



## **NEWS RELEASE**

### **ANGLE ANNOUNCES 2011 SECOND QUARTER RESULTS**

**CALGARY, ALBERTA – August 5, 2011 - Angle Energy Inc. (“Angle” or the “Company”) (TSX: NGL)** is pleased to announce its financial and operating results for the three and six months ended June 30, 2011.

The Company has filed its consolidated financial statements and related management's discussion and analysis (MD&A) for the period ended June 30, 2011 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 six months ended June 30, 2011 and the 2010 comparatives are set out below and should be read in conjunction with Angle's consolidated interim financial statements for the period ended June 30, 2011 and related MD&A.

Angle's second quarter of 2011 was the fourth consecutive quarter of production growth for the Company. Year over year, production has increased by 78 percent, with current field production estimated in excess of 14,200 boe/d (41 percent light crude oil and NGLs, 59 percent natural gas). Importantly, production on a diluted per share basis has increased by 41 percent from a year ago.

Simply, we are delivering on the plan we put forward to our investors in 2010. The extension and additions to Angle's asset base, in west central Alberta and the Deep Basin, and the Company's broad portfolio of projects targeting liquids-rich natural gas and light crude oil allow the Company to pursue the highest rate-of-return plays and to deploy our capital efficiently. Operational details of the quarter were pre-released on July 25, 2011.

#### **COMPANY HIGHLIGHTS**

##### ***Production and Operations:***

- Achieved a new record corporate quarterly production of 12,986 boe/day, resulting in increases of 2 percent and 78 percent over the first quarter of 2011 and second quarter of 2010, respectively, with current estimated field production in excess of 14,200 boe/d;
- Total light crude oil and natural gas liquids production reached 5,494 bbls/day, an 11 percent increase from the first quarter of 2011 and a 92 percent increase compared to the second quarter of 2010. Light crude oil and condensate, the products commanding the highest per barrel prices, were 40 percent of this oil and liquids production;
- To date, the Company has drilled 22 gross (21.6 net) wells, composed of 20 gross horizontal wells, one gross directional well and one gross vertical stratigraphic test (19.6 net wells in total) with a 91% success rate. Of these 22 wells, eleven were rig released during the second quarter and four were rig released in July;
- Angle maintained activity during spring break-up conditions by employing pad drilling techniques. This planning benefited the Company during a difficult weather quarter for many producers in Western Canada;
- At Harmattan, Angle 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;
- Increased 2011 exit production guidance to 16,000 – 17,000 boe/d, up by 1,000 boe/d, due to strong results from the Mannville gas condensate project.

### ***Financial Results and Capital Investment:***

- Revenue increased 115 percent to \$48.6 million from the second quarter of 2010 while the average operating netback was \$24.36 per boe, compared to \$24.70 per boe and \$24.29 per boe in the first quarter of 2011 and the second quarter of 2010, respectively;
- Funds from operations on a diluted per share basis increased to \$0.32, up 3 percent and 68 percent from the first quarter of 2011 and the second quarter of 2010; respectively;
- Capital spending in the quarter was \$41.1 million which included \$22.1 million on drilling with 11 net wells rig released during the quarter and four wells drilling over the period end, and \$4.9 million to acquire 21.75 sections of undeveloped land at Crown land sales;
- Exited the quarter with total net debt, including working capital deficiency, of \$182.6 million (including Angle's \$60 million of convertible debentures outstanding). This represents a debt to annualized quarterly cash flow ratio of 1.95 to 1, within Angle's targeted range of less than 2.0 to 1;
- Expanded Angle's full year 2011 capital budget by \$10.0 million, increasing to \$160.0 million, expecting to drill 35.0 net wells in the year, up from the previously guided total of 32.9 net wells;
- Increased undeveloped acreage in Angle's core areas by 5 percent over year end 2010, bringing total net undeveloped acres to 183,911.

### **OPERATIONAL ACTIVITIES**

In the second quarter, Angle rig released 11 gross (11.0 net) wells, with four gross (4.0 net) wells rig released in July. The majority of the drilling activity in the second quarter was concentrated in Angle's light crude oil and gas condensate projects in Harmattan, with 6 wells drilled. Angle maintained peak activity during spring break up conditions by designing pad sites where rigs could be drilling wells sequentially without requiring equipment moves. This planning benefited the Company during a difficult weather quarter for many producers in Western Canada. Additionally, operational momentum has been maintained into the third quarter of 2011.

During the second quarter and in the month of July the following wells were completed and tested: three (3.0 net) Mannville wells at 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 (2.0 net) exploratory wells at Lone Pine Creek. The results of these tests were previously outlined in Angle's updates on June 2, 2011 and July 25, 2011.

Currently, Angle has four (3.6 net) horizontal wells to place on production and four (4.0 net) horizontal wells to be completed. The wells to be completed include two (2.0 net) Mannville horizontals at Harmattan on the same surface pad site, one (1.0 net) Wilrich horizontal well at Edson and one (1.0 net) Wabamun horizontal well at Lone Pine Creek.

Three (3.0 net) horizontal wells and one (1.0 net) vertical well are currently drilling, with one (1.0 net) Mannville horizontal at Harmattan, one (1.0 net) Wabamun horizontal at Lone Pine Creek, one (1.0 net) Fernie horizontal at Edson and one (1.0 net) Duvernay vertical at Edson.

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.

## OUTLOOK

Angle's 2011 plan of continuing to add to our development datasets in five major play types has yielded further direction and focus to our capital investment strategies.

The Harmattan area is key to the cash flow base of the Company, and is currently delivering approximately 55 percent of corporate production. In this area, the Mannville gas condensate project has shown itself to be superior in the project roster, with rates of return per well exceeding 150 percent, and typical pay out periods per well of less than one year. Angle has drilled eight horizontal wells in the play to date, with average initial production rates of 915 boe/d, and average liquids composition of 60 percent. Due to this strong, repeated performance in the play, Angle has elected to allocate additional capital to drill a total of 13 (13.0 net) wells in the 2011 full year budget. The third and the fourth quarters will see a total of six horizontal wells drilled in the Mannville at Harmattan. The program will be expanded into 2012 in the current development area as well as the new exploratory lands east of Harmattan, purchased in the second quarter.

The Viking play in the Harmattan area has been slowed from a capital pace perspective, allowing further evaluation of the oil and gas prone areas within the wide resource base of the play. Angle has over 60 net prospective sections in this play, with "sweet spot" areas producing oil at low gas-oil ratios. Development will continue in the play largely in 2012, with average per well expectations yielding a gas/oil mixture with an operating netback of approximately \$32.00/boe.

The second half of 2011 will have increased operational activity in the Edson and Ferrier areas, where current programs in the Wilrich liquids-rich natural gas and Cardium light crude oil plays have added corporate value. Initial horizontal wells into the Fernie sand in Edson and the Mannville sand in Ferrier will yield important information regarding project value and planning for the 2012 capital program.

Angle is also currently drilling a Duvernay shale vertical well in the Company's Edson acreage. The primary purpose of the well is to maintain tenure in these deep Crown land rights and have a wellbore appropriate for a possible future horizontal drill. Angle will continue to monitor competitor activity in this emerging unconventional gas condensate play and will form plans congruent with best value for our shareholders.

Angle is well positioned in 2011 to continue to deliver strong growth per share for our investors in production, cash flow and reserves. In each of Angle's core operating areas, high working interest (average 87 percent), multi-zone drilling targets, operatorship, and a low cost structure generate efficiencies. The Company produces one of the highest natural gas liquids yields amongst its peers, with an average total corporate yield of 100 barrels of NGLs per million cubic feet of sales gas. In developing our multi-zone asset base, the Company will look for the highest rate-of-return opportunities while maintaining the ability to be flexible in capital deployment. We look forward to reporting the results of our third quarter operational activities, anticipated to be released in October.

## FINANCIAL & OPERATING HIGHLIGHTS

	Three Months Ended June 30			Six Months Ended June 30		
	2011	2010	Change	2011	2010	Change
<i>(000s, except per share data)</i>	(\$)	(\$)	(%)	(\$)	(\$)	(%)
<b>FINANCIAL</b>						
Oil and gas revenues	<b>48,566</b>	22,619	115	<b>92,664</b>	50,461	84
Funds from operations <sup>(1)</sup>	<b>23,741</b>	11,237	111	<b>46,727</b>	23,707	97
Per share – basic	<b>0.33</b>	0.19	74	<b>0.65</b>	0.42	55
Per share – diluted	<b>0.32</b>	0.19	68	<b>0.63</b>	0.41	54
Cash flow from operating activities	<b>26,703</b>	6,021	343	<b>48,982</b>	11,450	328
Net income (loss) and comprehensive income (loss)	<b>6,161</b>	(594)	1,137	<b>10,371</b>	2,913	256
Per share – basic	<b>0.08</b>	(0.01)	900	<b>0.14</b>	0.05	180
Per share – diluted	<b>0.08</b>	(0.01)	900	<b>0.14</b>	0.05	180
Capital expenditures <sup>(2)</sup>	<b>41,087</b>	166,259	(75)	<b>78,567</b>	250,385	(69)
Total assets	<b>583,479</b>	496,899	17	<b>583,479</b>	496,899	17
Net debt <sup>(3)</sup>	<b>182,563</b>	111,438	64	<b>182,563</b>	111,438	64
Shareholders' equity	<b>335,925</b>	321,975	4	<b>335,925</b>	321,975	4
<i>(000s)</i>						
<b>COMMON SHARE DATA</b>						
Shares outstanding						
At end of period	<b>72,596</b>	68,960	5	<b>72,596</b>	68,960	5
Weighted average – basic	<b>72,513</b>	58,404	24	<b>72,280</b>	56,547	28
Weighted average – diluted	<b>73,940</b>	58,404	27	<b>73,690</b>	58,101	27
<b>OPERATING</b>						
Sales						
Natural gas <i>(mcf/d)</i>	<b>44,953</b>	26,571	69	<b>45,759</b>	27,877	64
NGLs <i>(bbls/d)</i>	<b>4,601</b>	2,346	96	<b>4,268</b>	2,587	65
Light crude oil <i>(bbls/d)</i>	<b>893</b>	515	73	<b>964</b>	411	135
Combined average <i>(boe/d)</i>	<b>12,986</b>	7,290	78	<b>12,859</b>	7,644	68
Average wellhead prices						
Natural gas <i>(\$/mcf)</i>	<b>3.97</b>	4.08	(3)	<b>3.96</b>	4.67	(15)
NGLs <i>(\$/bbl)</i>	<b>56.16</b>	43.62	29	<b>54.52</b>	45.55	20
Light crude oil <i>(\$/bbl)</i>	<b>99.83</b>	73.20	36	<b>92.65</b>	74.84	24
Total oil equivalent <i>(\$/boe)</i>	<b>40.50</b>	34.10	19	<b>39.14</b>	36.47	7
Netbacks <i>(\$/boe)</i>						
Operating <sup>(4)</sup>	<b>24.36</b>	24.29	–	<b>24.53</b>	23.17	6
Funds from operations <sup>(1)</sup>	<b>20.09</b>	16.94	19	<b>20.08</b>	17.13	17
Gross (net) wells drilled (#)						
Gas	<b>7 (7.0)</b>	2 (2.0)	250 (250)	<b>10 (10.0)</b>	9 (8.3)	11 (20)
Oil	<b>3 (3.0)</b>	7 (6.5)	-57 (-54)	<b>6 (6.0)</b>	10 (8.4)	-40 (-29)
Dry and abandoned	<b>1 (1.0)</b>	– (–)	100 (100)	<b>2 (2.0)</b>	– (–)	100 (100)
Total	<b>11 (11.0)</b>	9 (8.5)	22 (29)	<b>18 (18.0)</b>	19 (16.7)	-5 (8)
Average working interest (%)	<b>100</b>	94	6	<b>100</b>	88	12

(1) Funds from operations, funds from operations per share and funds from operations per boe are not recognized measures under International Financial Reporting Standards (IFRS). Refer to the Management's Discussion and Analysis for further discussion.

(2) Total capital expenditures, including acquisitions.

(3) Current assets less current liabilities, bank debt and convertible debentures outstanding, excluding current derivative instruments.

(4) Operating netback equals oil and gas revenues plus realized gains on derivative instruments less royalties, transportation and operating costs calculated on a per boe basis. Operating netback is not a recognized measure under IFRS 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 beginning of the Management's Discussion and Analysis.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Note	June 30, 2011	December 31, 2010
<i>(\$000s) (unaudited)</i>			
<b>ASSETS</b>			
Accounts receivable		18,823	19,724
Deposits and prepaid expenses		3,930	3,894
Total current assets		22,753	23,618
Exploration and evaluation	4	52,525	49,442
Property and equipment	5	508,201	461,553
		583,479	534,613
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		37,651	37,080
Derivative instruments	12	1,192	1,047
Total current liabilities		38,843	38,127
Bank debt	6	107,665	138,916
Convertible debentures	7	52,374	–
Derivative instruments	12	–	810
Decommissioning liabilities	8	13,428	12,324
Premium liability	9	1,811	5,145
Deferred tax liabilities		33,433	23,115
		247,554	218,437
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	310,041	306,742
Equity component of convertible debentures	7	4,105	–
Contributed surplus		9,817	7,843
Retained earnings		11,962	1,591
Total equity		335,925	316,176
Commitments	9, 14		
		583,479	534,613

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Note	Three Months Ended June 30 2011	2010	Six Months Ended June 30 2011	2010
<i>(\$000s, except per share amounts) (unaudited)</i>					
<b>REVENUE</b>					
Oil and natural gas revenues		<b>48,566</b>	22,619	<b>92,664</b>	50,461
Royalties		<b>(11,624)</b>	(3,242)	<b>(19,281)</b>	(10,995)
Oil and natural gas revenues, net of royalties		<b>36,942</b>	19,377	<b>73,383</b>	39,466
Realized gain on derivative instruments		<b>15</b>	855	<b>79</b>	855
Unrealized gain (loss) on derivative instruments		<b>2,573</b>	(708)	<b>665</b>	1,090
		<b>39,530</b>	19,524	<b>74,127</b>	41,411
<b>EXPENSES</b>					
Operating and transportation		<b>8,166</b>	4,121	<b>16,370</b>	8,260
General and administrative		<b>4,139</b>	4,440	<b>8,051</b>	8,103
Depletion and depreciation		<b>15,024</b>	10,414	<b>29,558</b>	19,497
Gain on disposition of undeveloped land		—	—	<b>(1,408)</b>	—
		<b>27,329</b>	18,975	<b>52,571</b>	35,860
Operating income		<b>12,201</b>	549	<b>21,556</b>	5,551
Interest expense		<b>2,230</b>	1,133	<b>4,693</b>	1,563
Accretion and finance charges		<b>502</b>	100	<b>968</b>	153
Net income (loss) before income tax		<b>9,469</b>	(684)	<b>15,895</b>	3,835
Deferred income tax expense (reduction)		<b>3,308</b>	(90)	<b>5,524</b>	922
Net income and comprehensive income (loss)		<b>6,161</b>	(594)	<b>10,371</b>	2,913
Net income per share					
Basic	9	<b>0.08</b>	(0.01)	<b>0.14</b>	0.05
Diluted	9	<b>0.08</b>	(0.01)	<b>0.14</b>	0.05

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Convertible debentures, equity component	Contributed surplus	Retained earnings	Total equity
<i>(\$000s) (unaudited)</i>					
Balance at January 1, 2011	<b>306,742</b>	–	<b>7,843</b>	<b>1,591</b>	<b>316,176</b>
Issue of common shares	<b>2,261</b>	–	–	–	<b>2,261</b>
Share-based compensation expensed	–	–	<b>2,379</b>	–	<b>2,379</b>
Share-based compensation capitalized	–	–	<b>633</b>	–	<b>633</b>
Options exercised	<b>1,038</b>	–	<b>(1,038)</b>	–	–
Issue of convertible debentures, net of issue costs and deferred income taxes	–	<b>4,105</b>	–	–	<b>4,105</b>
Net income for the period	–	–	–	<b>10,371</b>	<b>10,371</b>
<b>Balance at June 30, 2011</b>	<b>310,041</b>	<b>4,105</b>	<b>9,817</b>	<b>11,962</b>	<b>335,925</b>
Balance at January 1, 2010	178,523	–	5,387	26,874	210,784
Issue of common shares	106,776	–	–	–	106,776
Share-based compensation expensed	–	–	1,312	–	1,312
Share-based compensation capitalized	–	–	190	–	190
Options exercised	470	–	(470)	–	–
Net income for the period	–	–	–	2,913	2,913
<b>Balance at June 30, 2010</b>	<b>285,769</b>	–	<b>6,419</b>	<b>29,787</b>	<b>321,975</b>

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Three Months Ended June 30		Six Months Ended June 30	
		2011	2010	2011	2010
<i>(\$000s) (unaudited)</i>					
<b>OPERATING ACTIVITIES</b>					
Net income (loss)		<b>6,161</b>	(594)	<b>10,371</b>	2,913
Adjustments for:					
Depletion and depreciation	4, 5	<b>15,024</b>	10,414	<b>29,558</b>	19,497
Change in fair value of derivative instruments	11	<b>(2,573)</b>	708	<b>(665)</b>	(1,090)
Accretion and finance charges	7, 8	<b>502</b>	100	<b>968</b>	153
Share-based compensation	9	<b>1,319</b>	699	<b>2,379</b>	1,312
Deferred income tax expense (reduction)		<b>3,308</b>	(90)	<b>5,524</b>	922
Gain on disposition of undeveloped land		–	–	<b>(1,408)</b>	–
Settlement of decommissioning liabilities		–	(51)	<b>(97)</b>	(180)
Change in non-cash working capital	10	<b>2,962</b>	(5,165)	<b>2,352</b>	(12,077)
Net cash from (used in) operating activities		<b>26,703</b>	6,021	<b>48,982</b>	11,450
<b>FINANCING ACTIVITIES</b>					
Issue of common shares, net of issue costs	9	<b>502</b>	104,347	<b>2,261</b>	105,144
Increase (decrease) in bank debt		<b>20,123</b>	53,870	<b>(31,251)</b>	79,563
Issue of convertible debentures, net issue costs	7	–	–	<b>57,171</b>	–
Net cash from (used in) financing activities		<b>20,625</b>	158,217	<b>28,181</b>	184,707
<b>INVESTING ACTIVITIES</b>					
Exploration and evaluation expenditures		<b>(21,233)</b>	(26,625)	<b>(38,762)</b>	(45,034)
Property and equipment expenditures		<b>(19,854)</b>	(16,958)	<b>(39,805)</b>	(37,587)
Business acquisition, net of cash acquired	5, 15	–	–	–	(45,088)
Property and equipment acquisitions	5, 15	–	(122,676)	–	(122,676)
Proceeds on disposition of undeveloped land		–	–	<b>2,320</b>	–
Change in non-cash working capital	10	<b>(6,241)</b>	2,021	<b>(916)</b>	19,584
Net cash from (used in) investing activities		<b>(47,328)</b>	(164,238)	<b>(77,163)</b>	(230,801)
Change in cash and cash equivalents		–	–	–	(34,644)
Cash and cash equivalents, beginning of period		–	–	–	34,644
Cash and cash equivalents, end of period		–	–	–	–

See accompanying notes to the consolidated financial statements.

## **ABOUT ANGLE**

Angle Energy Inc. is a Calgary-based publicly traded oil and natural 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 its 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, and finding costs. 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 boe 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 maintenance turnaround of the processing facility in Harmattan and the impact of that turnaround, the allocation of the capital program, operating and royalty expense, expected well and reservoir performance, and drilling plans for the balance of 2011 including future development plans and costs of the Viking play. These estimates and statements are made as of August 5, 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; unanticipated reservoir performance 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 for the second quarter 2011, Annual Information Form and MD&A 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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