



## **NEWS RELEASE**

### **ANGLE ENERGY INC. ANNOUNCES INCREASED PRODUCTION GUIDANCE AND SECOND QUARTER OPERATIONAL UPDATE**

**CALGARY, ALBERTA - July 25, 2011 - Angle Energy Inc. (“Angle” or the “Company”) (TSX: NGL)** is pleased to provide an operational update and increased production guidance due to strong performance in our Harmattan Mannville gas condensate project.

#### **HIGHLIGHTS**

- Achieved average corporate production for the second quarter of 2011 in the range of 12,900-13,000 boe/d with approximately 42% light oil and NGLs and 58% natural gas.
- Increase of 1,000 boe/d in exit production guidance for 2011, taking forecast exit production to 16,000-17,000 boe/d.
- To July 25, 2011, drilled 20 gross horizontal wells, 1 gross directional well and 1 vertical strat test (21.6 net) with an 91% success rate. Of these 22 wells, 11 were rig released during the second quarter and 4 were rig released in July.
- At Harmattan, the Company’s Mannville gas condensate program has continued to exceed Angle’s budget expectations, with six horizontal wells (all 100% working interest) drilled and on production, and a seventh horizontal well completed testing. This most recent horizontal well has been tested at final rates of 4.2 MMcf/d and 250 Bbls/d of wellhead condensate, at a flowing tubing pressure of 525 psig, after 132 hours of flow. This test result is comparable to prior tests drilled in this area.
- At Harmattan, completed the pipeline off load project in early July to increase production capacity in Angle’s gathering system from 5,500 boe/d to approximately 10,000 boe/d. Currently, the system is operating in excess of 8,000 boe/d.
- At Harmattan, the Company has reallocated capital between the Viking and Mannville plays, effectively doubling the number of Mannville wells that will be drilled within the full year 2011. The reallocation allows Angle to pursue the highest rate-of-return project while allowing ongoing technical assessment of the Viking resource.
- At Ferrier/Strachan, Angle’s fifth Cardium horizontal well (0.6 net) has tested at production rates of 1,475 boe/d over 115 hours (all load oil recovered), with a composition of 64% light oil and NGLs and 36% natural gas.
- At Edson, the Company is currently drilling a Duvernay exploration test to evaluate future development opportunities. Angle holds 110 net sections of Duvernay rights within the Ferrier and Edson properties.

## **OPERATIONS UPDATE**

Angle is pleased to provide the following update on operations:

To July 25, 2011, the Company has drilled 22 gross (21.6 net) wells, composed of 20 gross (19.6 net) horizontal wells, one directional well, and one vertical strat test, with an 91% success rate. Of these twenty-two wells, eleven were rig released during the second quarter and four were rig released in July. The majority of the drilling activity in the second quarter was concentrated in Angle's light oil and gas condensate projects in Harmattan, with 6 wells drilled.

Angle maintained activity during spring break up conditions by designing pad sites where rigs could be actively drilling wells sequentially without requiring a rig move. This planning benefited the Company during a difficult weather quarter for many producers in Western Canada.

Currently, Angle has four (3.6 net) horizontal wells to place on production, and four (4.0 net) horizontal wells to be completed. Three horizontal wells (3.0 net) and one vertical well (1.0 net) are currently drilling.

During the second quarter and in the month of July to date the following wells have been completed and tested: three (3.0 net) Mannville wells in Harmattan, one (1.0 net) Viking well at Harmattan, one (0.6 net) Cardium well at Ferrier, one (1.0 net) Wilrich well at Edson and two exploratory wells (2.0 net) at Lone Pine Creek.

In Harmattan, the pipeline off load project was completed as per schedule and on budget, with start up in early July. This project effectively increases Angle's Harmattan area gathering system capacity to 10,000 boe/d from the previous limit of 5,500 boe/d.

Corporate production in the second quarter averaged in the range of 12,900 to 13,000 boe/d (actual sales volumes April and May, field estimated production volumes for June 2011) with 17% light oil and condensate, 25% NGLs and 58% natural gas. Angle's current estimated field production is 14,200 boe/d, with a similar commodity composition.

## **PRODUCTION GUIDANCE**

The Company's drilling program in the Mannville play at Harmattan has yielded results exceeding the January budget forecast. The high rate and high pressure performance of these wells quickly filled Angle's gathering system capacity of 5,500 boe/d in Harmattan, backing out other field production. During the second quarter, to alleviate this restriction, the Company constructed a pipeline off load project to increase gathering system capacity to 10,000 boe/d at current conditions. This project was completed successfully and brought on line early in the third quarter. As a result, Harmattan's production has increased to over 8,000 boe/d.

Average production in the first half of 2011 was approximately 12,850 boe/d. Currently, Angle is producing approximately 14,200 boe/d, composed of 41% light oil and NGLs and 59% natural gas. As a result, the Company is pleased to be in a position to update our production guidance with the following attributes:

- Exit production between 16,000 and 17,000 boe/d, an increase of 1,000 boe/d over the January 13, 2011 guidance.
- Average 2011 production guidance to be maintained at 13,500 boe/d. This represents an approximate 46% increase over 2010 average production rates.
- An average production mix of approximately 41% light oil and NGLs and 59% natural gas.

As previously noted, average yearly production volumes will be affected by the scheduled turnaround of the Altagas Plant in Harmattan for three weeks over September and October 2011, which will impact Angle's yearly average production rate by an estimated 600 boe/d. This downtime has been included in the forecast projections.

## **CAPITAL PROGRAM**

Angle's second half 2011 capital expenditure program has been allocated to our highest potential return plays which also meet or exceed our targeted project recycle ratio of 2.0. Capital is expected to be allocated as follows, for a second half total of approximately \$81 million:

- Harmattan: Mannville (liquids-rich gas) - 6 gross wells at 100% working interest, Viking and Cardium (light oil and liquids-rich gas) - 2 gross wells at 100% working interest - \$37.0 million
- Edson: Wilrich, Fernie and Duvernay (liquids-rich gas) - 5 gross wells at 100% average working interest - \$20.0 million
- Ferrier: Cardium (light oil), Ellerslie and Glauconite (liquids-rich gas) - 2 gross wells at 66% average working interest - \$7.5 million
- Lone Pine Creek: Wabamun (liquids-rich gas) - 2 gross wells at 100% working interest - \$7.5 million
- Facilities and capitalized G&A - \$6.3 million
- Land and seismic - \$2.7 million

Angle's financial guidance remains similar in all material aspects to that provided on January 13, 2011. Despite the shift in capital from our Viking play to our Mannville play in the second half of 2011, the Company expects to increase operating netback over 2010 levels, as the high liquids content in the Mannville play yields attractive economics. The Company's average commodity price assumptions for the second half of 2011 are \$85 CDN per barrel for Edmonton Light Oil, and \$3.90 per GJ for AECO natural gas.

## **HARMATTAN**

### **Mannville Development Program**

Angle finished completion and test operations on two horizontal wells in the second quarter, and has also finished testing a third horizontal well as at the date of this release. The results of the first two horizontal wells, 13-13-31-3W5M and 1-12-31-3W5M, were previously detailed in a press release on June 2, 2011. The third well, 13-27-31-2W5M, yielded rates of 4.2 MMcf/d and 250 Bbls/d of wellhead condensate, at a flowing tubing pressure of 525 psig, after 132 hours of flow.

Currently, there are two additional Mannville horizontal wells awaiting completion, and another well is being drilled.

In the first half of the year, Angle drilled six horizontal wells in the development portion of the play with overall results exceeding original budgeted expectations. This gas condensate pool is unique in the Company's portfolio due to its high NGL content, which as a stable ratio to sales gas in the vertical wells is approximately 190 Bbl/MMcf. The horizontal wells show a higher liquid yield to date as compared to the verticals, with yields exceeding 200 Bbl/MMcf, with the increase primarily on the condensate cuts of the liquids.

In light of the superior productivity and quick capital payouts of these wells (typically under 1 year), the Company has increased the number of wells planned in this project for the full year 2011. The Mannville gas condensate drilling program in the second half of 2011 currently includes a minimum of six 100% working interest horizontal wells, with a total drilling inventory of 45-60 wells within this specific area.

## **Mannville Exploration**

One exploratory Mannville well was drilled in the second quarter in the Lone Pine Creek acreage, testing a low grade area. The test was conducted to allow Angle to apply an effective acquisition strategy at the June 1, 2011 Crown land sale. The Company high-graded 18.5 net sections for purchase based on implied reservoir quality from vertical well control. Future exploration tests are planned for early 2012 in the acquired acreage. Angle currently sees a drilling inventory of 20-40 locations in this East Harmattan extension area.

## **Viking Program**

Angle has completed and tested three Viking horizontal wells in the first half of 2011, two with oil-based fracture treatments and one with a propane-based fracture treatment. In the Company's first quarter operational update on April 18, 2011, initial test rates from the first two oil-based fractured wells were announced and appeared initially encouraging. When clean up operations re-commenced, the wells demonstrated low productivity. As a result, the oil fracture treatments were not considered to be effective.

The most recent Viking drill was completed using a propane-based fracture fluid. Pipeline conditions allowed for flow back of this well in-line, in order to recover and re-sell the propane load fluid. The well was flowed on clean up for a total of 98 hours, and recovered the majority of the load propane during flow back. Final test rates on the well were 3.1 MMcf/d of natural gas, and 47 Bbl/d of light oil, at a flowing tubing pressure of 300 psig.

Angle continues to see profitable resource potential in the Viking, with a higher gas content than initially anticipated. Capital expenditures on the Viking play have been reduced in the later part of 2011 while the Mannville play, with a similar capital cost per well, has been accelerated with this capital.

An additional exploratory well in the western edge of the Company's Harmattan acreage is planned in the second half of 2011, and is anticipated to yield gas as a primary product. The composition of the Viking gas is highly liquids-rich, with yields of 100 Bbl/MMcf (30% condensate). The type curve for the Viking in Harmattan has been adjusted to reflect the average "gassy oil" performance of the existing data set of horizontal wells, with a total drilling inventory of 60-120 locations.

## **FERRIER/STRACHAN**

### **Cardium Program**

At Ferrier, the Cardium program continues to provide high production growth with an average production composition of 45% light oil and NGLs and 55% natural gas. The first four wells drilled on the west side of the Ferrier Cardium pool (Strachan) have been on production for an average of 7 months, with an average producing rate after this time of 241 boe/d. A fourth horizontal well (60% working interest) was drilled in the second quarter, and completed and tested early in the third quarter, with rates of 1,475 boe/d (64% oil and NGLs) after 115 hours of flow (all load oil recovered), at a flowing tubing pressure of 1220 psig. This well is expected to perform similarly to the other wells in the development program to date.

Due to limited gathering system capacities, the pace of activity on this play has been ordered in a "drill to fill" format with Angle's 100% owned compression. An additional well is planned in the second half of the year. Total Cardium oil drilling inventory in the Ferrier area is 8-10 wells.

## **EDSON**

### **Deep Basin Program**

In the second quarter, Angle drilled two (2.0 net) Wilrich horizontal wells (one was rig released early in July), and has finished completing and testing one of these wells. A foamed nitrogen (water based) fracture treatment was conducted on the well, and the well was flowed on clean up for 5 days with a final rate of 2 MMcf/d and 105 Bbl/d of load water, at a flowing tubing pressure of 185 psig. The well was still cleaning up at the end of the flow test, as half of the load water from the fracture treatment still remained to be recovered. The Company is encouraged by this result as it extends the Wilrich fairway to the north of Angle's 2010 Wilrich drilling. Angle holds 50 gross (42 net) prospective sections in the Wilrich fairway. Angle estimates the average Wilrich well to have a rate of return of over 40%, which is competitive with several light oil plays.

The final installation and start up of Angle's 100% working interest gas plant was delayed due to wet conditions in the field, and the new expectation for start-up is early August 2011. The operation of this plant will add over 10 MMcf/d of additional productive capacity to Angle's system, as well as decrease operating expenses due to reduction of third party processing fees. Operating expenses are expected to be reduced by \$0.15/boe corporately in the second half of 2011, attributed to this facility.

Currently, two wells (2.0 net) are drilling in Edson: the initial horizontal well targeting the Jurassic age Fernie sand and a vertical well targeting the Duvernay shale. The Duvernay well is an exploration test to evaluate future development opportunities. The Company's position in the Duvernay play includes approximately 110 net sections from Ferrier up to Edson, with approximately 75% of this acreage prospective for the play. The acreage is located within the gas condensate window, where the reservoir is expected to be productive with a high NGL content exceeding 50 Bbl/MMcf.

The second half 2011 program calls for drilling up to 4 gross (4.0 net) horizontal wells, planned in the Wilrich and Fernie sands, with total inventory of over 100 locations. The Duvernay well (1.0 net) is being drilled to set up for a possible future horizontal test, with no additional plans within the 2011 budget at this time.

## **LONE PINE CREEK**

### **Wabamun Program**

One Wabamun horizontal well was drilled in the second quarter. An additional horizontal well has been rig released early in the third quarter and is expected to be completed in the third quarter. The second half 2011 program has one (1.0 net) horizontal well in the gas prone area planned. The gas prone area has a total drilling inventory of 15-25 wells.

## **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 and has grown production while maintaining top decile operating costs, and industry competitive finding and developments costs and recycle ratios. 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," refer to our website [www.angleenergy.com](http://www.angleenergy.com) for further information.

## **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 regarding production levels and product mix for the 2011 year, timing of the scheduled turnaround of gas plant in Harmattan and the impact of that turnaround, the allocation of the capital program and operating expenses for the second half of 2011, expected well and reservoir performance, and drilling plans for the balance of 2011 and are made as of July 25, 2011 and are based on assumptions and analysis as of this date, by Angle in light of its experience, current conditions and expected future development in the areas it is currently active and other factors it believes are appropriate in the circumstances. By their nature, these forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Angle's control, including mechanical failures or inability to access production facilities; the unanticipated encroachment of water or other fluids into the producing formation; and, the inability to drill, complete and tie-in wells on schedule due to a lack of oilfield services being available on a cost efficient basis, poor weather, the inability to negotiate surface access or regulatory delays. The drilling plans and expected costs of drilling are subject to all the aforementioned risks and uncertainties, as well as those risk factors identified by Angle's MD&A and Annual Information Form in the most recently complete financial year, all of which are on SEDAR at [www.SEDAR.com](http://www.SEDAR.com) and includes the impact of general economic conditions, industry conditions, volatility of commodity prices, environmental risks, competition from other industry participants, 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 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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