



## **NEWS RELEASE**

### **ANGLE ENERGY INC. PROVIDES OPERATIONAL UPDATE, RESERVE REPORT AND 2012 GUIDANCE**

**CALGARY, ALBERTA – February 13, 2012 – Angle Energy Inc. (“Angle” or the “Company”) (TSX: NGL)** is pleased to provide shareholders with the following activity updates and Corporate information.

#### **HIGHLIGHTS**

- At Harmattan, Angle’s second 100% working interest Cardium light oil well has yielded an average first week flowing production rate of 745 boe/d, 91% light oil and 9% gas. Angle’s first 100% working interest Cardium well previously announced in December 2011 is currently producing at 349 boe/d, 94% light oil and 6% gas. This well has cumulatively produced over 23,000 bbls of light sweet crude oil after 2 months of production. Current drilling inventory in this play is approximately 120 wells.
- At Harmattan, Angle’s thirteenth 100% working interest horizontal Mannville gas condensate well has tested at rates exceeding 2,000 boe/d (15% condensate, 43% NGLs, 42% gas) after a six day test. Final test rates were approximately 2,500 boe/d including 500 bbls/d of condensate. Current drilling inventory in this play is approximately 100 wells.
- At Harmattan/Lone Pine Creek, Angle’s 100% working interest exploration Mannville test, completed in early December 2011, tested at 660 boe/d (91% light oil and 9% gas) during its first week. The well is currently producing 140 boe/d (75% light oil and liquids, 25% gas), after 70 days of production. Initial drilling inventory in this play is approximately 40 wells.
- As evaluated by the Company’s independent reserve engineering firm, GLJ Petroleum Consultants (“GLJ”), Angle’s corporate reserves effective December 31, 2011 are the following: total proved plus probable reserves of 73.8 million boe, representing a 24% increase in Angle’s reserves as at December 31, 2010 of 59.7 million boe. The most significant change was related to light crude oil reserves which increased by 93%, NGLs increased 30%, and natural gas reserves increased by 15%.
- On February 2, 2012, Angle closed a previously announced bought deal equity offering for gross proceeds of \$44.5 million (\$42 million after commission and transaction costs).
- Angle’s annual bank credit review is nearing completion and the Company is confident of an increase in the syndicated credit facility. Combined with the convertible subordinated debentures outstanding of \$60 million, total credit capacity will exceed \$270 million.

## **OPERATIONAL UPDATE**

Subsequent to Angle's operational update on December 13, 2011, the Company has completed drilling operations on four wells (3.13 net); of which two (1.43 net) were Cardium oil wells, and two (1.7 net) were liquids-rich gas wells, with a 100% success rate. Angle also has two (2.0 net) Cardium oil wells and two (2.0 net) liquids-rich gas wells currently drilling.

Current field estimated production is 15,350 boe/d with another 1,000 boe/d tested and awaiting tie-in. Two additional wells (1.1 net) are currently being tested and are not included in the preceding numbers. The corporate production mixture is currently 55% natural gas, 28% NGLs and 17% light oil and condensate. Current revenue is attributed 65% to light oil and liquids, and 35% to natural gas.

As referenced in our November 2, 2011 press release, the Company experienced some planned and unplanned outages due to turn around activities at a third party processing plant in Harmattan. Further unplanned processing issues at this plant were experienced throughout the quarter which resulted in fewer NGL barrels being stripped from the raw gas produced by Angle in this area. The processing issues are now rectified and any further negative impacts of a material nature are not expected to occur during 2012. The calculated impact to the Company's 2011 yearly average production was 280 boe/d for the unplanned processing issues. As a result, Angle's average 2011 production is expected to be between 13,100 – 13,200 boe/d. There has been no material impact to revenue or cash flow due to this processing issue as the heat value paid on Angle's natural gas stream has increased.

## **2011 YEAR END CORPORATE RESERVES**

The Company is pleased to provide the following information on its reserves as at December 31, 2011, as evaluated by the Company's independent reserve engineering firm, 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 following are highlights from the December 2011 year end reserve report and 2011 year end accomplishments as calculated using the estimated and unaudited financial results of 2011:

- Total proved plus probable reserves of 73.8 million boe, compared to Angle's reserves as at December 31, 2010 of 59.7 million boe. The most significant change was related to light crude oil reserves which increased by 93%, NGLs increased 30%, while the balance of the increase is attributed to a 15% increase in natural gas reserves.
- Total proved reserves of 38.1 million boe, an increase of 19% as compared to 31.9 million boe at year end 2010.
- Proved plus probable reserves replacement of 393% and total proved reserves replacement of 229% (based on 2011 average production of approximately 13,200 boe/d).
- Reserve life index of approximately 15.3 years on a proved plus probable basis and 7.9 years on a proved basis (based on 2011 average production of approximately 13,200 boe/d).
- Finding and development costs, including future development capital, of \$19.30/boe on proved plus probable reserve additions and \$22.74/boe on total proved reserve additions resulting in recycle ratios of 1.3 and 1.1, respectively. Excluding future development capital, finding and development costs were \$8.55/boe on a proved plus probable basis and \$14.64/boe on a total proved basis.

Further information on our reserves is as follows:

<b>December 31, 2011 Reserves Summary</b> (Company interest before royalties)				
(January 1, 2012 escalated price forecast)	<b>Natural Gas</b>	<b>Crude Oil</b>	<b>NGLs</b>	<b>Oil Equivalent</b>
	(Bcf)	(Mbbbls)	(Mbbbls)	(Mboe) (6:1)
Proved developed producing	76.82	1,368	7,561	21,731
Proved developed non-producing	5.84	75	263	1,310
Proved undeveloped	<u>51.98</u>	<u>1,116</u>	<u>5,324</u>	<u>15,102</u>
Total Proved	134.63	2,558	13,148	38,143
Probable	<u>124.9</u>	<u>2,660</u>	<u>12,187</u>	<u>35,666</u>
<b>Total Proved plus Probable</b>	<b>259.54</b>	<b>5,218</b>	<b>25,334</b>	<b>73,810</b>

(Columns may not add due to rounding)

<b>December 31, 2011 Net Present Values ("NPV") Summary</b> (Company interest before royalties)			
(January 1, 2012 escalated price forecast)	<b>Present value of cash flows before-tax (\$000s)</b>		
	<b>0%</b>	<b>10%</b>	<b>15%</b>
Proved developed producing	\$499,750	\$333,304	\$288,032
Proved developed non-producing	24,905	16,027	13,396
Proved undeveloped	<u>227,811</u>	<u>94,198</u>	<u>60,477</u>
Total Proved	752,466	443,529	361,906
Probable	<u>750,797</u>	<u>285,002</u>	<u>193,499</u>
<b>Total Proved plus Probable</b>	<b>\$1,503,263</b>	<b>\$728,531</b>	<b>\$555,405</b>

(Columns may not add due to rounding)

## **2012 CAPITAL PROGRAM AND GUIDANCE**

Angle's 2012 capital expenditure program reflects the Company's focus on the highest rate of return projects in the development portfolio, oriented to light oil and condensate. The majority of Angle's capital focus involves two projects: Cardium light oil and Mannville condensate/light oil. The budget includes \$169 million in total capital, of which \$152.2 million is allocated to drill 42 gross (39 net) wells and related completion, equipping and tie in activities. Capital is expected to be allocated to our core areas as follows:

- Harmattan and Lone Pine Creek: Cardium (light oil), Mannville (liquids-rich gas and light oil) - 34.5 net wells - \$134 million or 88% of development capital expenditure budget.
- Ferrier and Edson: Cardium (light oil), Rock Creek (liquids-rich gas) - 4.6 net wells - \$18.2 million or 12% of development capital expenditure budget.

Expected results from the capital expenditure program:

- Average 2012 production of 15,500 to 16,000 boe/d. This represents an approximate 20% increase over 2011 average production rates.
- Exit 2012 production of 17,500 – 18,000 boe/d with a production mix of approximately 27% light oil/condensate, 25% NGLs and 48% natural gas.
- Triple light oil production from the fourth quarter of 2011, with volumes to exceed 3,500 bbls/d by December 2012.
- Total light oil and liquids production to reach approximately 9,400 bbls/d by December 2012.
- Corporate operating netback to increase from the current estimate of \$22.36/boe to approximately \$26.26/boe by December 2012 (using \$2.50/GJ Aeco gas pricing, \$95.00 Edmonton Par light oil pricing).
- Funds from operations of \$105 - \$110 million representing approximately a 15% increase over 2011.
- Funds from operations of \$1.37 to \$1.39 per diluted share.
- Exit 2012 with \$165 to \$175 million in net debt and \$60 million of convertible debentures, bringing the total debt to \$225 to \$235 million, which represents a 1.5 times ratio of debt to forward cash flow.

## **ABOUT ANGLE**

Angle Energy Inc. is a Calgary based public oil and gas exploration and development company that was incorporated in 2004. Angle's goal is to grow our high quality, focused asset base through a combination of drilling and strategic acquisitions. 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 forward-looking statements and are made as of February 13, 2012 and based on assumptions as of that date. Forward looking statements include 2012 expectations of drilling locations, capital allocation, production growth, increases in oil production, asset mix, corporate netback, funds from operation (absolute and on a per share basis) which result in expected debt to forward 2012 funds from operations as well as reserve estimates and expectations regarding increase in Angle's credit facility. By their nature, 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, reservoir quality, inability to drill, complete, and tie-in wells on schedule due to land surface issues, the a lack of oilfield services being available on a cost efficient basis, mechanical failure, poor weather or inability to access infrastructure and facilities, unplanned processing*

*issues, 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.*

*The drilling plans and expected costs and results of drilling and the reserve estimates are subject to all the aforementioned risks and uncertainties, as well as those risk factors identified by Angles' MD&A and Annual Information Form in the most recently completed financial year.*

*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, including the commodity price assumptions, 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 forward-looking statements, and accordingly, no assurance can be given that any of the events anticipated by the 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 forward-looking statements, whether as a result of new information, future events or otherwise. The forward looking statements are expressly qualified by these cautionary statements.*

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