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**MORGAN CREEK ENERGY ANNOUNCES OPERATIONAL UPDATE**

Dallas, Texas – [December 19, 2006/PRNewswire-Firstcall/](#) -- Morgan Creek Energy Corp. (OTCBB: MCRE, Frankfurt, Berlin: M6C) (the “Company”) provides the following update regarding the Company and its various project interests:

Reduction to Issued and Outstanding Shares: Geneva Energy Corp. has recently determined to cancel 12,000,000 of its 24,000,000 restricted shares in the capital of the Company. As a result, the issued and outstanding common shares of the Company as at the date of this new release is 29,814,905.

Dallas Operating Offices: The Company is establishing field operating offices located at 501 Second Avenue, Suite A500, Dallas Texas 75226, for geological and operational support.

Ouachita (Wash-A-Taw) gas and oil exploration program, Texas: As announced by the Company on November 2, 2006, the Company is presently staking and in process of permitting to drill a single well to twin the historical pre-1923 well drilled on the property sometime during January of 2007. The historical well drilled over 200 feet of natural gas and is within 1,000 feet of a gas pipeline. The new vertical well is expected to reach a depth of approximately 3,600 feet in order to test specific formations that management believes may contain significant gas. Depending on what is encountered when drilling, deeper test drilling of the same well bore may be considered. If proven successful, gas shows in the target formations would help validate the Company’s present understanding that this property and the Company’s other targeted areas in the Ouachita Trend hold the potential for significant untapped gas production. Current test drilling in an area peripheral to the Company’s Ouachita lease area by another company already confirm some of the geology expected to be encountered during drilling.

The Company now has agreements to acquire a total of 2,291 net mineral acres in the first of seven separate potential areas of exploration interest in the area. A total of \$267,700 has been paid to close acquisitions of 1,313 net mineral acres. The 2,291 net mineral acres currently under lease acquisition are in the first of seven areas identified by the Company’s Senior Geologist, Thomas Markham. A target of 7,000 to 10,000 gross mineral acres in the selected area form part of the first Ouachita gas exploration area.

Ouachita Royalty Agreement: Pursuant to geological and operating incentives for certain management and consultants to the Company and for previous work conducted and relating to geological development, analysis and interpretations pertaining to the Company’s seven prospective Ouachita leasing areas, the Company has now formalized its previous agreement to grant an overriding royalty interest in and to its Ouachita leases, current and future, aggregating up to 3% on leases acquired while guaranteeing a minimum net revenue interest of 75% accruing to the Company under all circumstances.

Browder Barnett Shale gas prospect, Cooke County, Texas: The Company has conducted a detailed geological review of the Company’s interest in its Barnett Shale targeted Browder lease located in Cooke County, Texas. In conjunction with its geological review the Company confirms that the preliminary results of two recently drilled wells in the immediate vicinity of the Company’s Browder lease interest have provided the Company with relevant information. As these offsetting wells are in the initial completion phases, the Company and its working interest partner in the Browder lease acreage are waiting indications of economic production before committing to drilling. The Company expects to decide its intended direction with respect to drilling on or about January 15, 2006. The Company owns an 50% working interest and 37% net revenue interest.

Cedar Creek oil and gas prospect: The Company, after conducting due diligence on each of the 103 acres of oil and gas targeted development leases in the Cedar Creek Field located in Conecuh County and the further 385 acres of additional leases has decided not to complete the acquisition of any Cedar Creek Field acreage. The Company’s legal counsel has requested \$300,000 in funding previously provided to the vendors of the Cedar Creek Field to be repaid as a consequence of the Company’s recent decision.

Bayou Choctaw gas prospect, Iberville Parish, Louisiana: The Company’s Chief Geologist has met with the project’s operator, Seal & Co, to confirm geological interpretations and to plan and to initialize development efforts

respecting the Company's 25% working interest in the "Bayou Choctaw" oil and gas project located in Iberville Parish, Louisiana. The Company acquired the Bayou Choctaw interest by issuing 200,000 restricted common shares in the capital of the Company with piggyback registration rights and paid a total of \$250,000. In addition, the Company will pay its 25% share of already incurred project costs and pay its proportionate 25% share, on a ground floor basis, to acquire additional 3-D seismic data respecting the project. The Company has an option to participate in the first two wells and carry the project parties through the drilling of those wells to "casing point" on the basis of paying for one-third of the cost to earn its 25% working interest. Subsequent to the drilling of the first two wells, costs will be shared in direct proportion to working interest participation without any further carried working interest.

The prospect includes both development and exploration aspects related to the project. Potential gas on the property has been identified in the "Bolmex" and "Nonion struma" geological zones at a depth of approximately 12,500 feet. Other potential targets have been identified through 2-D and 3-D seismic information. The aggregate net revenue interest in the project is 73% to working interest stakeholders providing the Company with an 18.25% net revenue interest.

**About Morgan Creek Energy Corp.:** Morgan Creek Energy Corp. is a natural resource exploration company engaged in the acquisition and development of oil and natural gas properties worldwide. For further information see: [www.morgancreekenergy.com](http://www.morgancreekenergy.com)

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