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PRESS RELEASE

MANITOK ENERGY INC. ANNOUNCES FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2012

August 29, 2012, Calgary, Alberta – Manitok Energy Inc. (the "**Corporation**" or "**Manitok**") (TSX-V: MEI) announces its financial and operating results for the second quarter of 2012.

The full text of Manitok's second quarter report containing the unaudited condensed interim financial statements for the three and six months ended June 30, 2012 and the related management's discussion and analysis are available on Manitok's profile on SEDAR at www.sedar.com and also on Manitok's website at www.manitokenergy.com. All dollar figures are in Canadian dollars unless otherwise noted.

Second Quarter Highlights:

- A 477% increase in the average production for the three months ended June 30, 2012 relative to the average production for the comparable period in 2011. Average second quarter 2012 production was 1,733 boe/d (22% oil and liquids) as compared to average production of 300 boe/d in the same quarter in 2011. Annualized production based on the quarterly averages increased by 267% on a per share basis.
- Cash flow for the three months ended June 30, 2012 was $2,482,885, up from $291,412 in the comparable period in 2011. The increase was due to the increase in production levels and a $1.2 million gas credit allowance against royalties previously paid in prior periods relating to the asset acquisition made by the Corporation in late 2011.
- Total operating and transportation costs were $10.64 per boe; 58% lower, on a boe basis, than the comparable period last year. The decrease is the result of achieving lower per unit operating costs at Stolberg, which makes up about 40% of the quarter's average production, and also due to the sale of the Swimming heavy oil assets which carried a higher average operating cost per boe relative to the remainder of Manitok's production.
- On April 5, 2012, Manitok sold its heavy oil assets for approximately $13.5 million before final closing adjustments and related expenses. That amount was applied against net debt upon the close of the transaction.
- A 49% increase in net undeveloped land to 147,908 acres as at June 30, 2012 as compared to 98,940 acres as at June 30, 2011.
- Manitok's capital expenditures before divestitures and acquisitions for the three-month period ended June 30, 2012 were approximately $10.8 million, which is up 52% from $6.4 million in the comparable quarter in 2011.
- As at June 30, 2012, Manitok had net debt of approximately $10.9 million.
- Net Income of $499,437 in the three months ended June 30, 2012 versus a loss of $469,680 in the comparable prior period in 2011.

Updated Guidance

Manitok expects that 2012 capital expenditures will reach about $47.8 million, which is about $2.6 million higher than the $45.2 million previously announced. Approximately $2.0 million is due to an expected increase in land and seismic expenditures and about $600,000 is due to an expected increase in total drilling, completion and equipping expenditures, which will increase from $39.4 million to $40.0 million. The scope of the drilling program has also been altered to adjust for the success at Stolberg and the fact that Manitok will meet its 2012 flow through expenditure commitment early in the fourth quarter of 2012 without having to drill the previously budgeted exploratory oil well, which will be postponed until 2013. Manitok is currently on track to drill 12 Cardium oil wells, however, due to the selection of drilling locations on lands where Manitok has a higher working interest than previously anticipated in the original budget and due to a partner's decision to farm out its interest, Manitok will increase its working interest in the 12 gross Cardium wells to 8.4 net wells from the previously budgeted 7.5 net wells. Manitok has also added a $1.0 million well recompletion, targeting oil, in the fourth quarter of 2012. While the capital expenditures remain about the same, the risk profile of the 2012 drilling program has been lowered.

In addition to the existing 300 bbl/d extendable swap on crude oil at CDN$106.50 WTI, Manitok has added a 300 bbl/d extendable swap at CDN$97.65 WTI. The term of the swap is 16 months starting on September 1, 2012 and ending on December 31, 2013. The counter party to the swap has the option, for one day on December 31, 2013, to extend the same price on 500 bbl/d for all of 2014. The swap protects a portion of Manitok's cash flow over the next 16 months, which in turn protects the anticipated capital expenditure program required to drive Manitok's growth in that period. Manitok will continue to evaluate potential price hedging opportunities in order to further protect its cash flow in the future.

Manitok still anticipates exiting 2012 with approximately 3,730 to 3,830 boe/d with about 57% to 60% oil and liquids. The December 2012 monthly exit cash flow rate is expected to be about $4.6 to $4.7 million per month with a corporate operating netback of approximately $43.00/boe and a general and administrative cost of $2.95/boe for the month. However, due to a three-week delay in starting production from its first two Cardium oil wells in the second quarter, the subsequent three-week shut-in period of the higher producing Cardium oil well early in the third quarter to comply with ERCB regulations and other future production timing adjustments, Manitok is reducing its expected 2012 average production rate from 2,730 boe/d to 2,430 boe/d with about 39% oil and liquids and its expected 2012 cash flow to about $21.0 to $21.5 million. As a result of the reduced cash flow and an increase in capital expenditures, its year end net debt level is expected to increase to between $21.5 and $22.0 million. The above cash flow guidance is based on an annual average oil price of US$93.77 WTI per barrel and an annual average AECO natural gas price of $2.10 per mcf. It also anticipates an average annual corporate operating netback of $29.24/boe over 2012 and an average 2012 general and administrative cost of $4.70/boe.

Manitok will be able to fund its anticipated remaining 2012 capital program with its future cash flow and current $30.0 million debt facility with ATB Financial. Manitok expects to be able to maintain the current drilling pace of about one Cardium oil well per month into 2013.

About Manitok

Manitok is a public oil and gas exploration and development company focusing on conventional oil and gas reservoirs in the Canadian foothills. Manitok's corporate strategy is that of being an "early mover" in the exploitation phase of the development life cycle of hydrocarbon reserves in the Canadian foothills. The Corporation will continue to utilize its experience and expertise to develop the untapped conventional sweet oil and liquids-rich natural gas pools in this large and under-exploited region of the Western Canadian Sedimentary Basin.

For further information view our website at www.manitokenergy.com or **contact**:

Manitok Energy Inc.
Massimo M. Geremia, President & Chief Executive Officer
Telephone: 403-984-1751
Email: mass@manitok.com

Or

Tim de Freitas, Vice President, Exploration & Chief Operating Officer
Telephone: 403-984-1756
Email: tim@manitok.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 2012 average and exit rates of production, anticipated cash flow and cash flow per share in 2012, the anticipated year end net debt 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 the operational parameters specifically set out in the 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. 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 2012 cash flow and debt are included herein to provide readers with an understanding of Manitok's anticipated cash flow 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 "cash flow", "cash flow per share", "operating netback" and "net debt". These measures do not have any standardized meanings within International Financial Reporting Standards ("**IFRS**") and, therefore, reported amounts may not be comparable to similarly titled measures reported by other companies. 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.*

Cash flow 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 IFRS, as an indicator of Manitok's performance or liquidity. Cash flow is used by Manitok to evaluate operating results and Manitok's ability to generate cash flow to fund capital expenditures and repay debt. Cash flow 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 working capital related to operating activities.

Operating netback denotes petroleum and natural gas revenue and realized gain (loss) on financial instruments less royalty expense (recovery), operating expenses and transportation and marketing expenses.

Manitok uses net debt as a measure to assess its financial position. Net debt includes current liabilities (including Manitok's credit facility and excluding the fair value of financial instruments) less current assets (excluding 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.*