

MGM Energy Corp. Announces 2013 Financial Results and Provides Update on Independent Committee

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CALGARY, ALBERTA -- (Marketwired - March 12, 2014) - [MGM Energy Corp.](#) ("MGM Energy" or the "Company") (TSX:MGX) announced today its financial results for the year ended December 31, 2013.

The Company reported a net loss for the year ended December 31, 2013 of \$8.3 million (\$0.02 per share) as compared to a net loss of \$8.1 million (\$0.03 per share) for the year ended December 31, 2012. MGM Energy's full audited financial statements and accompanying Management's Discussion and Analysis will be filed shortly on the SEDAR website (www.sedar.com).

Further to its March 11, 2014 press release, MGM Energy also announced that a special committee of the independent members of the board of directors of the Company (the "Committee") has been established to consider the proposal (the "Proposal") received from [Paramount Resources Ltd.](#) ("Paramount"), as described in that press release. The Committee is comprised of all four independent members of the board of directors. The Committee has retained independent legal counsel to advise the Committee and is pursuing an engagement with an independent advisor to prepare an independent valuation in accordance with MI 61-101. It is anticipated that the work of the Committee will take place over the ensuing weeks. The Committee has requested that management update the data room that was available during its search for a partner in the Canol shale oil play, and to make that data room available to any party interested in pursuing an alternative transaction.

Given the consideration of the Proposal, the Company has decided to postpone its annual meeting currently scheduled for April 23, 2014 to a date to be determined.

Shareholders will be advised if and at such time that a binding arrangement agreement is reached between MGM Energy and Paramount. There can be no assurance that any binding agreement will be reached or that a transaction will be pursued or recommended by the board of directors of the Company.

[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 and the establishment of the Committee 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.

MGM Energy Corp.
Balance Sheets
(\$000s)

As at December 31	2013		2012		
ASSETS					
Current assets					
Cash and cash equivalents		\$	9,783	\$	19,896
Accounts receivable and other current assets				1,484	
	11,267		20,421		
Non-current assets					
Exploration and evaluation assets			65,059		63,975

Property and equipment, net		-		136
65,059		64,107		
Total Assets	\$	76,326	\$	84,528
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$		2,479	\$
Due to related parties	41		93	
2,520		5,445		
Non-current liabilities				
Asset retirement obligations		5,147		4,018
Environmental restoration liability			833	-
5,980		4,018		
Total Liabilities		8,500		9,463
SHAREHOLDERS' EQUITY				
Share capital		466,159		466,132
Contributed surplus		10,281		9,201
Deficit	(408,614)		(400,268)	
Total Shareholders' Equity		67,826		75,065
Total Liabilities and Shareholders' Equity	\$	76,326	\$	

MGM Energy Corp.

Statements of Loss and Comprehensive Loss

(\$000s, except as noted)

Years Ended December 31		2013		2012
Rental income	\$	531	\$	-
531		-		
Expenses				
General and administrative		3,405		3,393
Share-based compensation		1,061		548
Exploration and evaluation		4,050		3,405
Accretion of asset retirement obligation			44	
Depreciation	15		93	
8,575		7,480		
Loss before net finance expense		(8,044)		(7,480)
Finance income	(119)		(78)	
Finance expense	421		672	
Net finance expense	302		594	
Net loss and comprehensive loss	\$	(8,346)	\$	(8,074)
Net loss per common share (\$/share)				
Basic	\$	(0.02)	\$	(0.03)
Diluted	\$	(0.02)	\$	(0.03)

MGM Energy Corp.

Statements of Cash Flows

(\$000s)

Years Ended December 31		2013		2012
Operating activities				
Net loss	\$	(8,346)	\$	(8,074)
Adjustments to add (deduct) non-cash items				
Stock-based compensation		1,061		548
Non-cash general and administrative expense			(11)	
Accretion of asset retirement obligations			44	
Depreciation	15		93	
Change in non-current environmental restoration provision				833
Change in non-cash working capital		105		(68)
Cash flows used in operating activities			(6,299)	(7,399)
Financing activities				
Cash payment for options exercised		(20)		-
Common shares issued, net of issuance costs			27	
Cash flows from (used in) financing activities			7	

Investing activities			
Capital expenditures	168	(109)	
Change in non-cash working capital		(3,962)	3,646
Cash flows from investing activities		(3,794)	3,537
Increase (decrease) in cash and cash equivalents			(10,086)
Cash and cash equivalents, beginning of year		19,869	
Cash and cash equivalents, end of year	\$	9,783	\$

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