

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION  
IN THE UNITED STATES OF AMERICA.**

**DESCO RESOURCES INC.**

**PRESS RELEASE**

**MANITOK EXPLORATION INC. ANNOUNCES BROKERED PRIVATE PLACEMENT  
OF UP TO \$30 MILLION**

**May 17, 2010 – Calgary, Alberta:** Desco Resources Inc. (“**Desco**” or the “**Corporation**”) (TSXV: DSR.P) announced on March 4, 2010 that it had entered into an amalgamation agreement dated March 1, 2010 with ManitoK Exploration Inc. (“**Manitok**”), whereby Desco and ManitoK will amalgamate under the provisions of the *Business Corporations Act* (Alberta) (the “**Amalgamation**”) to form a new corporation under the name “Manitok Energy Inc.” (“**Amalco**”). Desco is pleased to announce that ManitoK has entered into a letter agreement with Desjardins Securities Inc. (“**Desjardins**”), as lead agent, and a syndicate of agents (collectively with Desjardins, the “**Agents**”) in connection with a “best-efforts” private placement offering of up to a maximum of \$25.0 million of common shares in the capital of ManitoK (“**Common Shares**”) and up to a maximum of \$5.0 million of Common Shares to be issued on a “flow-through” basis under the *Income Tax Act* (Canada) (the “**Flow-Through Shares**”) (collectively, the “**Private Placement**”). The price of the Common Shares and the Flow-Through Shares and the corresponding number of Common Shares and Flow-Through Shares to be issued pursuant to the Private Placement will be determined at a later date in the context of current market conditions. Under the Private Placement, the Agents will be granted an over-allotment option to sell up to an additional \$5.0 million of Common Shares, which option shall be exercisable up to the day prior to the closing of the Private Placement. The closing of the Private Placement is not a condition to the completion of the Amalgamation. The Private Placement is expected to close immediately prior to the completion of the Amalgamation, on or about June 18, 2010.

Completion of the Amalgamation is subject to various conditions, including the approval of the Amalgamation by the shareholders of Desco and ManitoK and the approval of the TSX Venture Exchange (the “**Exchange**”). Upon the completion of the Amalgamation and the issuance by the Exchange of the Final Exchange Bulletin accepting the Amalgamation as Desco’s “Qualifying Transaction”, Amalco is expected to be listed as an oil and gas issuer on the Exchange. For further details regarding the terms of the Amalgamation, please see the press release of Desco dated March 4, 2010, a copy of which is available electronically under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**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.**

**For further information contact:**

**Desco Resources Inc.**

Robert J. Dales, President and Chief Executive Officer  
Tel: (403) 690-3884

**Manitok Exploration Inc.**

Massimo M. Geremia, President and Chief Executive Officer  
Tel: (403) 984-1751

## **Cautionary Statements**

*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.*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

*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. In particular, this press release contains forward-looking statements regarding the completion of the Amalgamation, completion of the Private Placement and the listing of Amalco on the Exchange. With respect to the forward-looking statements contained in this press release, the Corporation has made assumptions regarding, among other things, timing for the completion of the Amalgamation and the Private Placement. Actual results and developments may differ materially from those contemplated by this forward-looking information depending on, among other things, the risks that the Private Placement will not be completed and that the Amalgamation will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). 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.*