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DESCO RESOURCES INC.

PRESS RELEASE

**MANITOK EXPLORATION INC. PROVIDES FURTHER DISCLOSURE REGARDING
BROKERED PRIVATE PLACEMENT**

June 23, 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**”). On May 17, 2010, Desco subsequently announced that Manitok had entered into a letter agreement with Desjardins Securities Inc. (“**Desjardins**”), as lead agent, and a syndicate of 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**”). Manitok has now confirmed that it expects to raise at least a minimum of \$5 million under the Private Placement (the “**Minimum Offering**”). The Minimum Offering is expected to be comprised of 4,166,667 Common Shares at a price of \$1.00 per Common Share and 694,444 Flow-Through Shares at a price of \$1.20 per Flow-Through Share. 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 July 7, 2010. The exact amount to be raised by Manitok pursuant to the Private Placement will not be determined until closer to completion of the Amalgamation.

At the request of the TSX Venture Exchange (the “**Exchange**”), Manitok provides the following information to reflect the Minimum Offering with respect to the funds that are expected to be available to Amalco upon completion of the Amalgamation and the proposed principal purposes of those funds:

<u>Available Funds</u>	<u>Amount Assuming No Subscription</u>	<u>Amount Assuming Minimum Offering</u>
Estimated net working capital (unaudited) ⁽¹⁾	\$710,000	\$5,410,000 ⁽³⁾
Estimated expenses of the Amalgamation ⁽²⁾	(\$250,000)	(\$250,000)
Estimated expenses of the Private Placement ⁽²⁾	(\$100,000)	(\$100,000)
Total estimated available funds	\$360,000	\$5,060,000

Notes:

- (1) As at April 30, 2010.
- (2) The amounts shown are estimates only and may vary from actual expenses incurred.
- (3) After deducting the 6% cash commission which will be payable to the agents pursuant to the Private Placement.

<u>Principal Uses of Available Funds</u>	<u>Amount Assuming No Subscription</u>	<u>Amount Assuming Minimum Offering</u>
Undeveloped land acquisitions	\$260,000	\$500,000
Exploration activities	-	\$833,333
Development activities	-	\$3,026,667
Maintenance capital program	\$100,000	\$200,000
General and administrative expenses	-	\$500,000
Total	\$360,000	\$5,060,000

The pro forma financial statements of Amalco as at and for the 12 months ended December 31, 2009 (the “**Pro Forma Statements**”) included in the joint management information circular of Desco and ManitoK dated May 28, 2010 (the “**Information Circular**”) have been updated to reflect the Minimum Offering and are attached to this press release as Schedule “A”. The following table sets forth certain pro forma financial information in respect of Amalco and has been derived from the Pro Forma Statements and is based on the assumptions described in the notes to the Pro Forma Statements. The Pro Forma Statements are not necessarily indicative of Amalco’s financial position or results of operations.

<u>As at December 31, 2009 (unaudited)⁽¹⁾</u>	<u>Amount Assuming No Subscription</u>	<u>Amount Assuming Minimum Offering</u>
Cash and term deposit	\$1,043,789	\$7,100,000
Current assets (including cash and term deposit)	\$1,731,390	\$7,780,000
Current liabilities ⁽²⁾	\$916,386	\$920,000
Working capital available	\$815,004	\$6,860,000

Notes:

- (1) This information has been derived from Amalco’s unaudited pro forma balance sheet as at December 31, 2009. That unaudited pro forma balance sheet has been prepared from information derived from and should be read in conjunction with the following financial statements which are contained in the Information Circular: (a) Desco’s audited financial statements as at and for the period ended December 31, 2009; (b) ManitoK’s unaudited financial statements as at and for the six months ended December 31, 2009; and (c) ManitoK’s audited financial statements as at and for the years ended June 30, 2009 and 2008. The pro forma balance sheet may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or of the results which may be obtained in the future. See the notes to Amalco’s unaudited pro forma balance sheet attached hereto as Schedule “A”.
- (2) Includes estimated expenses of the Private Placement of approximately \$100,000 and the Amalgamation of approximately \$250,000 which are estimates only and may vary from actual expenses incurred.

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 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 Information Circular, a copy of which is available electronically under the Corporation’s profile on SEDAR at 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:

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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, available funds and principal purposes, 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.

SCHEDULE "A"

MANITOK ENERGY INC.
Pro Forma Consolidated Balance Sheet
As at December 31, 2009
(Unaudited) (\$)

	Manitok Exploration Inc.	Desco Resources Inc.	Pro Forma Adjustments	Notes	Pro Forma Consolidated
ASSETS					
CURRENT					
Cash and term deposits	294,912	598,877	1,343,338	2(b)	
			4,700,000	2(c)	
			150,000	2(d)	7,087,127
Accounts receivable	392,330	4,650	-		396,980
Prepays and deposits	288,371	2,250	-		290,621
	975,613	605,777	6,193,338		7,774,728
Petroleum and natural gas properties and equipment	15,435,079	-	-		15,435,079
Deferred financing costs	-	14,500	(14,500)	2(g)	-
	16,410,692	620,277	6,178,838		23,209,807
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	539,084	27,302	350,000	2(e)	916,386
	539,084	27,302	350,000		916,386
Future income taxes	840,000	-	(214,200)	2(f)	625,800
Asset retirement obligations	1,050,150	-	-		1,050,150
SHAREHOLDERS' EQUITY					
Share capital (note 3)	15,953,625	599,101	(599,101)		
			578,475	2(a)	
			1,343,338	2(b)	
			4,700,000	2(c)	
			150,000	2(d)	
			(350,000)	2(e)	
			214,200	2(f)	22,589,638
Contributed surplus	504,875	103,972	(103,972)		504,875
Retained earnings (deficit)	(2,477,042)	(110,098)	110,098		(2,477,042)
	13,981,458	592,975	6,043,038		20,617,471
	16,410,692	620,277	6,178,838		23,209,807

See the accompanying notes to the pro forma consolidated financial statements

MANITOK ENERGY INC.
Pro Forma Consolidated Statement of Net Income (Loss)
(Unaudited) (\$)

	Manitok Exploration Inc. for twelve months ended December 31, 2009	Desco Resources Inc. from the date of Incorporation on July 8, 2009 to December 31, 2009	Pro Forma Adjustments	Notes	Pro Forma Consolidated
REVENUE					
Petroleum and natural gas	2,567,369	-	-		2,567,369
Royalties	(337,039)	-	-		(337,039)
Interest and other	11,005	-	-		11,005
	2,241,335	-	-		2,241,335
EXPENSES					
Operating	990,205	-	-		990,205
Transportation and marketing	118,487	-	-		118,487
General and administrative, net	1,080,653	15,698	-		1,096,351
Stock-based compensation	110,631	94,285	230,000	4	434,916
Depletion, depreciation and accretion	2,255,723	-	-		2,255,723
Interest	12,639	115	-		12,754
	4,568,338	110,098	230,000		4,908,436
INCOME (LOSS) BEFORE TAXES	(2,327,003)	(110,098)	(230,000)		(2,667,101)
TAXES					
Current income taxes expense	-	-	-		-
Future income taxes expense (recovery)	(580,646)	-	-		(580,646)
	(580,646)	-	-		(580,646)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(1,746,357)	(110,098)	(230,000)		(2,086,455)
Net income (loss) per common share					
basic					(0.16)
diluted					(0.16)
Weighted average common shares (note 6)					
basic					13,028,992
diluted					13,028,992

See the accompanying notes to the pro forma consolidated financial statements

MANITOK ENERGY INC.
Notes to the Pro Forma Consolidated Financial Statements
As at and for the Twelve Months Ended December 31, 2009
(Unaudited)

1. PROPOSED AMALGAMATION OF COMPANIES AND BASIS OF PRESENTATION

On March 1, 2010, Manitok Exploration Inc. (“**Manitok**”) and Desco Resources Inc. (“**Desco**”) entered into an Amalgamation Agreement whereby Manitok and Desco will combine their respective companies by way of Amalgamation. On completion of the Amalgamation, the Amalgamated Company will continue as “**Manitok Energy Inc.**” (“**Amalco**”). Desco is a capital pool company listed on the TSX Venture Exchange (the “**Exchange**”) under the trading symbol DSR.P. The amalgamation is expected to constitute the Qualifying Transaction under Exchange Policy 2.4 and is subject to Exchange approval.

The accompanying unaudited pro forma consolidated balance sheet of Amalco at as December 31, 2009 and the unaudited pro forma consolidated statements of net income (loss) for the twelve months ended December 31, 2009 (collectively the unaudited pro forma consolidated financial statements) have been prepared by the management of Manitok for inclusion in the Information Circular dated May 18, 2010.

The unaudited pro forma consolidated financial statements have been prepared in accordance with Canadian GAAP. In the opinion of management, the unaudited pro forma consolidated financial statements include all the necessary adjustments for the fair presentation of Amalco. In preparing these unaudited pro forma consolidated financial statements, no adjustments have been made to reflect the administrative cost savings that may result from the Amalgamation.

The unaudited pro forma consolidated financial statements have been prepared from information derived from and should be read in conjunction with the following (a) Desco’s audited financial statements as at and for the period from incorporation, July 8, 2009 to December 31, 2009; (b) Manitok’s audited financial statements as at and for the year ended June 30, 2009; and (c) Manitok’s unaudited interim financial statements as at and for the six months ended December 31, 2009 and 2008.

As a result of the proposed transaction, control of Desco will pass to the Manitok shareholders. Accordingly, the share exchange is accounted for as a reverse takeover of Desco by Manitok, pursuant to which Manitok is deemed to be the acquirer and the continuing entity.

The application of reverse takeover accounting results in the following:

- The unaudited pro forma consolidated financial statements is a continuation of Manitok and is issued under the name Manitok Energy Inc.;
- As Manitok is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the unaudited pro forma consolidated balance sheet at their historical carrying values;
- The unaudited pro forma consolidated balance sheet gives effect as if the transaction described above had occurred on December 31, 2009; and the deemed consideration for the acquisition of Desco has been measured as the estimated fair value of Desco’s net assets. The net identifiable assets of Desco acquired effective with the reverse takeover as at December 31, 2009 are as follows:

Cash and term deposits	\$598,877
Accounts receivable and other	6,900
Account payable and accrued liabilities	<u>(27,302)</u>
	<u>\$578,475</u>

The unaudited pro forma consolidated financial statements may not be indicative of the financial position or the results of operations that will be obtained upon the completion of the Amalgamation.

MANITOK ENERGY INC.
Notes to the Pro Forma Consolidated Financial Statements
As at and for the Twelve Months Ended December 31, 2009
(Unaudited)

2. ASSUMPTIONS AND UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET ADJUSTMENTS

The unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions:

- a) Under the terms of the Amalgamation Agreement, each Desco Shareholder (other than Dissenting Shareholders) will receive 0.375 of an Amalco Share for every one Desco Share held. The Amalgamation will be accounted for as follows:

Estimated fair value of net monetary assets of Desco at date of amalgamation	\$578,475
Consideration:	
2,625,000 Amalco common shares ⁽¹⁾	\$328,475
Transaction costs - estimated	250,000
	<u>\$578,475</u>

(1) Based on 7,000,000 Desco Shares issued and outstanding, assuming the exercise in full of the Desco Options and Desco Agent's Options prior to the Effective Date.

- b) Included in share capital is a private placement issuance by Manitok on February 12, 2010 of 1,237,000 common shares at a price of \$1.15 per share for total gross proceeds of \$1,422,550 and net proceeds of \$1,343,338.
- c) Included in share capital is a proposed Private Placement issuance by Manitok immediately before the amalgamation of 4,166,667 common shares at a price of \$1.00 per share and 694,444 flow-through shares at a price of \$1.20 per share for total gross proceeds of \$5,000,000 and net proceeds of \$4,700,000.
- d) Included in share capital is the exercise of 625,000 Desco Options and 125,000 Desco Agent Options for total proceeds of \$150,000 prior to the Effective Date of the Amalgamation.
- e) Included in share capital and accounts payable and accrued liabilities are the estimated transaction costs of \$250,000 for the amalgamation and \$100,000 for the Private Placement.
- f) Included in share capital is a future income tax benefit of \$214,200 in respect of the transaction costs of \$650,000 incurred on the proposed Private Placement and Amalgamation, a future income tax asset in Desco related to share issue costs which was not recognized on its financial statements and the share issue costs as indicated in note 2(b).
- g) The deferred financing costs in Desco relating to a proposed issuance of shares have been reclassified to share issue costs.

3. PRO FORMA SHARE CAPITAL

Authorized:

Unlimited number of common shares
 Unlimited number of preferred shares

Issued and outstanding:	Number of Common Shares	\$
Manitok Balance, December 31, 2009	9,412,567	15,953,625
Issued, net of costs (note 2b)	1,237,000	1,343,338
Issued, net of costs (note 2c)	694,444	783,333
Issued, net of costs (note 2c)	4,166,667	3,916,667
Issuance to Desco shareholders on amalgamation (note 3a)	2,625,000	728,475
Conversion of Manitok shareholders on amalgamation (note 3b)	(3,877,661)	-
Transaction costs (note 2e)	-	(350,000)
Tax effect of share issue costs (note 2f)	-	214,200
Amalco Balance, December 31, 2009	14,258,017	22,589,638

MANITOK ENERGY INC.
Notes to the Pro Forma Consolidated Financial Statements
As at and for the Twelve Months Ended December 31, 2009
(Unaudited)

- a) Each Desco Shareholder (other than Dissenting Shareholders) will receive 0.375 of an Amalco Share for every one Desco Share held. As of the amalgamation date, Desco has 7,000,000 common shares issued and outstanding which includes the exercise of Desco Options and Desco Agent Options indicated in note 2d.
- b) Each ManitoK Shareholder (other than Dissenting Shareholders) will receive 0.75 of an Amalco Share for every one ManitoK Share held. As of the amalgamation date, ManitoK has 15,510,678 Class "A" common shares issued and outstanding and all ManitoK Convertible Securities have been cancelled prior to the Effective Date of the Amalgamation.

4. ASSUMPTIONS AND UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET INCOME (LOSS) ADJUSTMENTS

The unaudited pro forma consolidated statement of net income (loss) for the twelve months ended December 31, 2009 gives effect as if the transaction described in note 1 had occurred on January 1, 2009.

Included in stock-based compensation expense is the expense incurred upon the grant of Amalco stock options as described in note 5.

5. STOCK-BASED COMPENSATION

Amalco intends to establish a stock-based compensation plan whereby officers, employees, directors and key consultants will be granted options to purchase common shares at a fixed price not less than the fair market value of the stock at the time of grant, subject to certain conditions being met. Stock options granted under this plan will generally vest over a three year period at the rate of one-third on each anniversary date of the stock option grant. All stock options granted will be for a five year term.

In order to calculate the compensation expense, the fair value of the stock options is estimated on the date of grant using the Black-Scholes option-pricing model based on the following assumptions: the Low Subscription Price; a risk free rate of 2.79%; volatility of 60%; an average expected life of four years; an estimated forfeiture rate of 0%; and dividends of nil.

The Board of Directors of Amalco will reserve a number of stock options equal to 10% of Amalco's issued and outstanding common shares. Assuming that there are 14,258,017 Amalco common shares issued and outstanding following the completion of the Amalgamation, as indicated in note 3, Amalco can issue an aggregate of 1,425,802 stock options.

Using the fair value method, the weighted average fair value of stock options granted for the unaudited pro forma consolidated financial statements was \$0.48 per option. As such, estimated stock-based compensation expense for the unaudited pro forma consolidated statements is \$230,000 for the 12 month period.

6. WEIGHTED AVERAGE COMMON SHARES

The weighted average common shares are calculated as follows:

	Number of Common Shares
Weighted average ManitoK shares outstanding	8,183,542
Common shares issued in private placement on February 12, 2010	1,237,000
Common shares issued in private placement immediately prior to Amalgamation	4,861,111
Common shares issued on conversion of Desco shares	2,625,000
Common shares on conversion of ManitoK shares	(3,877,661)
Weighted average Amalco shares – basic and diluted	13,028,992