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MARQUEE PETROLEUM AND SKYWEST ENERGY ANNOUNCE BUSINESS COMBINATION

October 11, 2011, CALGARY, ALBERTA, Marquee Petroleum Ltd. ("Marquee") (TSX-V:MQE) and SkyWest Energy Corp. ("SkyWest") (TSX-V:SKW) are pleased to announce they have entered into an arrangement agreement (the "Arrangement Agreement") providing for the combination of the businesses of Marquee and SkyWest (the "Transaction"). The transaction will establish a well capitalized, resource play focused, exploration and development company targeting primarily high netback oil production in east central and southern Alberta.

Under the terms of the Arrangement Agreement and the plan of arrangement (the "Arrangement"), Marquee will amalgamate with a wholly-owned subsidiary of SkyWest and Marquee shareholders will receive 1.35 SkyWest common shares ("SkyWest Shares") for each Marquee common share ("Marquee Shares"). Upon completion of the Arrangement the shares of the combined company (the "New Marquee") will be consolidated on an 8:1 basis, and the name of SkyWest will be changed to Marquee Energy Ltd.

Pro forma the Transaction, and as described further herein, New Marquee expects to have current production of approximately 2,000 boe/d, net debt of approximately \$18 million and approximately 41.5 million common shares outstanding post-consolidation (assuming no conversion of convertible securities of SkyWest and Marquee).

After completion of the Transaction, New Marquee will be led by the current management team of Marquee, including Richard Thompson as President and Chief Executive Officer, Hany Beshry as Executive Vice-President, Exploration, Roy Evans as Vice President, Finance and Chief Financial Officer, Elizabeth Burke-Gaffney as Vice President, Land and Trevor Rath as Vice President, Engineering. The Board of Directors of New Marquee will comprise of four members of Marquee's current Board of Directors, Dennis Feuchuk (Chairman of the Board), Richard Alexander, Bruce Hammond, Richard Thompson and two members of SkyWest's current Board of Directors, Robert D. Steele and Donald A. Garner.

The Marquee management team has a proven track record of significant oil and gas discoveries and value creation as the core geological and geophysical team behind several successful junior growth oriented public companies, including: Cypress Energy Inc., Cequel Energy Inc., Cyries Energy Inc. and Cequence Energy Ltd.

Highlights of the Pro Forma Combined Company

The business combination is beneficial for both shareholder groups as it materially enhances and accelerates Marquee's ability to develop its suite of oil focused assets in east central and southern Alberta while providing SkyWest with diversified exposure to additional resource potential. New Marquee plans to optimize and maintain existing SkyWest assets while redirecting the majority of SkyWest's free cash flow into developing its inventory of oil opportunities in the Viking, Cardium, Banff, Mannville, Sunburst and Montney formations.

Key Attributes of the Combined Company

- Current production of approximately 2,000 boe/d, approximately 40% percent of which is light oil and natural gas liquids
- Large inventory of approximately 160 horizontal drilling locations prior to downspacing in key resource plays, including Viking, Mannville and Banff at East Central Alberta, Cardium light oil locations at Greater Pembina, Sunburst oil at Coutts and Montney and Nordegg at Ante Creek
- Extensive landholdings with total land of 106,000 net acres, including 88,000 net undeveloped acres
- Pro forma indebtedness of approximately \$18 million¹, with a combined total credit facility of \$36 million providing financial flexibility for ongoing capital expenditures
- Market capitalization of approximately \$81.4 million² (approximately 41.5 million basic shares outstanding (post-consolidation)) and an enterprise value of approximately \$99.4 million
- Tax pools estimated at \$74 million as at June 30, 2011, on a pro forma basis

(1) Based on the estimated net debt for Marquee and SkyWest as at September 30, 2011, net of estimated transaction costs.

(2) Based on SkyWest's closing trading price on October 7, 2011, after giving effect to the Arrangement.

Pro Forma Reserves

Proved plus Probable Reserves: 985 Mboe (Marquee as of December 31, 2010)⁽¹⁾
 438 Mboe (properties acquired by Marquee in East Central Alberta as of June 30, 2011)⁽²⁾
 10,967 Mboe (SkyWest as of December 31, 2010)⁽³⁾

- (1) As evaluated by Sproule Associates Limited in an independent reserves assessment and evaluation of the oil and gas properties of Marquee with an effective date of December 31, 2010.
- (2) As evaluated by GLJ Petroleum Consultants Ltd. in an independent reserves assessment and evaluation of the East Central properties of Marquee with an effective date of June 30, 2011.
- (3) As evaluated by Sproule Associates Limited in an independent reserves assessment and evaluation of the oil and gas properties of SkyWest with an effective date of December 31, 2010.

Summary of Areas

New Marquee expects to develop four main core areas, highlights of which are as follows:

East Central Alberta

- Current production of approximately 120 boe/d, with an additional 85 boe/d behind pipe awaiting tie-in;
- 68 net sections with an average working interest of 100%; and
- plans to drill four wells targeting the Viking or Mannville formations at Provost in addition to two Mannville horizontal wells and three Banff reactivations at Michichi in Q4, 2011.

Greater Pembina Area, Alberta

- Current production of approximately 1,500 boe/d;
- 35 net sections of land with Cardium rights;
- upwards of 100 identified horizontal locations targeting the Cardium formation;
- currently undergoing completion and tie-in of three wells drilled at Willesden Green since June, 2011; and
- plans to drill up to two follow-up horizontal Cardium wells prior to year-end.

Coutts, Alberta

- Current production of approximately 7 bbl/d from one legacy vertical well;
- prospective for Sunburst oil as identified on existing well control;
- 5 net sections with an average working interest of 57%;
- up to 20 contingent locations identified for Sunburst oil; and
- plans to drill a horizontal well targeting the Sunburst formation in Q4, 2011.

Ante Creek, Alberta

- 5.7 net sections with an average working interest of 93%;
- 7 net identified Montney horizontal drilling locations, with potential to down space;
- potential exposure to emerging Nordegg play; and
- reactivation opportunities for Montney and Nordegg oil and liquids-rich gas production.

Mr. Richard Thompson, President & Chief Executive Officer of Marquee stated: "Marquee is very pleased to announce this transaction, which simultaneously accomplishes several steps in building value for Marquee shareholders. Following the completion of the transaction, the combined company will be a high growth, oil focused exploration and development company with a portfolio of excellent resource opportunities across a diversified suite of assets, with the necessary size and critical mass to efficiently execute on these opportunities. We believe that the prospects in front of us will position the combined company for significant ongoing growth on an absolute and per share basis for years to come."

Lawrence Urichuk, President & Chief Executive Officer of SkyWest noted: "This transaction is very exciting for both Marquee and SkyWest shareholders. SkyWest has established key land positions in the Cardium play, which will be unified with Marquee's interest in the area, and a solid production base from which to fund further growth. This business combination will create a company with the technical expertise and financial strength to compete in the play types in our joint inventory, focusing on horizontal and vertical development opportunities in an increased number of areas."

Outlook

New Marquee will proceed with its previously identified near-term capital program focused on east central and southern Alberta oil targets. Near-term drilling is currently expected to include: four Viking or Mannville wells at Provost, two Mannville horizontal wells and three Banff reactivations at Michichi, one horizontal Sunburst well at Coutts and up to two follow-up horizontal Cardium wells in the Greater Pembina area.

Board of Directors Recommendations

The Board of Directors of Marquee has approved, with Dennis Feuchuk abstaining due to his involvement with both companies, the Arrangement Agreement, determined that the Transaction is fair to holders of Marquee Shares, is in the best interests of Marquee and the holders of Marquee Shares and resolved to recommend that holders of Marquee Shares vote in favour of the Arrangement. Management, directors and certain shareholders of Marquee holding approximately 56% of the issued and outstanding Marquee Shares have entered into support agreements to vote their Marquee Shares in favour of the Arrangement at the Marquee Meeting.

In addition to approving the Arrangement, SkyWest Shareholders will be asked to approve a name change of SkyWest to "Marquee Energy Ltd." and a concurrent consolidation of the SkyWest Shares on a 8:1 basis. As such, SkyWest will be required to obtain the approval of 66 2/3% of its shareholders for the two aforementioned proposals. The Board of Directors of SkyWest has unanimously approved, with Dennis Feuchuk abstaining due to his involvement with both companies, the Arrangement Agreement, and resolved to recommend that holders of

SkyWest Shares approve the name change and consolidation of the SkyWest Shares pursuant to the Arrangement. Management, directors and certain shareholders of SkyWest holding approximately 6% of the issued and outstanding SkyWest Shares have entered into support agreements pursuant to which they have agreed to vote in favour of the Arrangement, the name change, the consolidation of the SkyWest Shares and the election of the reconstituted board of directors at the SkyWest Meeting.

Financial Advisors

Dundee Securities Ltd. is acting as exclusive financial advisor to Marquee in connection with the Arrangement and has provided Marquee's Board of Directors with its verbal opinion that, as of the date of such opinion, the consideration to be received by Marquee shareholders pursuant to the Agreement is fair, from a financial point of view, to the Marquee shareholders.

Peters & Co. Limited is acting as exclusive financial advisor to SkyWest in connection with the Arrangement and has provided SkyWest's Board of Directors with its verbal opinion that, as of the date of such opinion, that the consideration to be paid in respect of the Arrangement is fair, from a financial point of view, to the SkyWest Shareholders.

The Combination

The Arrangement will be effected pursuant to the provisions of the *Business Corporations Act* (Alberta). The completion of the Transaction is subject to the satisfaction of a number of conditions, including court and regulatory approvals and the approval by the shareholders of Marquee and SkyWest. The Arrangement will need to be approved by 66⅔% of the Marquee shareholders at a special meeting expected to be held in early December 2011 (the "Marquee Meeting"). The combination and the re-constitution of the SkyWest Board of Directors will need to be approved by a simple majority of the SkyWest shareholders at a special meeting (the "SkyWest Meeting") to be held concurrently with the Marquee Meeting. In addition, 66⅔% of the SkyWest shareholders will need to approve the name change of SkyWest and the consolidation of the SkyWest Shares.

Under the terms of the Arrangement Agreement, each of SkyWest and Marquee has agreed that it will not solicit or initiate any inquiries or discussions regarding any other business combination. Each of SkyWest and Marquee has granted the other the right to match any superior proposals. The Arrangement Agreement also provides for the payment of a \$1 million termination fee to SkyWest under certain circumstances and a \$2 million termination fee to Marquee under certain circumstances, if the transaction is not completed.

Complete details of the terms of the Transaction are set out in the Arrangement Agreement and plan of arrangement, which will be filed by Marquee and will be available for viewing under Marquee's profile at www.sedar.com. The mailing of a joint information circular to the respective shareholders of Marquee and SkyWest regarding the Marquee Meeting and SkyWest Meeting is expected to occur in early November.

About Marquee

Marquee is a Calgary-based emerging junior oil and gas company currently focused on high netback oil production in southern and east central Alberta.

About SkyWest

SkyWest Energy Corp. is a Cardium focused, public oil and gas exploration and development company, located in Calgary, Alberta with operations in Alberta and Saskatchewan.

Forward Looking Information

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, information with respect to: the amount of potential reserves; operational decisions and the timing thereof, development and exploration plans and the timing thereof; future debt levels; future production levels; timing for completion of the Arrangement and the anticipated benefits resulting from the Arrangement described in this press release. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although Marquee believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on forward-looking information because neither Marquee or SkyWest can give assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things: field production rates and decline rates; the ability of Marquee and SkyWest to secure adequate product transportation; the ability of Marquee and SkyWest to complete the Arrangement described in this press release and, once completed, to realize the anticipated benefits of such business combination and other transactions; the timely receipt of any required regulatory approvals (including Court and shareholder approvals); the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business; the ability to operate the properties in a safe, efficient and effective manner; the ability to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters; and the ability to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Marquee and SkyWest and described in the forward-looking information. The material risk factors affecting Marquee and its business are contained in Marquee's Annual Information Form which is available under Marquee's issuer profile on SEDAR at www.sedar.com. The material risk factors affecting SkyWest and its business are contained in SkyWest's Annual Information Form which is available under SkyWest's issuer profile on SEDAR at www.sedar.com.

The forward-looking information contained in this press release is made as of the date hereof and neither Marquee or SkyWest undertake any obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

Additional Advisories

Boes are presented on the basis of one Boe for six Mcf of natural gas. Disclosure provided herein in respect of Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Subscription Receipts and Marquee Shares to be offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.

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