



INSIGNIA

**INSIGNIA ENERGY LTD. ANNOUNCES ITS FINANCIAL AND OPERATING
RESULTS FOR YEAR ENDED DECEMBER 31, 2008
AND FILES 2008 DISCLOSURE DOCUMENTS**

Calgary, Alberta, March 27, 2009 - Insignia Energy Ltd. ("ISN" - TSX) is pleased to announce its financial and operating results for the three months and year ended December 31, 2008 and provide corporate guidance for 2009 as follows:

CORPORATE HIGHLIGHTS

	Three months ended			Year Ended	
	December 31, 2008 \$	September 30, 2008 \$	December 31, 2007 \$	December 31, 2008 \$	December 31, 2007 \$
Financial					
(\$ thousands, except per share amounts)					
Oil and natural gas sales	5,135	3,831	273	10,778	1,003
Funds from operations ⁽¹⁾	1,551	1,488	(58)	3,760	111
Per share - Basic and diluted ⁽¹⁾	0.12	0.16	(0.01)	0.50	0.03
Net loss	(22,893)	(1,425)	(376)	(24,477)	(378)
Per share - Basic and diluted	(1.82)	(0.16)	(0.09)	(3.26)	(0.10)
Working capital	27,658	30,246	16,265	27,658	16,265
Future proceeds from equity line ⁽²⁾	25,000	25,000	-	25,000	-
Total capital resources available ⁽³⁾	52,658	55,246	16,265	52,658	16,265
Property and equipment	32,137	49,095	4,520	32,137	4,520
Total assets	65,701	87,384	21,333	65,701	21,333
Weighted average common shares outstanding (thousands):					
Basic and diluted ⁽⁴⁾	12,609	9,083	4,112	7,497	3,958
Operating					
(boe conversion - 6:1 basis)					
Average daily production					
Natural gas (mcf/d)	3,842	3,390	490	2,367	414
Oil and NGL (bbls/d)	495	168	-	167	-
Total (boe/d)	1,135	733	82	561	69
Product prices					
Natural gas (\$/mcf)	6.78	7.22	6.06	7.46	6.64
Oil and NGL (\$/bbl)	59.75	101.52	-	70.33	-
Total (\$/boe)	49.16	56.81	36.35	52.46	39.85
Operating netback (\$/boe) ⁽¹⁾	19.82	27.35	8.96	24.03	18.65

- (1) Funds from operations, funds from operations per share and operating netback are not defined by GAAP in Canada and are referred to as non-GAAP measures. Funds from operations is cash provided by operating activities before changes in non-cash working capital and before abandonment and reclamation costs. Funds from operations per share is calculated by dividing funds from operations by the weighted average number of shares outstanding, consistent with the calculation of net loss per share. Operating netback per boe is calculated as total oil and natural gas revenue less royalties, operating costs and transportation costs calculated on a boe basis.
- (2) Insignia has a \$25 million unused equity line whereby Tricap Partners Ltd. are committed, prior to July 31, 2009, to subscribe for an additional 3,676,470 common shares of the Company at a price of \$6.80 per share.
- (3) Total capital resources available includes working capital plus future proceeds from the equity line with Tricap Partners Ltd.
- (4) Excludes shares to be issued pursuant to the Tricap Partners Ltd. equity line.

MESSAGE TO SHAREHOLDERS

Insignia Energy Ltd. (“Insignia or the Company”) is pleased to report to its shareholders the financial and operating results for the three and twelve months ended December 31, 2008. We note that this is the first full reporting quarter since the reverse take-over (the “RTO”) of Flagship Energy Inc. which closed on July 31, 2008.

Production for the quarter averaged 1,135 boe/d, comprising 495 bbls/d of oil and NGL’s and 3,842 mcf/d of natural gas. Funds from operations totaled \$1.55 million based on average product prices of; \$6.78 per mcf for natural gas and \$59.75 per bbl of oil. Natural gas prices were 6% lower and the oil price was 41% lower this quarter as compared to the previous quarter.

Insignia ended the fourth quarter with a strong balance sheet consisting of \$27.7 million of positive working capital and no debt. Further, and as highlighted in Note 6 to our Financial Statements, Insignia has a \$25.0 million unused equity line whereby Tricap Partners Ltd. (“Tricap”) are committed, prior to July 31, 2009, to subscribe for an additional 3,676,470 shares of Insignia at a price of \$6.80 per share. For further details on the Tricap equity line, please refer to the agreement titled Equity Commitment Agreement dated July 31, 2008 posted on the SEDAR website.

FOURTH QUARTER 2008 HIGHLIGHTS

- At the end of the quarter, the Company had 12.59 million common shares outstanding and 3.67 million special voting shares (Tricap equity line) that are scheduled to be converted into common shares prior to July 31, 2009, and which, once converted, will result in total outstanding common shares of 16.27 million.
- In the fourth quarter, the Company operated the drilling of three (2.75 net) wells, all of which were subsequently cased and completed for production. A 75% well drilled on our Beaverhill Lake property was tied in subsequent to year end and is producing approximately 400 mcf/d (300 mcf/d net). A 100% well drilled on our Sedalia property is currently being evaluated and we expect this well to be tied in mid year 2009 at approximately 300 mcf/d and, lastly, a 100% well at Redwater was drilled and will be tied in pending improved commodity prices.
- In December, the Company temporarily shut in four 100% wells on its Retlaw property due to low netbacks. These wells continue to be shut in resulting in a temporary net production loss of approximately 35 boe/d.
- In December, the Pembina Crossfire 9-01-50-6W5 well (Insignia 15%) was shut in for a bottom-hole pressure survey required under the Good Production Practice (“GPP”) approval of the ERCB for the well. We are continuing to evaluate the pressure information from this well in addition to other pertinent information and expect that the well will be placed back on production sometime in mid Q2/09. The temporary production loss net to Insignia is approximately 350 boe/d.
- The Company exited December at a production rate of approximately 1,000 boe/d. After applying the loss of production from the shut-in Crossfire 9-01 well and the Retlaw property, as well as the 50 boe/d production increase from work performed to date in the first quarter of 2009, Insignia’s current production is approximately 650 boe/d.
- The Company has, inclusive of the Tricap equity line, in excess of \$52.0 million of capital resources, which on a per share basis, after giving consideration to the shares issued to Tricap pursuant to the equity line, represents approximately \$3.24 per share.

YEAR END HIGHLIGHTS

- Reserves: Total Proved 773 mboe's Gross, Total Proved plus Probable 1,818 mboe's Gross
- Net Present Value ("NPV") of Future Net Revenue Total Proved plus Probable: Discounted at 10% - \$26.8 million, Discounted at 15% - \$23.1 million
- NAV per share is \$4.88 per share, based on 16.27 million shares, after giving effect to the Tricap equity line. This includes working capital, proceeds from the equity line and NPV discounted at 10% but excludes land and seismic.

OUTLOOK

We are currently living and operating in a world with much uncertainty. Global financial and commodity markets are undergoing significant change and this will likely continue for much of 2009 and perhaps into 2010. Although the short term outlook remains cloudy, the long term fundamentals in the oil and gas sector remain promising. We are in the business to find, develop and produce a source of energy that is not only non-renewable but is the present fuel of choice throughout the world. And this is expected to continue for the foreseeable future. As the world economy recovers, it is expected that the demand for this resource will increase and, since it is limited in supply, fundamental economics dictate that the price of this resource should go up.

Operating in this environment of uncertainty is not easy but, at Insignia, we remain disciplined and focused to execute our strategy of acquiring and developing quality oil and gas reserves. We will exercise patience when required and protect our strong balance sheet but not at the expense of failing to execute on our business plan. Our 2009 capital program will be reviewed quarterly throughout the year in the context of commodity prices, cost environment and financial markets. We look at 2009 as a year that will present as many opportunities as challenges.

Insignia is uniquely positioned with a strong balance sheet with over \$52.0 million in capital resources (which includes the \$25.0 million Tricap equity line) and no debt. Given the current market cycle where we believe that acquisitions are more attractive than drilling, we are targeting accretive corporate and asset acquisitions with these resources. To date, the acquisition market has generally been fairly quiet stemming from both the market volatility and the speed at which the market has changed. We do believe, however, that, as this recession continues, the opportunities will not only become more abundant but that there will be better quality assets presented to those that, like Insignia, have the resources to pursue them.

Although our focus is on accretive acquisitions, our Board has approved a conservative 2009 operating budget of between \$5.0 to \$8.0 million with the allocation of this capital being split 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. Any acquisitions completed throughout 2009 would be additive to these estimates.

Although we believe over the long term that supply and demand fundamentals will result in significant upside for both oil and natural gas prices, we will remain disciplined and patient to enable us to weather an extended period of low prices should this occur before the recovery begins. We believe our counter-cyclical strategy of acquiring quality assets at attractive prices will serve us well when the inevitable recovery arrives.

RESERVE HIGHLIGHTS

Insignia Energy Ltd. is pleased to provide the results of its independent reserve evaluation prepared by GLJ Petroleum Consultants Ltd. (“GLJ”) which was prepared utilizing the methodology and definitions as set out under National Instrument 51-101 (“NI 51-101”). Where volumes are expressed on a barrel of oil equivalent (“boe”) basis, gas volumes have been converted to boe at 6,000 cubic feet per barrel (6 mcf/bbl).

The reserve data provided in this release only represents a summary of the disclosure required under NI 51-101. Additional disclosure will be provided in the Company’s Annual Information Form filed at www.sedar.com on or before March 31, 2009.

Insignia has a Reserves Audit and EH&S Committee of independent board members, which reviews the qualifications and appointment of the independent reserve evaluators. The committee also meets with management periodically to review reserve evaluation process and results.

SUMMARY OF OIL AND GAS RESERVES AND NET PRESENT VALUES OF FUTURE NET REVENUE AS OF DECEMBER 31, 2008 FORECAST PRICES AND COSTS

RESERVES CATEGORY	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
PROVED								
Developed Producing	61	44	20	24	3,393	2,889	18	12
Developed Non-Producing	40	24	6	5	362	286	2	1
Undeveloped	–	–	–	–	–	–	–	–
TOTAL PROVED	101	67	26	29	3,755	3,175	20	13
PROBABLE	98	69	175	150	4,526	3,634	18	12
TOTAL PROVED PLUS PROBABLE	199	136	201	179	8,281	6,809	37	25

NET PRESENT VALUES OF FUTURE NET REVENUE

RESERVES CATEGORY	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)				
	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
PROVED										
Producing	17,086	15,145	13,662	12,490	11,540	17,086	15,145	13,662	12,490	11,540
Developed										
Non-Producing	1,204	1,040	919	826	753	1,204	1,040	919	826	753
Undeveloped	30	26	23	20	18	30	26	23	20	18
TOTAL PROVED	18,319	16,211	14,604	13,337	12,311	18,319	16,211	14,604	13,337	12,311
TOTAL PROBABLE	20,640	15,647	12,208	9,736	7,899	20,640	15,647	12,208	9,736	7,899
TOTAL PROVED PLUS PROBABLE	38,959	31,859	26,812	23,073	20,209	38,959	31,859	26,812	23,073	20,209

Note:

- (1) Net present value of future net revenue does not represent fair market value.
- (2) Other Company revenue and costs not related to a specific production group have been allocated proportionately to the above noted production groups.

- (3) Estimated future abandonment and reclamation costs related to a property have been taken into account by GLJ in determining reserves that should be attributed to a property and, in determining the aggregate future net revenue therefrom, there was deducted the reasonable estimated future well abandonment costs. No allowance was made, however, for reclamation of well sites or the abandonment and reclamation of any facilities or wells which have no reserves assigned.
- (4) The forecast price and cost assumptions assume the continuance of current laws and regulations.
- (5) The extent and character of all factual data supplied to GLJ were accepted by GLJ as represented. No field inspection was conducted
- (6) The impact of the optional Transitional Royalty Rate ("TRR") (announced by the Alberta Government on November 19, 2008) was considered in forecasts of future drilling in Alberta and taken into account in the above calculations of future net revenue. In the calculation of future net revenue the Corporation is assumed to opt for TRR on new wells where justified by a comparison of economics under TRR and the NRF (as defined herein). The effects of the short term incentive program announced by the Government of Alberta on March 3, 2009 were not included or considered in the calculation of reserves and future net revenue.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
FORECAST PRICES AND COSTS
GLJ FORECAST EFFECTIVE JANUARY 1, 2009**

Year	OIL		NATURAL GAS				Inflation Rates ⁽¹⁾ %/Year	Exchange Rate ⁽²⁾ (\$US/\$Cdn)
	WTI at Cushing Oklahoma (\$US/Bbl)	Edmonton City Gate (\$Cdn/Bbl)	Natural Gas AECO Average Price (\$Cdn/Mcf)	Pentanes Plus Edmonton Par (\$Cdn/Bbl)	Butanes Edmonton Par (\$Cdn/Bbl)			
Forecast								
2009	57.50	68.61	7.58	69.98	52.14	2.0	0.825	
2010	68.00	78.94	7.94	80.52	61.57	2.0	0.850	
2011	74.00	83.54	8.34	85.21	65.16	2.0	0.875	
2012	85.00	90.92	8.70	92.74	70.92	2.0	0.925	
2013	92.01	95.91	8.95	97.82	74.81	2.0	0.950	
2014	93.85	97.84	9.14	99.80	76.32	2.0	0.950	
2015	95.73	99.82	9.34	101.81	77.86	2.0	0.950	
2016	97.64	101.83	9.54	103.87	79.43	2.0	0.950	
2017	99.59	103.89	9.75	105.97	81.03	2.0	0.950	
2018	101.59	105.99	9.95	108.10	82.67	2.0	0.950	
2019+			Escalated oil, gas and product prices at 2% per year thereafter					

Notes:

- (1) Inflation rates for forecasting prices and costs.
- (2) Exchange rates used to generate the benchmark reference prices in this table.

**RECONCILIATION OF GROSS RESERVES
BY PRINCIPAL PRODUCT TYPE
FORECAST PRICES AND COSTS**

FACTORS	LIGHT AND MEDIUM OIL			HEAVY OIL			CONVENTIONAL GAS			NGL		
	Proved (Mbbbl)	Prob-able (Mbbbl)	Proved Plus Prob-able (Mbbbl)	Proved (Mbbbl)	Prob-able (Mbbbl)	Proved Plus Prob-able (Mbbbl)	Proved (MMcf)	Prob-able (MMcf)	Proved Plus Prob-able (MMcf)	Proved (Mbbbl)	Prob-able (Mbbbl)	Proved Plus Prob-able (Mbbbl)
December 31, 2007	-	-	-	-	-	-	1,503	1,885	3,388	-	-	-
Extensions	-	-	-	-	-	-	123	90	213	1	1	2
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	-	-	-	-	-	-	(174)	(169)	(343)	-	-	-
Discoveries	65	36	101	-	-	-	48	24	72	1	1	2

FACTORS	LIGHT AND MEDIUM OIL			HEAVY OIL			CONVENTIONAL GAS			NGL		
	Proved (Mbbl)	Prob- able (Mbbl)	Proved Plus Prob- able (Mbbl)	Proved (Mbbl)	Prob- able (Mbbl)	Proved Plus Prob- able (Mbbl)	Proved (MMcf)	Prob- able (MMcf)	Proved Plus Prob- able (MMcf)	Proved (Mbbl)	Prob- able (Mbbl)	Proved Plus Prob- able (Mbbl)
Acquisitions	87	62	149	31	175	207	3,110	2,685	5,795	21	16	37
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Production	(51)	-	(51)	(6)	-	(6)	(865)	-	(865)	(4)	-	(4)
Economic Factors	-	-	-	-	-	-	10	11	21	-	-	-
December 31, 2008	101	98	199	26	176	201	3,755	4,526	8,281	20	18	37

Note: Insignia has no unconventional reserves (Bitumen, Synthetic Crude Oil, Natural Gas from Coal, etc.).

*The discussion of our oil and natural gas production and related performance measures is presented on a working-interest, before royalties basis. For the purpose of calculating unit information, natural gas is converted to a barrel of oil equivalent (“boe”) using six thousand cubic feet of natural gas equal to one barrel of oil. **Readers are cautioned that boe’s may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.** In this press release: boe/d means boe per day; mcf/d means thousand cubic feet per day, bbl means barrel, mbbl means thousand barrels, mmcf means million cubic feet and mboe means thousand boe’s.*

Investors are further cautioned that the preparations of financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) requires management to make estimates and assumptions that affect the reported amounts of our assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and our revenues and expenses during the reporting period. Our management reviews these estimates, including those related to accruals, environmental and asset retirement obligations, income taxes, and the determination of proved reserves on an ongoing basis. Changes in facts and circumstances may result in revised estimates and actual results may differ from these estimates.

Certain financial measures referenced to in this news release are not prescribed by Canadian GAAP. These non-GAAP financial measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. We include these measures because management utilizes them to analyze operating and financial performance. The additional information should not be considered in isolation or as a substitute for measures of performance prepared in accordance with the Canadian GAAP. We use funds from operations which is cash provided by operating activities before changes in non-cash working capital and before abandonment and reclamation costs. Funds from operations per share is calculated by dividing funds from operations by the weighted average number of shares outstanding, consistent with the calculation of net loss per share. Funds from operations netback per boe is calculated as funds from operations divided by our total boe produced. We also use operating netback per boe. This is calculated as total oil and natural gas revenue less royalties, operating costs and transportation costs calculated on a boe basis.

Forward Looking Statements

Statements throughout this Press Release that are not historical facts may be considered to be “forward looking statements”. These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals, or future plans, including, without limitation, management’s assessment of future plans and operations, anticipated commodity prices and their impact, timing of expenditures, budgeted capital expenditures and the method of funding thereof, timing of drilling and wells to be brought on production, completion and tie-in of wells, expected royalty rates and changes to the Alberta royalty regime and the possible effect thereof on the Company and its allocation of capital, expected royalty rates, operating costs and general and administrative expenses and the expected levels of production rates and anticipated acquisition and benefits derived therefrom may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks

associated with oil and gas exploration, development, exploitation, production, marketing and transportation, volatility of commodity prices, imprecision of reserve estimates, environmental risks, competition from other producers, incorrect assessment of the value of acquisitions, failure to complete and/or realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and changes in the regulatory and taxation environment. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the ability of the Company to obtain equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through development of exploration; future oil and natural gas prices; interest rates; the regulatory framework regarding royalties, and the ability of the Company to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included elsewhere herein and in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), or at the Company's website (www.insigniaenergy.ca). Furthermore, the forward-looking statements contained in this Press Release are made as at the date of this Press Release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

Insignia is a publicly listed junior oil and gas exploration and development company based in Calgary, Alberta. Insignia's shares trade on the TSX under the symbol "ISN".

Copies of the Financial Statements, Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2008 will be filed with Canadian securities regulators and will be available on SEDAR and can be accessed at www.sedar.com or by visiting Insignia's website at www.insigniaenergy.ca.

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