



INSIGNIA

## News Release

### INSIGNIA ENERGY LTD. ANNOUNCES RESULTS FROM ITS FOURTH QUARTER 2009 DRILLING PROGRAM

January 19, 2010, Calgary, Alberta. Insignia Energy Ltd. (“Insignia” or the “Company”) (TSX: ISN) is providing an operational update with respect to its fourth quarter 2009 drilling program.

At Pouce Coupe, Alberta, the Company has drilled, cased and completed a 100% owned horizontal well at 13-29-77-11 W6M (the “13-29 well”) to a total depth of 3,450 meters which includes a 1,285 meter horizontal section in the Lower Doig formation. Sample and background gas analysis indicated high quality reservoir for the entire length of the horizontal. The well was successfully completed through a cemented liner with 9 separate multi stage fracture completions. Following completion, the well produced up 4 1/2” casing for a clean-up and test period of 140 hours. The final flow rate was approximately 4 mmcf/d at a flowing wellhead pressure of approximately 600 pounds per square inch.

The 13-29 well is currently shut in pending the recovery of downhole pressure recorders and, once retrieved, it is anticipated that the well will be tied in and placed on production prior to the end of February 2010. The Company has approximately 29 net sections of land in the immediate area. This land is prospective for both the Montney and Doig formations and Insignia has identified in excess of 80 net drilling locations.

At Caroline, Alberta, the Company has drilled, cased, completed and tied in a 100% owned vertical well at 16-13-34-7 W5M (the “16-13 well”) to a total depth of 3100 meters. The 16-13 well was successfully completed in six separate intervals including the Glauconitic, Ostracod and Ellerslie formations. The well has been on production since early January 2010, at an average rate of approximately 2 mmcf/d of liquids rich gas plus 25 bbls/d of free condensate for a total production rate of approximately 350 boe/d.

The Caroline area is located in the heart of the Alberta deep basin and has multi zone stacked horizons including the shallow Cardium and Viking formations as well as the deeper formations recently completed by Insignia in the 16-13 well. This is an emerging area for Insignia and, at present, the Company has 15 net sections of prospective lands and has identified in excess of 15 net drilling locations on these lands.

At Grand Prairie, Alberta, the Company has drilled, cased and completed a 100% vertical well at 16-1-72-7 W6M (the “16-1 well”) to a total depth of 1,120 meters. The 16-1 well was targeting the Dunvegan formation and this formation has been completed and is pending further analysis.

As previously disclosed, the Company is advancing its drilling and capital program for the first half of 2010 which presently includes follow up drilling at each of its Pouce Coupe and Caroline areas with an additional 100% owned horizontal well planned at Pouce Coupe and up to 2 (1.5 net) vertical wells at Caroline.

As well, in the Pembina area, Insignia holds 4.5 net sections in Twp 48 Rge 5 W5M. These lands are highly prospective for the Cardium oil development. The Company has identified approximately 24 net drilling locations on these lands and is currently moving forward to drill the first of these wells in mid 2010.

The Company exited 2009 at a rate of 2,050 boe/d and is currently producing approximately 2,350 boe/d.

#### Reader’s Advisory

*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, mmcf/d means million cubic feet per day, bbl means barrel, mbbl means thousand barrels, mmcf means million cubic feet and mboe means thousand boe's.

#### *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, among others, 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, anticipated demand for commodity prices, timing of expenditures, budgeted capital expenditures and the nature of those expenditures and the method of funding thereof, drilling plans and the timing of drilling and wells to be brought on production, completion and tie-in of wells and the timing thereof, exit production rates and allocation of capital, 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 and 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](http://www.sedar.com)), or at the Company's website ([www.insigniaenergy.ca](http://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".

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