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## **NEWS RELEASE**

### **Angle Announces Material Asset Acquisition in its Edson Core Area, Edson Operational Update and \$55.3 Million Bought Deal Financing**

**Calgary, Alberta – June 7, 2009 – Angle Energy Inc.** ("Angle" or the "Company") (TSX: NGL) is pleased to announce that it has entered into a definitive purchase and sale agreement with an intermediate oil and gas company pursuant to which Angle will, subject to certain conditions, acquire producing assets (the "Assets") for cash consideration of \$115 million (the "Acquisition"). Angle is acquiring 2,200 boe/d of high working interest, operated oil, natural gas and natural gas liquids production and reserves as well as an extensive undeveloped land base, all adjacent to Angle's existing assets in the Edson area where Angle has had recent drilling success.

In conjunction with the Acquisition, Angle is also pleased to announce that it has entered into a \$55.3 million bought deal financing agreement with a syndicate of underwriters co-led by FirstEnergy Capital Corp. and Cormark Securities Inc. (the "Offering").

The Acquisition will be funded using a combination of the proceeds from the Offering and Angle's existing credit facility. The Acquisition and the Offering are expected to close on June 30th, 2010.

#### **Highlights of the Acquisition:**

The Assets to be acquired by Angle are highly complementary to and adjacent to the assets acquired earlier this year through the Company's acquisition of Stonefire Energy Corp. The Acquisition further demonstrates Angle's consistent approach to targeting high quality assets with identified upside potential.

The Acquisition has the following attributes:

- Current production of approximately 2,200 boe/d of which 80% is natural gas, 20% is light crude oil and natural gas liquids, which increases overall production in the Edson area to approximately 3,450 boe/d.
- High working interest lands and operated production; 68% working interest and 75% operated.
- Angle estimated reserves of 6.0 million boe proved and 8.1 million boe proved plus probable effective as of July 1, 2010.
- Reserve life index of 7.5 years on proven reserves and 10.1 years on proven plus probable reserves.
- Undeveloped land of 23,385 net acres which Angle estimates to have a value of in excess of \$5 million.
- An identified inventory of 40 to 60 potential horizontal locations on the acquired lands.
- Accretive to Angle on a per share basis on all key metrics.

Anticipated benefits and upside potential associated with the Acquisition:

- Opportunities to extend and repeat the success Angle has had with emerging play-types and new completion techniques in the Edson area.
- The Edson area has proven resource exploitation potential using horizontal wells with multi-stage fracture completions, in several liquids-rich, sweet gas reservoirs including the Notikewin, Falher, Viking, Cardium and Bluesky.
- Many of the target formations on the acquired lands and Angle's existing Edson lands are in the range of 2,000 to 2,400 meters in vertical depth, which will benefit from the recently announced Alberta Crown royalty incentives modifications which make wells drilled in such formations eligible for the Natural Gas Deep Drilling Program.
- The expansion underway of Angle's existing owned and operated gas plant in the area to 17 MMcf/d as well as other identified facility and operational optimizations will further enhance economies of scale of Angle's operations in the Edson area.
- Minimal incremental G&A expense is expected given the 'tuck-in' nature of the acquisition, helping to secure Angle's position as one of the lowest cost producers in Western Canada.
- Angle is seeking and is confident of an expansion of \$35 million to our existing revolving, committed credit facility to a total of \$155 million. The new credit facility is subject to credit approval and satisfaction of conditions that are typical of transactions of this nature, including closing of the Acquisition. The planned incremental borrowing capacity associated with the Assets will help Angle retain its strong balance sheet and financial flexibility.

#### **Acquisition Metrics:**

Based on Angle's internal estimate of at least \$5 million in value for the undeveloped land and proprietary seismic acquired, added production of 2,200 boe/d and Angle's internal estimate of 6.0 million boe of proved and 8.1 million boe of proved plus probable reserves added, the key transaction metrics are as follows:

- \$50,000 per boe/d of production;
- \$18.43 per proved boe of reserves; and
- \$13.59 per proved plus probable boe of reserves

Angle's President and COO, Heather Christie-Burns commented: "This asset acquisition presented a unique opportunity to add directly complementary lands to Angle's high quality asset base acquired in January 2010 via the Stonefire transaction, and represents another step in Angle's evolution as a resource-focused company with a multi-year drilling inventory across its concentrated west central Alberta asset base. We continue to focus on adding value through the drill bit and to take advantage of transaction opportunities that extend Angle's play concepts and drilling inventory. This transaction is strategic, immediately accretive and has high quality horizontal drilling opportunities targeting multi-zone liquids rich gas and light oil resource plays."

#### **Edson Operational Update:**

As reported in Angle's first quarter operational update released April 15, 2010, Angle commenced drilling operations in late January in the Edson area, following the closing of the Stonefire transaction.

Angle's goal in 2010 is to test several liquid-rich gas and light oil target formations with horizontal, multi-stage fractured wells across the Company's asset base, evaluate well performance, and develop large scale drilling programs in the formations with the best project value for 2011.

Angle has drilled four wells to date in the Edson area (3.3 net) with 100% success; two horizontal wells (1.3 net) targeting the Notikewin, one (1.0 net) vertical well to allow formation evaluation of the Cardium and the Falher zones, and most recently, one (1.0 net) horizontal well to test the Falher zone.

The Company is encouraged with the results to date from the completion and testing operations of the Falher horizontal well. The well was rig released in April after being drilled to a measured depth of 3500 m, with completion commencing in early May 2010. Angle performed a 10 stage propane fracture treatment and subsequently flowed the well for a total of 7.5 days at average rates of 3-4 MMcf/d, with rates as high as 6.0 MMcf/d under restricted flow back conditions due to the temperatures reached in the surface well test equipment.

The Falher had only been tested in vertical wellbores in the area to date and showed stable productivity on average of 400 Mcf/d. The zone is extensive through Angle's existing asset base and extends to the lands associated with the Acquisition, with volumetrically calculated gas in place (discovered resource in place) of up to 15 Bcf per section. Angle's horizontal drilling success in the zone represents an important first step in developing capital focus in the Company's 2011 project plans.

### **The Offering:**

In conjunction with the Acquisition, Angle has entered into an agreement with a syndicate of underwriters co-led by FirstEnergy Capital Corp. and Cormark Securities Inc. as joint bookrunners, and including Dundee Securities Corporation, BMO Capital Markets, CIBC World Markets Inc., National Bank Financial Inc., and Peters & Co. Limited (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 7,000,000 subscription receipts ("Subscription Receipts") at a price of \$7.90 per Subscription Receipt, for aggregate gross proceeds of approximately \$55.3 million.

In addition, the Underwriters have been granted an over-allotment option, exercisable for a period commencing at closing of the offering (the "Closing") and ending 30 days following Closing, to purchase up to 1,050,000 additional Subscription Receipts at a price of \$7.90 per Subscription Receipt. If the over-allotment is fully exercised, gross proceeds from the offering will be approximately \$63.6 million.

Each Subscription Receipt shall entitle the holder thereof to receive, for no additional consideration and without further action, one common share ("Common Share") of the Company, upon satisfaction of the Escrow Release Conditions (defined below). The gross proceeds of the Subscription Receipt offering (the "Escrowed Funds") will be held in escrow and will be released to the Company upon satisfaction of the following conditions ("Escrow Release Conditions"): (i) the closing of the Acquisition in accordance with the terms and conditions of the purchase and sale agreement; and (ii) receipt by the Company of all necessary regulatory and other approvals (including the approval of the TSX) for the Acquisition and the issuance of the Common Shares issuable pursuant to the Subscription Receipts. In the event that the Escrow Release Conditions are not satisfied at or before 4:00 pm (Calgary time) on August 31, 2010, or the purchase and sale agreement is terminated or Angle advises the Underwriters or the public that it does not intend to proceed with the Acquisition, the Escrowed Funds, together with accrued interest thereon, shall be returned to the holders of the Subscription Receipts.

The Subscription Receipt offering is expected to close on or about June 30th, 2010 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

### **Financial Advisor:**

Cormark Securities Inc. acted as exclusive financial advisor to Angle with respect to the Acquisition.

### **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".

This news release does not constitute an offer to sell or a solicitation of any offer to buy the securities in the United States. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements of such Act. The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

### **Forward-Looking Information**

*The information with respect to Angle Energy contained herein, contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking information typically contains statements with words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes and in this press release include the completion and timing of the Acquisition and the offering, the anticipated outcome and benefits of the Acquisition, results of drilling, drilling inventory, reserves, land and seismic values, ability and status of facility expansion, ability to remain low cost operator and the outcome and benefits of an expanded credit facility.*

*Forward-looking statements are based on the Company's experience and current beliefs as well as assumptions made by, and information currently available to, the Company concerning anticipated geological, well and financial performance, business prospects and strategies associated with the Assets, regulatory developments, future commodity prices, future production levels, the ability to obtain equipment in a timely manner to carry out development activities, the ability to market oil and natural gas successfully to current and new customers, the impact of increasing competition and actions of industry players in the greater Edson area, the ability to obtain financing on acceptable terms, and the ability to add production and reserves through development and exploration activities based on historical cost structures. Figures in respect of discovered resources provided in this press release are estimates made by the Corporation's management and actual figures and recovery factors may be less than anticipated. Given the risk of cost of development and fluctuating commodity prices, there is no certainty that it will be commercially viable to produce any portion of the resources mentioned. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.*

*By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. These risks include, but are not limited to risks associated with reservoir performance, other oil and gas exploration in the area, financial risks of increasing debt, relying on bank financing, changing government regulation, unexpected environmental or other operational incidences, complications in facility expansion, prices, markets and marketing of petroleum substances, dependence on key personnel, availability of drilling equipment and access to properties, risks may not be insurable, management of growth, expiration of licenses and leases, reserves estimates may be inaccurate, weather affecting drilling plans, and title to properties*

*Further information regarding these risks and other factors that affect forward looking statements may be found under the heading "Risk Factors" in Angle Energy's current Annual Information Form and in the Company's most recent financial statements, management's discussion and analysis, management information circular, material change reports and news releases. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. Given these risks and uncertainties, there can be no assurance that the assumptions, plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to Angle and its shareholders.*

*The forward-looking statements contained in this news release and assumptions underlying such statements are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.*

**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.*

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