



## **NEWS RELEASE**

### **ANGLE ENERGY INC. ANNOUNCES 2010 YEAR END RESERVES AND PROVIDES OPERATIONAL UPDATE**

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**CALGARY, ALBERTA - February 22, 2011 - Angle Energy Inc. (“Angle” or the “Company”) (TSX: NGL)** is pleased to announce our 2010 year end reserves and an update on current operations.

#### **HIGHLIGHTS**

The following are highlights from the December 2010 year end reserve report, 2010 year end accomplishments as calculated using the estimated and unaudited financial results of 2010, and highlights of the operational update:

- 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.
- The net present value (“NPV”) of Angle’s year end 2010 total proved plus probable reserves, at 10% discounted value before tax, is \$749 million, as compared to a value of \$277 million at year end 2009. This represents a 170% increase, despite a decrease of 28% in the independent engineers’ forecast gas pricing in the near three year period.
- On a per diluted share basis, proved plus probable reserves have over doubled with an increase of 125% (64% debt adjusted) while total proved reserves have nearly doubled with an increase of 96% (43% debt adjusted) using common shares, options and total net debt outstanding as at December 31, 2010.
- 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).
- 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 using estimated and unaudited financial results of 2010, and in a consistent manner as disclosed in our 2009 annual report.
- Finding and development costs, including future development capital, of \$11.68 per boe on proved plus probable reserve additions and \$17.02 per boe on total proved reserve additions resulting in recycle ratios of 1.9 and 1.3, respectively. Excluding 2010 expenditures of undeveloped land of \$36.3 million, finding and development costs were \$10.32 per boe and \$14.38 per boe, respectively.

- Finding, development and acquisition costs, including future development capital, of \$14.30 per boe on proved plus probable reserve additions and \$20.78 per boe on total proved reserve additions resulting in recycle ratios of 1.5 and 1.1, respectively. Excluding 2010 expenditures on undeveloped land of \$36.3 million, finding, development and acquisition costs would be \$13.46 per boe and \$19.20 per boe, respectively.
- At Harmattan, the Company has been producing a 100% working interest horizontal Mannville gas condensate well for over two months at high pressure and an average rate of 1,900 boe/d composed of 42% natural gas and 58% NGLs. Approximately 30% of the well's production is condensate. A second 100% working interest horizontal well has been recently tested (with similar producing composition) at greater than 1,500 boe/d and will be tied in prior to the end of the first quarter. A third horizontal well (100% working interest) is currently drilling.
- At Ferrier, three of Angle's Cardium horizontal wells (all 100% working interest) drilled and completed in the third and fourth quarters of 2010 have been on production for over two months following the installation of compression in December 2010. Average production over the period is between 400 and 600 boe/d per well, with a product composition of approximately 40% light oil, 50% natural gas and 10% NGLs. A fourth well (100% working interest) has completed testing operations and is anticipated to perform similarly. This well will be tied in prior to the end of the first quarter.
- At Edson, the Company has completed a 100% working interest Notikewin horizontal gas well which was drilled in the third quarter of 2010. The well tested at rates in excess of 4.5 mmcf/d and has been tied in to produce, on a restricted basis, at 1.7 mmcf/d and 20 bbl/d NGLs (310 boe/d).

## **2010 YEAR END CORPORATE RESERVES**

The Company is pleased to provide the following information on its reserves as at December 31, 2010, as evaluated by the Company's independent reserve engineering firm, GLJ Petroleum Consultants ("GLJ"). The evaluation of Angle's petroleum and natural gas reserves was conducted pursuant to National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGEH") reserves definitions. The December 31, 2010 Angle reserve assessment yielded the following results:

- 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.
- Proved plus probable reserves replacement of 1,176% and total proved reserves replacement of 581% (based on 2010 average production of approximately 9,250 boe/d).
- Future development capital of \$279.4 million on proved plus probable reserves and \$116.8 million on total proved reserves representing 20.1 and 10.0 months of projected 2011 net operating cash flows, respectively.

Further information on our reserves is as follows:

<b>December 31, 2010 Reserves Summary</b> (Company interest before royalties)			
(January 1, 2011 escalated price forecast)	<b>Natural Gas</b>	<b>Crude Oil &amp; NGLs</b>	<b>Oil Equivalent</b>
	(Bcf)	(Mbbbls)	(Mboe) (6:1)
Proved developed producing	72.27	7,322	19,367
Proved developed non-producing	4.08	278	958
Proved undeveloped	<u>43.34</u>	<u>4,353</u>	<u>11,576</u>
Total Proved	119.69	11,951	31,900
	<u>10</u>	<u>10</u>	<u>27</u>
Probable	<u>5</u>	<u>2</u>	<u>7</u>
	<u>43</u>	<u>25</u>	<u>96</u>
<b>Total Proved plus Probable</b>	<b>225.12</b>	<b>22,176</b>	<b>59,696</b>

(Columns may not add due to rounding)

<b>December 31, 2010 Net Present Values ("NPV") Summary</b> (Company interest before royalties)			
(January 1, 2011 escalated price forecast)	<b>Present value<sup>(1)</sup> of cash flows before-tax (\$000s)</b>		
	<b>0%</b>	<b>10%</b>	<b>15%</b>
Proved developed producing	\$498,260	\$326,646	\$281,797
Proved developed non-producing	22,886	14,998	12,677
Proved undeveloped	<u>226,032</u>	<u>123,397</u>	<u>95,576</u>
Total Proved	747,178	465,041	390,050
Probable	<u>686,771</u>	<u>284,256</u>	<u>205,194</u>
<b>Total Proved plus Probable</b>	<b>\$1,433,948</b>	<b>\$749,296</b>	<b>\$595,244</b>

Note:

(1) Net present values are determined under the new Alberta Royalty Framework.

(Columns may not add due to rounding)

## **OPERATIONS UPDATE**

Angle is pleased to provide the following update on operations:

The Company plans to drill up to 11 gross horizontal wells and one gross directional well (12.0 net) in the first quarter of 2011. Activity will target light oil and liquids-rich natural gas in Harmattan (8 wells), Ferrier (2 wells), Lone Pine Creek (1 well) and Edson (1 well). To date, seven of these wells have been drilled or are currently drilling and two of these wells have been completed and have finished testing operations. Additionally, two wells in Edson drilled in the third quarter of 2010 have been completed and tested.

In the fourth quarter of 2010, Angle's production increased to exit the year at over 13,500 boe/d, with a mixture of approximately 60% natural gas, 30% NGLs and 10% light oil. A number of wells placed on production in the fourth quarter in Angle's core areas of Ferrier and Harmattan contributed to achieve this

result. These wells now have several months of production history and have exceeded Angle's original risked type curve expectations.

## **HARMATTAN**

### **Mannville Gas Condensate Program**

To date, results from the Mannville gas condensate program are exceeding the risked type curve used in Angle's budget projections. Originally, the wells were forecast to have first month producing rates of 650 boe/d and high initial declines. The first longer length (1,065 meter) horizontal well drilled in the pool has been on production for over two months at an average rate of 1,900 boe/d, consisting of 42% gas and 58% NGLs. A second well, drilled in an area of the reservoir where the total Mannville pay was thinner than the first well, completed testing operations at over 1,500 boe/d, and is expected to produce at over 1,000 boe/d over the two month period following tie-in by the end of the first quarter. Both wells are 100% working interest.

This gas condensate pool is unique in the Company's portfolio due to its high NGL content, which as a ratio to sales gas is approximately 190 bbl/MMcf. The wells being drilled in the 2011 program are a combination of offsets to previously drilled vertical wells and step-out locations that will generate further low risk drilling inventory. Angle will continue to build a horizontal well data set to further refine its type curve expectations, and will update this estimate when more data becomes available.

The Mannville gas condensate drilling program currently includes a minimum of 6, 100% working interest horizontal wells in the 2011 budget, with a total drilling inventory of 30-45 wells within this specific area.

### **Viking Light Oil Program**

The 2010 pilot program was successful in highlighting and refining the areas in Angle's extensive Viking land base where 2011 and 2012 development investments will be made. After drilling five horizontal wells spanning three townships, the Company has identified a core area where the stack of Viking sands are completely oil saturated (versus partially gas saturated) and present full reservoir pressure.

Angle is encouraged with the light oil production performance from the key horizontal (100% working interest) well the Company drilled in Harmattan, which is exceeding the type curve performance (based on nearly six months of production data). The well is producing approximately 150 boe/d (83% light oil, 10% natural gas and 7% NGLs) at a low decline rate of 17% per year. A horizontal well (100% working interest) has been drilled to the south of this original producer and will be completed by the end of the first quarter. An additional well (100% working interest) is currently drilling to the north of the original producer. Angle is targeting having up to four, 100% working interest, Viking horizontal wells drilled by the end of the first quarter.

The 2011 development program calls for drilling a minimum of 10-12 wells at 100% working interest, with a total drilling inventory of 80-135 wells within this specific area.

## **FERRIER**

### **Cardium Light Oil Program**

At Ferrier, the Company continues to exploit the Cardium light oil play. To date, Angle is pleased with the performance of its three high rate 100% working interest wells, which have been flowing into Angle's new compression facility for over two months. These Cardium wells have a product composition of approximately 40% light oil, 50% natural gas and 10% NGLs, with current rates of 300-500 boe/d per

well. Average rates over the two month period to date are 400-600 boe/d per well. A fourth well (100% working interest) was drilled in the first quarter and has completed testing operations with similar performance to the prior three well tests. This well is anticipated to be on production prior to the end of the first quarter.

The 2011 development program calls for drilling up to 6 gross (5.4 net) wells.

## **EDSON**

### **Deep Basin Liquids-Rich Gas Program**

Well completion and drilling activity in Edson has been minimal over the fourth quarter of 2010 and into the first quarter of 2011 due to limited natural gas out-take capacity. Angle has a 100% working interest compression and refrigeration facility currently in regulatory application (equipment costs incurred in 2010) which will increase natural gas production capacity for Angle's developments by 10 MMcf/d. This facility is expected to be on line during the second quarter of 2011. As a result, new wells have been produced at restricted rates in the first quarter of 2011.

The Company drilled a 100% working interest horizontal Notikewin well in the third quarter of 2010 and conducted completion operations in the first quarter of 2011, with a successful test over 190 hours yielding gas rates at the end of the test in excess of 4.5 MMcf/d and 25 bbl/MMcf NGLs. The well is now on production at restricted rates of 310 boe/d (90% gas, 10% NGLs), with a high heat content remaining in the gas (heat value adjustment of 1.1). Additionally, a 100% working interest vertical well was completed in the Bluesky and Viking zones and will be placed on production by the end of the first quarter at an anticipated production rate of 200 boe/d (80% natural gas, 20% NGLs).

The 2011 program program calls for drilling up to 4 gross (3.1 net) horizontal wells, planned in the Wilrich, Bluesky and Fernie sands.

## **LONE PINE CREEK**

### **Wabamun Liquids-Rich Gas Program**

Angle has secured a deal with a third party processor to expand compression in the Lone Pine Creek area in order to increase available production out-take by 10 MMcf/d. The Company has been restricted to 5 MMcf/d in the area due to this bottleneck. Angle is not planning for new production volumes from Lone Pine Creek to reach its guided production targets in 2011, due to the possible timing of this compression expansion. Over six months of production history from Angle's horizontal wells have established a higher NGL content in the gas than originally forecast by the Company. Angle's budgeted economics show a liquids yield of 24 bbl/MMcf (58% condensate), whereas actual yields from production history show a minimum of 39 bbl/MMcf (84% condensate).

The 2011 program includes drilling four wells in the gas prone area and one well in the oil prone area (all 100% working interest). Currently, Angle is drilling one well in the gas prone area.

The Company will be pleased to report future updates on the first quarter program activity when it press releases the Company's complete year-end financial report after market close on or about March 15, 2011. Angle is encouraged with the overall corporate results to date.

## **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 Canadian 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 February 22, 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 and ability to access sufficient capital from internal and external sources. 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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