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Sedalia Operations Update

Vancouver, British Columbia

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Magnum Energy Inc. (The Company or “Magnum”) (TSX: MEN), is pleased to update the results of the operations announced in the December 18th news release.

The Company’s current daily sales are 2.75 mmcf/day. With the benefit of flush production rates the recent production has exceeded 3.0 mmcf/day (500 boe/day) and we anticipate sales will be sustained above 2.4 mmcf/day (400 boe/day) in the coming months prior to additional rate increases from pending operations.

This 129% increase in Sedalia daily sales rate is the result of the completion of seven of nine planned winter operations. The new sales rate also represents a 227% increase from prior to the Sedalia acquisition. To date, Magnum has re-completed five existing wells with fracture stimulations, re-entered one well to test a new zone and drilled and completed one new multi-zone gas well. Two existing wellbores remain to be fracture stimulated, tied in and placed on production. Magnum anticipates completing its total winter program by early April.

The Company’s newly upgraded 100% owned compression facilities at Sedalia are now operating at 40% of licensed capacity. Magnum is encouraged by the results of the recent program and plans on drilling between 4 and 6 new wells this summer with the objective of fully utilizing the remaining capacity at the Sedalia facilities.

Disclaimer: Natural gas volumes have been converted to barrels of oil equivalent. Barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet (“mcf”) = 1 barrel (“bbl”) of oil is based on an energy equivalency conversion method primarily applicable to the burner tip and does not represent a value equivalency at the wellhead.

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The TSX Venture Exchange has neither approved or disapproved the contents of this press release.