



INSIGNIA

## NEWS RELEASE

### INSIGNIA ENERGY PROVIDES OPERATIONAL UPDATE AND 2009 CORPORATE GUIDANCE

**February 13, 2009, Calgary, Alberta** – Insignia Energy Ltd. ("**Insignia**" or the "**Company**") (TSX:ISN) is pleased to provide an operational update and 2009 corporate guidance.

#### **Operational Update including Crossfire 9-01-50-06W5**

The Company achieved its target exit production for 2008, exiting the year at approximately 1,000 BOE/d.

At the end of 2008, the Pembina Crossfire 9-01-50-6W5 well (Insignia 15% working interest) was shut in for a bottom-hole pressure survey required under the Good Production Practice (GPP) approval issued by the ERCB for the well. The operator of the well and the joint interest partners, including Insignia, are continuing to evaluate the results of the pressure data as well as other pertinent information and, at this time, Insignia expects the well to be shut in for approximately three to five months. The production loss to Insignia is approximately 350 BOE/d.

Insignia's current production is approximately 700 BOE/d.

#### **2009 Corporate Guidance**

Given the current commodity price environment, royalties and present costs, the Board of Directors of Insignia has taken a conservative approach to its capital investment and has approved a 2009 capital budget of \$5 – \$8 million. The allocation of this capital is expected to be approximately 60% drilling, 20% equipping and 20% land and seismic.

The risked production additions from this program are expected to result in an average 2009 production rate of 800 – 900 BOE/d and a year-end exit rate of 1,000 – 1,100 BOE/d. Both estimates assume the Crossfire 9-01 well comes back on production towards the end of the first half of the year.

In addition to funds available for its 2009 capital program, the Company currently has approximately \$53 million in cash (which includes the \$25 million Tricap Partners Ltd. equity line) and the Company is currently targeting accretive corporate and asset acquisitions with these cash resources. The production guidance provided above does not include any production that may be acquired.

#### **Cautionary Statements**

*Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in this press release are derived by converting gas to oil according to this 6 Mcf to 1 Bbl ratio.*

*Certain information set forth in this press release, including without limitation anticipated capital expenditures amounts and the allocation and timing of such expenditures, timing of resumption of currently shut-in production, production rates, and the anticipated benefits from any potential targeted corporate and asset acquisitions contain forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Insignia's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve 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 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. Insignia'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 statement will transpire or occur, or if any of them do so, what benefits that work and will derive therefrom. Insignia disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

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