



## **NEWS RELEASE**

### **ANGLE ENERGY INC. ANNOUNCES 2010 YEAR END FINANCIAL AND OPERATIONAL RESULTS**

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**CALGARY, ALBERTA – March 15, 2011 - Angle Energy Inc. (“Angle” or the “Company”) (TSX: NGL)** is pleased to announce its fourth quarter and year end 2010 financial and operating results.

The Company has filed its audited consolidated financial statements and related management’s discussion and analysis (“MD&A”) for the year ended December 31, 2010 on [www.sedar.com](http://www.sedar.com) and [www.angleenergy.com](http://www.angleenergy.com). Certain selected financial and operational information for the three and twelve month periods ended December 31, 2010 and the 2009 comparatives are set out below and should be read in conjunction with Angle’s consolidated financial statements for the year ended December 31, 2010 and related MD&A.

The 2010 year was transformational, in both the development of Angle’s asset base and the Company’s financial results. Angle’s operational results and year end reserves were previously released on February 22, 2011. The following discussion primarily focuses on Angle’s financial results for the fourth quarter and full year 2010.

#### **HIGHLIGHTS**

The following are selected highlights for the fourth quarter and the year ended December 31, 2010:

- Achieved record corporate production of 11,612 boe/day for the fourth quarter, resulting in average production for 2010 of 9,243 boe/day (increases of 56% and 23% respectively, as compared to the same period in 2009). Angle recorded exit 2010 production of 13,500 boe/d.
- Increased light oil production to average 986 bbls/day in the fourth quarter of 2010, five times the volume from the same period in 2009. Total light oil and natural gas liquids production in the fourth quarter of 2010 increased by 47% to 4,481 bbls/day from 3,057 bbls/day in the comparative fourth quarter of 2009. Light oil and condensate, the products commanding the highest per barrel prices, were 47% of this oil and liquids production.
- Increased operating netback in the fourth quarter of 2010 to \$23.60 per boe (2009 - \$21.90) and \$22.14 per boe for the full year 2010 (2009 - \$17.03), driving a 54% increase in annual funds from operations to \$62 million.
- Conducted a full year capital expenditure program totalling \$355.1 million in 2010, including two material acquisitions to form the Edson Deep Basin core area, the Company’s largest annual drilling program to date, significant infrastructure projects to increase production out-take in our core areas and significant land purchases at Crown sales extending Angle’s light oil drilling inventory.

- Drilled 40 gross (34.5 net) wells with 95% net success. Of the 40 wells, 34 were drilled horizontally, five were drilled directionally and one was drilled vertically at an overall average working interest of 86%.
- Exited 2010 with total net debt, including working capital deficiency, of \$152.4 million which is lower than our budgeted expectations due to higher fourth quarter cash flow from light oil and NGL production.
- Angle is concluding our semi-annual credit review with our banking syndicate and the Company is confident of an increase to our borrowing base to \$210 million. Combined with our \$60 million convertible unsecured subordinated debentures that closed January 6, 2011, Angle's combined credit capacity is expected to be \$270 million.

As previously announced on February 22, 2011:

- Net asset value of the Company increased to \$9.24 from \$6.14 per diluted share, a 50% increase. Net asset value has been calculated in a consistent manner as disclosed in our 2009 annual report.
- Angle recorded total proved plus probable reserves of 59.7 million barrels of oil equivalent ("boe"), tripling Angle's reserves as at December 31, 2009 of 20.0 million boe. The most significant change was related to light crude oil reserves which increased by 305%, NGLs increased 170%, while the balance of the increase is attributed to a 209% increase in natural gas reserves.
- Total proved reserves of 31.9 million boe, an increase of 159% as compared to 12.3 million boe at year end 2009.
- Reserve life index increased 66% to approximately 12.1 years on a proved plus probable basis and 44% to 6.5 years on a proved basis (based on 2010 year end production of 13,500 boe/d).

Angle plans to release an operational update in April 2011 to report on first quarter activities. To date, the Company is encouraged with our drilling results and has recorded production exceeding our type curve expectations, specifically in our Mannville gas condensate play. Further updates on the progress of this project as well as our results in the development of the Viking light oil play are slated for discussion in the April update.

Additional selected operational and financial information for the years ended December 31, 2010 and 2009 is as follows:

## ANGLE ENERGY INC.

### SELECTED HIGHLIGHTS

Years Ended December 31	2010	2009	Change
<i>(000s, except per share data)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<b>Financial</b>			
Commodity revenues <sup>(1)</sup>	121,468	79,998	52
Funds from operations <sup>(2)</sup>	62,003	40,154	54
Per share – basic	0.98	0.92	7
Per share – diluted	0.96	0.90	7
Cash flow from operating activities	53,566	27,843	92
Net loss	(5,098)	(3,032)	68
Per share – basic	(0.08)	(0.07)	14
Per share – diluted	(0.08)	(0.07)	14
Capital expenditures <sup>(3)</sup>	355,071	64,575	450
Total assets	558,969	246,465	127
Net debt (working capital) <sup>(4)</sup>	152,378	(38,255)	498
Shareholders' equity	343,167	212,201	62
<i>(000s)</i>			
<b>Common Share Data</b>			
Shares outstanding			
At end of year	71,969	54,481	32
Weighted average – basic	63,224	43,748	45
Weighted average – diluted	64,481	44,533	45
<b>Operating</b>			
Sales			
Natural gas <i>(mcf/d)</i>	34,248	26,334	30
NGL <i>(bbls/d)</i>	2,892	2,995	(3)
Light crude oil <i>(bbls/d)</i>	643	144	347
Combined average <i>(boe/d)</i>	9,243	7,528	23
Average wellhead prices <sup>(1)</sup>			
Natural gas <i>(\$/mcf)</i>	4.47	4.06	10
NGLs <i>(\$/bbl)</i>	45.42	34.46	32
Light crude oil <i>(\$/bbl)</i>	75.39	61.74	22
Total oil equivalent <i>(\$/boe)</i>	36.00	29.11	24
Netbacks <i>(\$/boe)</i>			
Operating <sup>(5)</sup>	22.14	17.03	30
Funds from operations <sup>(2)</sup>	18.38	14.63	26
Reserves (December 31, 2010 evaluation)			
Proved <i>(mboe)</i>	31,900	12,309	159
Proved plus probable <i>(mboe)</i>	59,696	20,033	198
Total net present value – proved plus probable (10% discount) <i>(\$000s)</i>	749,296	276,847	171
Gross (net) wells drilled (#)			
Natural gas	19 (17.2)	9 (7.9)	111 (118)
Oil	18 (15.6)	– (–)	100 (100)
Dry and abandoned	3 (1.7)	4 (4.0)	(25) (-58)
Total	40 (34.5)	13 (11.9)	208 (190)
Average working interest (%)	86	92	(6)

(1) Commodity revenues and prices include realized gains or losses from derivative instruments.

(2) Funds flow from operations, funds from operations per share and funds from operations netback are not recognized measures under Canadian generally accepted accounting principles (GAAP). Refer to the Management's Discussion and Analysis for further discussion.

(3) Total capital expenditures, including acquisitions.

(4) Current assets less current liabilities and bank debt, excluding derivative instruments and the related tax effect.

(5) Operating netback equals total revenues (including realized derivative gains and losses) less royalties, transportation and operating costs calculated on a per boe basis. Operating netback is not a recognized measure under Canadian GAAP and therefore may not be comparable with the calculations of similar measures presented by other companies.

(5) For a description of the boe conversion ratio, refer to the commentary at the end of the Management's Discussion and Analysis.

## CONSOLIDATED BALANCE SHEETS

As at December 31, (000s)	2010 (\$)	2009 (\$)
<b>Assets</b>		
Current		
Cash and cash equivalents	-	34,644
Accounts receivable	19,724	11,988
Prepaid expenses and other	3,894	3,722
Derivative instruments (note 10)	-	226
Future tax asset (note 8)	520	-
	<b>24,138</b>	50,580
Property and equipment (note 4)	534,831	195,885
	<b>558,969</b>	246,465
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	37,080	12,099
Derivative instruments (note 10)	1,047	-
	<b>38,127</b>	12,099
Bank debt (note 5)	138,916	-
Derivative instruments (note 10)	810	-
Future tax liability (note 8)	31,678	19,453
Asset retirement obligations (note 6)	6,271	2,712
	<b>215,802</b>	34,264
<b>Shareholders' equity</b>		
Share capital (note 7)	309,648	175,710
Contributed surplus (note 7)	7,244	5,118
Retained earnings	26,275	31,373
	<b>343,167</b>	212,201
	<b>558,969</b>	246,465
<b>Commitments</b> (note 7 and 12)		
<b>Subsequent events</b> (note 10 and 13)		

See accompanying notes to the consolidated financial statements on [www.sedar.com](http://www.sedar.com).

## CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Years Ended December 31,	2010	2009
<i>(000s, except per share data)</i>	<i>(\$)</i>	<i>(\$)</i>
Revenue		
Oil and natural gas revenues	119,355	79,998
Realized derivative instrument gain	2,113	-
Unrealized derivative instrument (loss) gain	(2,084)	226
	119,384	80,224
Royalty expense	(23,720)	(19,902)
	95,664	60,322
Expenses		
Operating	23,053	13,312
General and administrative	7,920	6,350
Interest	4,595	245
Stock-based compensation <i>(note 7)</i>	2,946	1,556
Depletion, depreciation and accretion	64,004	42,350
	102,518	63,813
Loss before income taxes	(6,854)	(3,491)
Income taxes		
Future tax reduction <i>(note 8)</i>	(1,756)	(459)
Net loss for the year	(5,098)	(3,032)
Retained earnings – beginning of year	31,373	34,405
Retained earnings – end of year	26,275	31,373
Net loss per share <i>(note 7)</i>		
Basic	(0.08)	(0.07)
Diluted	(0.08)	(0.07)

See accompanying notes to the consolidated financial statements on [www.sedar.com](http://www.sedar.com).

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, (000s)	2010 (\$)	2009 (\$)
Cash provided by (used in):		
Operating activities		
Net loss for the year	(5,098)	(3,032)
Cash settlement of share appreciation rights plan (note 7)	-	(35)
Add back non-cash items:		
Depletion, depreciation and accretion	64,004	42,350
Stock-based compensation	2,946	1,556
Unrealized gain (loss) on derivative instruments (note 10)	2,084	(226)
Future tax reduction	(1,756)	(459)
Asset retirement expenditures	(177)	-
	<b>62,003</b>	40,154
Change in non-cash working capital (note 9)	<b>(8,437)</b>	(12,311)
	<b>53,566</b>	27,843
Financing activities		
Issue of common shares, net of share issue expenses	130,414	71,636
Increase in bank debt	116,216	-
Change in non-cash working capital (note 9)	(112)	68
	<b>246,518</b>	71,704
Investing activities		
Property and equipment additions	(184,979)	(42,124)
Corporate acquisition (note 3)	(46,148)	-
Property and equipment acquisitions (note 3)	(123,944)	(22,451)
Change in non-cash working capital (note 9)	20,343	(1,267)
	<b>(334,728)</b>	(65,842)
Net increase (decrease) in cash	<b>(34,644)</b>	33,705
Cash – beginning of year	34,644	939
Cash – end of year	-	34,644

See accompanying notes to the consolidated financial statements on [www.sedar.com](http://www.sedar.com).

## **About Angle**

Angle Energy Inc. is a Calgary based public oil and gas exploration and development company that was incorporated in 2004 and commenced active oil and gas operations in 2005. Angle's goal is to grow our high quality, focused asset base through a combination of drilling and strategic acquisitions. Angle started in 2004 as a "blind pool" and has grown production while maintaining top decile operating costs, finding costs and recycle ratio. Angle's proven and dedicated team of industry specialists are focused on identifying and developing high quality assets in the Western Canada Sedimentary Basin, with an emphasis in west central Alberta. Common shares of Angle are listed for trading on the Toronto Stock Exchange under the symbol "NGL."

## ***Basis of Presentation***

*Production information is commonly reported in units of barrel of oil equivalent ("boe"). For purposes of computing such units, natural gas is converted to equivalent barrels of crude oil using a conversion factor of six thousand cubic feet of gas to one barrel of oil. This conversion ratio of 6:1 is based on an energy equivalent conversion for the individual products, primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Such disclosure of boes may be misleading, particularly if used in isolation.*

## ***Future Outlook and Forward-Looking Information***

*Information set forth in this press release contains estimates and forward-looking statements and are made as of March 15, 2011 and based on assumptions as of that date. By their nature, estimates and forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Angle's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserves estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, ability to access sufficient capital from internal and external sources and specifically, final approval of increased commercial credit borrowing base under the terms of our syndicated credit facility. Readers are cautioned that the assumptions and factors discussed in this press release are not exhaustive and that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise, and as such, undue reliance should not be placed on forward-looking statements. Angle's actual results, performance or achievement could differ materially from those expressed in, or implied by, these estimates and forward-looking statements, and accordingly, no assurance can be given that any of the events anticipated by the estimates and forward-looking statements will transpire or occur, or if any of them do so, what benefits that Angle will derive there from. Unless required by law, Angle disclaims any intention or obligation to update or revise any estimates and forward-looking statements, whether as a result of new information, future events or otherwise. The estimates and forward looking statements are expressly qualified by these cautionary statements.*

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