



NEWS RELEASE

Morgan Creek Energy Enters Definitive Joint Drilling Agreement on Frio Draw Prospect in Curry County, New Mexico

Dallas, Texas / PR Newswire – Aug. 25, 2009 – This news release is further to the news release of July 9, 2009 of Morgan Creek Energy Corp. (“**Morgan Creek**”) (SYMBOL MCKE-OTCBB, M6C1-Frankfurt) wherein Morgan Creek announced that it had entered a definitive agreement with FormCap Corp. (“**FormCap**”), and had granted FormCap an option and then, if exercised, subsequent joint venture drilling rights on the Company’s Frio Draw prospect in Curry County, New Mexico, which agreement was subject to FormCap conducting its due diligence before proceeding.

The Company is very pleased to announce that FormCap has conducted its due diligence under that agreement and FormCap has advanced an initial payment towards the Option and will proceed with plans to drill and complete the first of two mutually defined targets on the Company’s leases immediately.

Under the terms of the Option Agreement, FormCap can acquire up to 50% Working Interest (40.75% Net Revenue Interest) in the 13,252 acre Frio Draw Prospect by drilling and completing two wells; initially, a 25% Working Interest from drilling and completing and paying for the first well and then an additional 25% Working Interest from drilling and completing and paying for the second well. The estimated cost to FormCap for the drilling and completing the two wells is US\$1,300,000.00.

After the initial two wells have been drilled and completed and paid for by FormCap, FormCap and Morgan Creek will fund additional drilling on a 50/50 basis. A total of approximately 180 wells potentially can be drilled on the Frio Draw Prospect acreage.

Following the initial well drilling and completion, Morgan Creek’s management and land team will work with FormCap to establish joint venture drilling initiatives based on technical data and drill results. The two companies will jointly fund additional targets and have a planned five-well drill program in order to effectively test the Frio Draw prospect.

About Morgan Creek Energy Corp.:

Morgan Creek Energy Corp. is a natural resource exploration company engaged in the acquisition and development of strategic oil and natural gas properties. For further information see: www.morgancreekenergy.com

Symbol: OTCBB – MCKE; Frankfurt/Berlin Symbol – M6C1, WKN No.: A0QYTM; ISIN: 61732R 206

Contact North America: Investor Relations

Tel.: 214-722-6490

Contact Europe: Investor Relations

Tel.: 49-69-7593-8467

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