

DESCO RESOURCES INC.

PRESS RELEASE

Desco Resources Inc. Announces Letter of Intent to Amalgamate with Manitok Exploration Inc.

February 18, 2010 – Calgary, Alberta: Desco Resources Inc. (“**Desco**” or the “**Corporation**”) (TSXV: DSR.P) announces that it has entered into a letter of intent dated January 6, 2010 with Manitok Exploration Inc. (“**Manitok**”) and accepted by Manitok on January 11, 2010, as amended effective as of January 15, 2010 (the “**Letter of Intent**”), with respect to a proposed amalgamation with Manitok (the “**Amalgamation**”) and providing for the continuation of the operations of Manitok under the name “Manitok Exploration Inc.”.

Manitok is a private company incorporated under the laws of Alberta and is engaged in the exploration for and the development and production of oil and natural gas reserves in Western Canada, primarily in the southern Alberta foothills. Desco is a “capital pool company” and intends for the Amalgamation to constitute the “Qualifying Transaction” of the Corporation as such term is defined in the policies of the TSX Venture Exchange (“**Exchange**”). The Amalgamation is not a Non-Arm’s Length Qualifying Transaction as defined in the policies of the Exchange.

Highlights of the Amalgamation

Pursuant to the terms of the Letter of Intent, the parties will negotiate and enter into a definitive amalgamation agreement which is expected to be completed on or before the end of February 2010. The definitive agreement will contain customary representations and warranties by the Corporation in favour of Manitok and by Manitok in favour of the Corporation and such other customary terms, covenants and conditions as would be usual for a transaction of this nature. Pursuant to the Amalgamation, the shareholders of Manitok will exchange each one (1) of their common shares of Manitok for 0.75 of a common share of the amalgamated company and the shareholders of Desco will exchange each one (1) of their common shares of Desco for 0.375 of a common share of the amalgamated company. The Amalgamation will require shareholder approval of both Desco and Manitok prior to the Amalgamation being effected.

The Corporation currently has 6,250,000 common shares and 750,000 options to acquire an additional 750,000 common shares issued and outstanding, including 625,000 stock options exercisable at \$0.20 per share and 125,000 agents options exercisable at \$0.20 per share. It is a condition of the Amalgamation that all of the foregoing Desco stock options and Desco agent’s options be exercised prior to the closing of the Amalgamation. Manitok currently has 10,649,567 common shares issued and outstanding. At the time of closing, Manitok expects to have cancelled all existing stock options. It will be a condition of the Amalgamation that all other convertible securities of Manitok be exercised or be cancelled and terminated prior to the closing of the Amalgamation. Upon completion of the Amalgamation, the amalgamated company will have approximately 10,612,175 common shares and 525,000 stock options issued

and outstanding. Upon closing of the Amalgamation, the amalgamated company will carry on the business of Manitok as currently constituted. No person or company beneficially owns more than 10% of the outstanding common shares of Manitok.

Summary of Operational Information Relating to Manitok

The following information relating to Manitok has been provided to the Corporation by Manitok.

Manitok commenced operations in April 2005. Since inception Manitok has raised gross proceeds of \$18.0 million by way of private placements completed over the last four years and used the net proceeds to drill nine successful wells out of 11 drills, acquire production and lease additional crown lands. Manitok currently holds interests and/or carries on operations in the southern Alberta foothills, in the Coleman, Fallen Timber and Bottrel areas, and in east central Alberta, in the Swimming, Hairy Hills and Mannville areas. Manitok is currently producing approximately 235 BOE/d comprised of 32% oil and natural gas liquids and 68% natural gas. Manitok has 58,023 gross acres (52,304 net acres) of land; with 84%, 48,800 gross acres (45,920 net acres), being undeveloped land. Manitok has a working interest of 90% on a gross basis, 94% net. Manitok's internally generated drilling inventory consists of 27 initial drilling locations with an additional 38 follow-up locations dependent on the success of the initial drills. The drilling inventory is diversified geographically and geologically, targeting more than 8 different formations, ranging in age from Devonian to Cretaceous, in four different areas.

Management and Directors of the Resulting Issuer

Upon completion of the Amalgamation the officers and directors of the amalgamated company will be as follows:

Massimo M. Geremia	-	President and Chief Executive Officer and Director
Tim de Freitas	-	Vice President, Exploration and Chief Operating Officer
Gregory Peterson	-	Corporate Secretary and Director
Robert J. Dales	-	Director
Bruno Geremia	-	Director
Wilfred A. Gobert	-	Director
Tom Spoletini	-	Director
Cameron Vouri	-	Director

Each of Messrs. M. Geremia, B. Geremia, Gobert, Peterson, Spoletini and Vouri are currently directors and/or officers of Manitok. In addition, Messrs. Dales, M. Geremia and Peterson are currently directors and/or officers of Desco.

The following is a brief description of the background and experience of those individuals who will be insiders of the amalgamated company.

Massimo M. Geremia, B.Comm – President, Chief Executive Officer and Director

Mr. Geremia has over 21 years experience in the oil and gas, real estate, and financial sectors holding various management positions during that time. He is currently the President and Chief Executive Officer of Manitok, a director of Manitok and a director of Desco. He was a manager at Birchcliff Energy Ltd., a public oil and gas company listed on the Toronto Stock Exchange from April 2005 to December 2007 where he was involved in the accounting, marketing and IT functions. During his time with Birchcliff, he was also involved in the integration of two major acquisitions, namely, its initial acquisition of 4,300 BOE/d and a second acquisition of 2,700 BOE/d. Mr. Geremia also worked as a consultant to Case Resources Inc. and Equatorial Energy Inc. from 2001 to March 2005. Prior to 2001, Mr. Geremia had spent six years with Boardwalk Equities, as Director of Investor Relations, working closely with its Chief Executive Officer in regards to financing and capital market decisions. During his time at Boardwalk Equities, the number of suites that the company owned and managed grew significantly and the company graduated from the TSX Venture Exchange to the Toronto Stock Exchange and listed on the New York Stock Exchange. Mr. Geremia received a Bachelor of Commerce degree from the University of Calgary in 1989.

Tim de Freitas – Vice President Exploration, Chief Operating Officer

Mr. de Freitas earned his B.Sc., M.Sc., and Ph.D. degrees in Geology and Geophysics from the universities of Toronto, Western Ontario, and Ottawa, respectively. In 1991, he entered into a post-doctorial industrial fellowship at a federal facility which focused on circumpolar regional geoscience. After several years of Arctic work, he moved to Imperial Oil Resources Limited and Exxon Mobil Corporation in 1995 to work on steam-assisted bitumen recovery and structural geoscience. Following a brief assignment at Nexen Inc.'s domestic asset group in 1998, Mr. de Freitas moved to Talisman Energy Inc. in 1999 and then to British Gas International in 2007, where he worked in technical and managerial capacities in foothills exploration and development teams. Mr. de Freitas is responsible for the discovery of many large gas pools in complex structured reservoirs, and gained a reputation as a technical lead in these asset groups. He also became involved in foothills exploration in many others parts of the globe, either as technical advisor or as an interpreter. In 2005, Mr. de Freitas was credited with uncovering a new play type in western Canada: the first commercial Cambrian-age gas reservoir in the Western Canadian sedimentary basin. Through a variety of technical and managerial positions, Mr. de Freitas has more than 18 years of experience in the foothills.

Gregory E. Peterson, B.Sc., LL.B. – Director

Mr. Peterson is a partner at the law firm of Gowling Lafleur Henderson LLP, Calgary, Alberta. Mr. Peterson specializes in securities law with a focus in both private and public offerings and mergers and acquisitions. Mr. Peterson has served as a director and officer of a number of public and private companies and is currently the Corporate Secretary of two Toronto Stock Exchange listed companies, Wenzel Downhole Tools Ltd. and Imaging Dynamics Company Ltd. He is also currently a director of Desco and the Corporate Secretary and a director of Manitok. Mr. Peterson received a Bachelor of Science (Business Finance) from Brigham Young University in

1986 and his Juris Doctor degree and Bachelor of Laws degree from California Western School of Law in 1991.

Robert J. Dales, B. Comm, MBA – Director

Mr. Dales has over 30 years of experience in the oil and gas industry and has held various administrative and management positions. Mr. Dales holds a Bachelor of Commerce degree from the University of Calgary, 1972 and a Master of Business Administration from the University of Alberta, 1973. He is currently the President and Chief Executive Officer and a director of Desco. From 1981 until 1999, Mr. Dales worked in the Operations Department of PANARTIC Oils Ltd., a private oil and gas exploration company, as Operations Manager. Mr. Dales was President, Chief Executive Officer and a director of Resolution Energy Inc., a public oil and gas exploration and development company, which was listed on the Canadian Venture Exchange, from June 1993 until October 2001. From 1994 until 1996, Mr. Dales was Secretary-Treasurer and a director of Energy North Inc., a public oil and gas exploration and development company, which was listed on the Toronto Stock Exchange. Mr. Dales was also President and a director Desco Resources Ltd., an oil and gas exploration and development company (now Peyto Energy Trust and listed on the Toronto Stock Exchange) from March 1997 until October 1998. Mr. Dales is currently a director of Celtic Exploration Ltd. and Arcan Resources Ltd., both public oil and gas exploration companies, and President and a director of Valhalla Ventures Inc., a private investment company based in Calgary, Alberta.

Bruno Geremia, C.A. – Director

Mr. Geremia is the Vice President and Chief Financial Officer at Birchcliff Energy Ltd. Prior thereto, he was Vice President and Chief Financial Officer of Case Resources Inc. and prior to that he was Vice President and Chief Financial Officer at Big Bear Exploration Ltd. Mr. Geremia also served as a Director, Commercial at Gulf Canada Resources. Mr. Geremia was Manager, Special Projects at Stampeder Exploration Ltd. and prior thereto he was an associate at Deloitte & Touche, an accounting firm, where he obtained his Chartered Accountant designation in January 1992. Mr. Geremia graduated with a Bachelor of Commerce degree from the University of Calgary in 1989.

Wilfred A. Gobert – Director

Mr. Gobert has been an independent businessman since May 2006, after spending 33 years as a securities industry financial analyst. He is a Senior Fellow with The Fraser Institute, a member of the board of directors of two publicly-held corporations, three not-for-profit entities, and four privately-held corporations. In November 2008 Mr. Gobert was appointed Chairman of the Board of Calgary Economic Development. Since January, 2007 he has been Co-Chair of the Connecting Yesterday to Tomorrow Capital Campaign for the Fort Calgary Preservation Society, a not-for-profit organization. Mr. Gobert was an employee of Peters & Co. Limited from August, 1979 to May 12, 2006. He served as that company's Managing Director, Research from August, 1979, when he joined the firm, through September 2002 when he was named Vice

Chairman. He was also a member of Peter's & Co.'s Board of Directors and its Executive Committee. Mr. Gobert was a long-time member of the Canadian Association of Petroleum Producers' Investment Symposium Organizing Committee. He also served as a member of the Alberta Securities Commission's Financial Advisory Committee. Mr. Gobert attained his Chartered Financial Analyst designation in 1979 after graduating with his MBA from McMaster University in 1976 and Bachelor of Science, with honours, from the University of Windsor in 1971.

Tom Spoletini – Director

Mr. Spoletini has been an independent businessman for 29 years. Since its inception in 1991, he has been a founding partner and the President of Spolumbo's, a food company which produces sausages and other fine foods with proprietary recipes. The company, which began with 3 partners and an idea, now has a federally approved plant, sells product nationally across Canada and employs over 50 people. Mr. Spoletini was also a founder and director of Four Star Gravel; a construction company which he and his partners founded in 1981. The successful 27 year run at Four Star Gravel concluded with the sale of the business in 2008. Mr. Spoletini is an active member of the Fifth Quarter Association, a group of former University of Calgary Dinosaur football alumni, which has established an endowment fund to support the Dinosaur football program.

Cameron Vouri – Director

Mr. Vouri graduated with honors from the New Mexico Institute of Mining and Technology in 1988 and was elected to the Tau Beta Pi Engineering Honors Society. He also received a Diploma in Petroleum Technology from the Southern Alberta Institute of Technology in 1986, graduating with honors. Mr. Vouri has over 20 years experience in the exploitation, operations, acquisitions and divestitures of oil and natural gas properties in Canada and the United States. He is currently the President of the Canadian Oil & Gas Production business unit. As a member of the senior leadership team at Provident Energy Trust, he is responsible for Provident's engineering, production operations, geological/geophysical, and land functions. Mr. Vouri joined Founders Energy in 2000 as heavy oil team leader. He was appointed senior manager of production and engineering in 2001. The same year Founders Energy converted into Provident Energy Trust. Mr. Vouri was named Vice President in 2002 and President of the business unit in 2005. Prior thereto, he was manager of production and engineering for Koch Petroleum Canada from 1999 to 2000. Mr. Vouri is a member of the Society of Petroleum Engineers, Association of Professional Engineers, Geologists and Geophysicists of Alberta and The Association of Professional Engineers and Geoscientists of Saskatchewan.

Summary of Reserves and Financial Information of Manitoak

Reserves Information

Sproule Associates Limited (“**Sproule**”) prepared an evaluation of all of the proved and probable crude oil, natural gas and natural gas liquids reserves and the net present value of those reserves for the petroleum and natural gas interests of Manitoak as of June 30, 2009. The reserve estimates and future net revenue forecasts were prepared by Sproule in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

The future net revenues and not present values presented below were calculated using forecast prices and costs based on the crude oil, natural gas and natural gas liquids prices as published in Sproule’s June 30, 2009 price deck.

The following table summarizes Manitoak’s oil and gas reserves as of June 30, 2009 based on forecast price and cost assumptions:

SUMMARY OF OIL AND GAS RESERVES								
as of June 30, 2009								
FORECAST PRICES AND COSTS								
RESERVES								
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS ⁽¹⁾		NATURAL GAS LIQUIDS	
RESERVES CATEGORY	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
Proved								
Developed Producing	5.1	4.5	58.9	54.5	1,740	1,435	24.1	14.5
Developed Non-Producing	0	0	28.8	26.7	65	59	0	0
Undeveloped	0	0	169.5	151.2	187	180	1.7	1.6
Total Proved	5.1	4.5	257.2	232.4	1,992	1,673	25.8	16.1
PROBABLE	11.1	9.8	178.9	161.7	1131	939	53.4	32.3
Total Proved Plus Probable	16.2	14.3	436.1	394.1	3,123	2,612	79.2	48.4

Note:

(1) Natural gas volumes include associated, non-associated and solution gas.

The following table summarizes the undiscounted value and the present value, discounted at 5%, 10%, 15% and 20%, of Manitoak’s estimated future net revenue based on forecast price and cost assumptions as of June 30, 2009:

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE As of June 30, 2009					
FORECAST PRICES AND COSTS					
BEFORE INCOME TAXES DISCOUNTED AT (%/year)					
Reserves Category	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)
Proved					
Developed Producing	8,380	7,107	6,181	5,489	4,955
Developed Non- Producing	1,287	1,150	1,038	945	866
Un-developed	5,833	4,492	3,534	2,826	2,290
Total Proved	15,500	12,749	10,753	9,260	8,111
Probable	12,550	9,030	6,833	5,354	4,300
Total Proved Plus Probable	28,050	21,780	17,586	14,614	12,411

Note:

(1) Net present values do not necessarily represent the fair market value of the estimated reserves.

The following table sets out the forecast price assumptions used by Sproule at June 30, 2009:

Year	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	Cromer Medium 29.3oAPI (\$/bbl)	Alberta AECO- C Spot (\$Cdn/ MMBtu)	Henry Hub (\$US/ MMBtu)	Edmonton Pentanes Plus (\$/bbl)	Edmonton Butane (\$/bbl)	Operating & Capital	
								Cost Inflation Rate (%/Yr)	Exchange Rate (\$US/ \$Cdn)
2009	\$69.47	\$79.92	\$75.92	\$4.36	\$4.60	\$81.84	\$56.59	\$2.00	\$0.85
2010	\$73.62	\$82.32	\$77.38	\$6.15	\$6.30	\$84.30	\$61.35	\$2.00	\$0.88
2011	\$76.85	\$83.55	\$76.86	\$6.85	\$7.11	\$85.56	\$62.27	\$2.00	\$0.90
2012	\$84.39	\$89.37	\$81.33	\$7.23	\$7.66	\$91.53	\$66.61	\$2.00	\$0.93
2013	\$92.01	\$94.97	\$85.48	\$7.50	\$8.12	\$97.27	\$70.79	\$2.00	\$0.95
2014	\$93.85	\$96.89	\$87.20	\$7.67	\$8.28	\$99.23	\$72.22	\$2.00	\$0.95
2015	\$95.72	\$98.85	\$88.96	\$7.84	\$8.45	\$101.23	\$73.68	\$2.00	\$0.95
2016	\$97.64	\$100.84	\$90.76	\$8.02	\$8.62	\$103.28	\$75.16	\$2.00	\$0.95
2017	\$99.59	\$102.88	\$92.59	\$8.20	\$8.79	\$105.36	\$76.68	\$2.00	\$0.95
2018	\$101.58	\$104.96	\$94.46	\$8.38	\$8.96	\$107.49	\$78.23	\$2.00	\$0.95
2019	\$103.61	\$107.08	\$96.37	\$8.57	\$9.14	\$109.66	\$79.81	\$2.00	\$0.95

Financial Information

Manitok has provided the Corporation with the following financial information in respect of Manitok as at January 20, 2010:

The following is a summary of financial information of Manitok for the periods indicated.

	As at and for the 3 months ended September 30, 2009 (unaudited)	As at and for the year ended June 30, 2009 (audited)	As at and for the year ended June 30, 2008 (audited)
Total revenues	547,188	488,102	1,430,591
Total expenses	1,014,150	966,992	1,327,304
Net Income (Loss)	(466,962)	(478,890)	103,287
Per share (basic)	(0.06)	(0.05)	0.05
Per share (diluted)	(0.06)	(0.05)	0.05
Total assets	16,200,041	16,559,077	14,594,525
Total Liabilities	3,354,637	3,261,905	5,479,984
Revolving Loan Facility	989,408	615,769	NIL
Total Shareholder's Equity	12,845,404	13,297,172	9,114,541
Total long term liabilities	NIL	NIL	NIL
Working capital	381,667	170,856	(1,324,202)

Sponsorship of Qualifying Transaction

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. The Corporation will apply for an exemption from sponsorship requirements on the basis that the Corporation is not a foreign issuer, the proposed directors and officers meet the higher standard of the Exchange, the Corporation will meet the "Tier 2 Minimum Listing Requirements" for "Oil and Gas Issuers" and the Corporation will be provided with a "Geological Report" with respect to the oil and gas assets of Manitok. However, there is no assurance that the Corporation will obtain this exemption.

Conditions to Closing

Completion of the transaction is subject to a number of conditions, including but not limited to, satisfactory completion of all due diligence investigations on or before February 26, 2010, Desco and Manitok entering into a formal amalgamation agreement, as contemplated in the Letter of Intent and which will contain all closing conditions which are usual and appropriate for an amalgamation and Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

In accordance with the policies of the Exchange, the common shares of the Corporation are currently halted from trading. It is expected that the common shares of the Corporation will resume trading on the Exchange, after all requirements of the Exchange have been satisfied, under the stock symbol “DSR.P”.

For further information contact:

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Forward-Looking Information Cautionary Statement

Certain statements contained in this release constitute forward-looking information. These statements relate to future events or the Corporation's future performance. The use of any of the words “could”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Corporation's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, the Corporation's stated expectation as to the execution of a formal amalgamation agreement and the completion of the Amalgamation and Manitok's stated expectations for the results of its operations are statements containing forward-looking information. Actual results and developments may differ materially from those contemplated by this forward-looking information depending on, among other things, the risks that the parties will not proceed with the Amalgamation, that the ultimate terms of the Amalgamation will differ from those that are currently contemplated, that the Amalgamation will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities) as contemplated. The Corporation disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as may be expressly required by applicable securities laws.

Barrel of Oil Equivalent

Production and reserves information is commonly reported in units of BOE which may be misleading, particularly if used in isolation. For purposes of computing such units, BOE amounts are calculated using an energy equivalence conversion rate of 6,000 Mcf to one BOE (6:1). The conversion ratio of 6:1 is based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not represent value equivalency at the wellhead.

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.