

MGM Energy Corp. Announces Receipt of Proposal From Paramount Resources Ltd.

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CALGARY, ALBERTA -- (Marketwired - March 11, 2014) - [MGM Energy Corp.](#) (TSX:MGX) ("MGM Energy" or the "Company") today announced that the Company has received a proposal (the "Proposal") from [Paramount Resources Ltd.](#) ("Paramount") to purchase all of the common shares of the Company not currently owned by Paramount. Under the Proposal, all shareholders of MGM Energy would receive one Class A Common Share of Paramount for every 300 common shares of MGM Energy. Based on the current trading price of Paramount common shares on the Toronto Stock Exchange ("TSX") of approximately \$45.00 per share, this represents \$0.15 per MGM Energy common share.

Paramount currently owns 54,147,432 common shares of MGM Energy representing approximately 13.9% of the currently issued and outstanding common shares of MGM Energy. Clayton Riddell, Chief Executive Officer of both Paramount and MGM Energy, currently owns 122,835,180 common shares of MGM Energy, representing approximately 31.6% of the currently issued and outstanding common shares of MGM Energy. Mr. Riddell has indicated to Paramount that he would support this transaction as it relates to his holdings in MGM Energy common shares.

Paramount has proposed that the transaction proceed by way of an arrangement under the Business Corporations Act (Alberta), which requires shareholder approval and the approval of the Court of Queen's Bench of Alberta. If the transaction proceeds, it will also be subject to the requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") which requires that: (i) a formal independent valuation of MGM Energy be prepared under the supervision of a committee of independent members of the MGM Energy board of directors; (ii) the valuation be disclosed to the shareholders of MGM Energy; and (iii) the transaction be approved by a "majority of the minority" shareholders of MGM Energy.

A committee of the independent members of the board of directors of MGM Energy (the "Committee") is expected to be established at a regularly scheduled board meeting to take place on March 12, 2014. Additional information will be provided regarding the Committee and the process in respect of the Proposal after market close on March 12, 2014.

Shareholders are cautioned that the Company has only received the Proposal and that no decisions or recommendations have been made by the Committee or the board of directors of MGM Energy in response to that Proposal. The Proposal is non-binding and is subject to a number of important conditions in favour of Paramount. In addition, the Proposal provides that MGM Energy will be permitted to seek alternative acquisition proposals for a period of time after any definitive agreement is entered into. There can be no assurance that the transaction contemplated by the Proposal, or any other transaction, will be proceeded with or recommended by the board of directors.

[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".

This document contains "forward-looking statements" regarding Paramount's Proposal including statements regarding the Proposal and terms and conditions thereof. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risk that the parties will not proceed with the transaction, that the terms of the transaction will vary materially from those proposed, and that the conditions precedent to proceeding with the transaction may not be met on a timely basis or at all, including negotiation and execution of definitive documentation. The forward-looking statements contained herein are made at the date of this document and the Company does not undertake any obligation to update publicly or revise any of the forward-looking statements contained in this document, whether as a result of new information, future event or otherwise, except as required by applicable securities laws.

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