligations and without including any royalty interests.

(3) Net reserves are the Corporation's working interest share after deduction of royalty obligations, plus royalty interests in such reserves.

(4) Columns may not add due to rounding of individual items.

The following table is a summary of the net present value of future net revenue associated with Manitok's reserves as at December 31, 2013 before deducting future income tax expense and calculated at various discount rates:

Net Present Values of Future Net Revenue Before Income Taxes

Reserve Category	Before Income Taxes Discounted at (%/year) 0% (M$)	5% (M$)	10% (M$)	15% (M$)	20% (M$)
Proved					
Developed Producing	164,903	140,417	123,873	111,932	1
Developed Non-Producing	17,966	13,754	11,015	9,126	7,
Undeveloped	66,262	55,779	47,943	41,867	37,012
Total Proved	249,131	209,949	182,831	162,925	147,651
Probable	212,723	154,874	121,601	99,965	84,666
Total Proved Plus Probable	461,853	364,823	304,432	262,890	

(1) Based on Sproule's December 31, 2013 forecast prices and costs. The forecast of commodity prices used in the 2013 Sproule Report can be found at www.sproule.com.

(2) Columns may not add due to rounding of individual items.

(3) Estimates of future net revenues whether discounted or not do not represent fair market value.

The following table is a reconciliation of Manitok's gross reserves as derived from the Sproule Reports:

Reserves Reconciliation of Gross Reserves(1)

	Gross Proved (Mboe)	Gross Probable (Mboe)	Gross Proved Plus Probable (Mboe
December 31, 2012	8,029.5	6,832.8	14,862.3
Discoveries, extensions and infill drilling	2,202.5	2,634.9	4,837.3
Acquisitions (dispositions)	-	-	-
Technical revisions(2)	760.1	(2,192.4)	(1,432.3)
Economic factors	(34.0)	(12.8)	(46.7)
Production over the year	(1,501.1)	-	(1,501.1)
December 31, 2013	9,457.0	7,262.5	16,719.5

(1) Gross reserves are the Corporation's working interest share before deduction of royalty obligations and without including any royalty interests.

(2) Technical revisions resulting from category changes and the removal of four high risk wells in the probable category.

(3) Columns may not add due to rounding of individual items.

Capital Program Efficiency

The following table outlines Manitok's estimate of its F&D costs per boe and finding, development and acquisition ("FD&A") costs per boe, excluding the change in FDC and including the change in FDC, recycle ratios, reserves replacement and reserve life index on a TP and P+P basis.

	2013	2012	Three Year Weighted Average
Capital Expenditures (M$)			
Exploration and Development(1)(2)	80,598	48,419	160,290
Acquisitions/(Dispositions)	(3,412)	(12,927)	26,070
Total Capital Expenditures	77,186	35,492	186,360
Change in FDC (M$)			
Total Proved	(6,423)	24,046	26,285
Proved Plus Probable	(377)	17,564	63,823
F&D and FD&A costs excluding change in FDC			
F&D - TP(2)	$27.52	$10.20	$18.44
F&D - P+P(2)	$24.00	$6.43	$10.63
FD&A - TP(2)	$26.36	$8.13	$16.31
FD&A - P+P(2)	$22.98	$5.13	$10.10
Recycle Ratio - TP(3)	1.2	2.5	1.8
Recycle Ratio - P+P(3)	1.4	4.0	3.1
F&D and FD&A costs including change in FDC			
F&D - TP(2)	$25.33	$15.26	$21.46
F&D - P+P(2)	$23.89	$8.77	$14.86
FD&A - TP(2)	$24.16	$13.64	$18.61
FD&A - P+P(2)	$22.87	$7.67	$13.56
Recycle Ratio - TP(3)	1.3	1.7	1.5
Recycle Ratio - P+P(3)	1.4	2.9	2.2
Reserve Replacement			
Total Proved	195%	499%	435%
Proved Plus Probable	224%	791%	702%
Reserve Life Index (years)(4)			
Total Proved	5.2	7.1	
Proved Plus Probable	9.2	13.2	

(1) Exploration and development expenditures excludes $1.8 million (2012 - $1.2 million) of capitalized overhead costs.

(2) The aggregate of the exploration and development costs incurred in the most recent financial year and change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

(3) Recycle ratio is calculated as the operating netback excluding realized gains or losses on financial instruments divided by F&D costs.

(4) Reserve Life Index is based on annualized fourth quarter production volumes.

The following table outlines Manitok's 2013 F&D and FD&A Costs after removing $20.1 million of capital expenditures and excluding capitalized overhead related to the Encana Agreement which has no associated reserves in the 2013 Sproule Report.

	Excluding the change in FDC	Including the change in FDC
F&D - TP(1)	$20.67	$18.48
F&D - P+P(1)	$18.03	$17.91
FD&A - TP(1)	$19.51	$17.31
FD&A - P+P(1)	$17.01	$16.90
Recycle Ratio - TP(2)	1.6	1.8
Recycle Ratio - P+P(2)	1.8	1.9

(1) The aggregate of the exploration and development costs incurred in the most recent financial year and change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

(2) Recycle ratio is calculated as the 2013 operating netback excluding realized losses on financial instruments of $33.07 divided by F&D costs.

2014 Production and Operational Update

Based on field estimates as of April 13, 2014, Manitok's aggregate production is approximately 5,150 boe/d, which reflects the previously announced disposition of 777 boe/d of natural gas assets that was completed on February 28, 2014. The production estimate above includes production from the first two Cardium wells drilled in 2014, referred to as Stolberg Cardium oil wells number 21 and 22 in the previous press release dated February 27, 2014. The estimated production does not include production from the last two Stolberg Cardium oil wells drilled and tested (wells 23 and 24) and the two that are at, or nearing the completion of drilling operations (wells 25 and 26). Of the last four Cardium oil wells (2.0 net), it is anticipated that one oil well (0.3 net, well 23) will be added to production before the end of April, one oil well (0.7 net, well 24) will be on production in June and the remaining two oil wells (1.0 net, wells 25 and 26) are, or will be production tested shortly.

Of the first four Stolberg Cardium oil wells drilled and tested in 2014 (wells 21 to 24), three (1.7 net) are either producing or anticipated to produce at expected levels ranging between 280 to 300 boe/d per well (gross) and one well (1.0 net) is not producing commercial quantities of oil. This non-producing well was the first well drilled in 2014 (well 21) and was the only well drilled into the forelimb of the Stolberg Cardium structure in 2014, whereas the other five wells, including the two currently being tested, were drilled into the backlimb of the structure where most of the wells in the field have been drilled to date. Manitok is evaluating the possibility of re-entering the non-producing wellbore (well 21) and drilling another horizontal leg deeper into the forelimb of the structure.

The first Quirk Creek Cardium oil well (0.7 net) was placed on production as of April 8, 2014. The well's production will be optimized over the next few weeks and evaluated over the next several months. The second Quirk Creek Cardium oil well (0.7 net) encountered mechanical complications during the completion operations. Manitok has determined a solution to the issue, but due to spring break-up and current soft ground conditions, Manitok will not be able to execute the operation to correct the mechanical problem until ground conditions improve. Manitok anticipates being able to production test the well once the corrective operation is executed.

Manitok has drilled four vertical wells in the Entice area and is currently drilling the fifth well of the Entice program, which is its first horizontal well targeting the Basal Quartz (Ellerslie) formation. The completion activities on the four vertical wells have been delayed by road bans issued during break-up. The drilling lease for the horizontal well is located just off of a highway where the road bans are not prohibiting Manitok from continuing drilling operations. Manitok will issue the results of the five well Entice drilling program once all five wells have been completed and evaluated.

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, planned exploration and development activities and the development and growth potential of Manitok's properties.

The forward-looking statements in this press release are based on certain key expectations and assumptions made by Manitok, including 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 and ground 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 SEDAR profile at www.sedar.com.*

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", "operating netback", "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 the Corporation'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. Operating netback denotes petroleum and natural gas revenue and realized gain (loss) on financial instruments less royalty expenses, operating expenses and transportation and marketing expenses. 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 and the deferred premium on financial instruments.

Reserves Data

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGLs reserves and the future cash flows attributed to such reserves. The reserves and associated cash flow information set forth above are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGLs reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserves recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable crude oil, NGLs and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Manitok's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

The reserves data provided in this press release presents only a portion of the disclosure required under NI 51-101. All of the required information will be contained in Manitok's Annual Information Form for the year ended December 31, 2013, which will be filed on SEDAR (accessible at www.sedar.com) on or before April 30, 2013.

With respect to the disclosure of reserves contained herein relating to portions of the Corporation's properties, the estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation.

Estimated Unaudited Year End Financial Data

The Corporation's annual audit of its financial statements for the year ended December 31, 2013 is not yet complete as of the date of this press release and accordingly, all financial amounts referred to in this press release are management's best estimates and are unaudited. In light of this, readers are cautioned not to place undue weight on such financial information contained in this press release.

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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