



INSIGNIA

## INSIGNIA ENERGY ANNOUNCES A 600% INCREASE IN 2009 YEAR-END RESERVES

CALGARY, Alberta, March 2, 2010 – Insignia Energy Ltd. ("ISN" – TSX) ("Insignia" or the "Company") is pleased to announce the results of its independent reserve evaluation effective December 31, 2009 of the Company's reserves by GLJ Petroleum Consultants Ltd. ("GLJ").

### 2009 YEAR-END RESERVE HIGHLIGHTS

- Proved reserves increased by 601% to 5.4 mmboe and proved plus probable reserves increased by 630% to 13.3 mmboe, compared to 2008 year end levels.
- On a per-share basis, proved plus probable reserves increased by 200% and proved reserves increased by 188% compared to 2008 year end levels.
- The net present value of the future net revenue attributable to the Company's proved plus probable reserves (before tax and discounted at 10%) was \$158.1 million resulting in a net asset value per share of \$5.42 per common share.
- Insignia replaced 2300% of annual production for an all-in annual Finding, Development and Acquisition ("FD&A") cost of \$10.21 per barrel of oil equivalent ("boe") before consideration of future development capital ("FDC") on a proved plus probable basis. FD&A costs including FDC were \$18.01 per boe on a proved plus probable basis.
- Net acquisition spending was \$110.3 million resulting in a net acquisition cost of \$9.30 per boe on a proved plus probable basis, prior to FDC and \$17.63 per boe on a proved plus probable basis including FDC.
- Reserves additions resulted in a one year recycle ratio of 1.6 times based on an annual 2009 estimated operating netback of \$16.81 per boe and an annual FD&A cost of \$10.21 and a one year recycle ratio of 2.2 times based on a fourth quarter 2009 estimated operating netback of \$22.14 per boe and an annual FD&A cost of \$10.21.
- Based on fourth quarter 2009 average production of 2,243 boe per day, Insignia's reserve life index ("RLI") increased more than three times on a year over year basis to 16.2 years on proved plus probable basis and 6.6 years on a proved basis.

### NET ASSET VALUE ("NAV")<sup>(a)</sup>

\$Millions, except per share amounts	December 31, 2009 NAV GLJ Price Forecast (2010-01)	December 31, 2008 NAV GLJ Price Forecast (2009-01)
Net <sup>(b)</sup> Proved Plus Probable Reserves Discounted at 10% (Before Tax)	\$158.1	\$26.8
Undeveloped Lands <sup>(c)</sup>	30.2	8.5
Net Cash (Debt) (Unaudited) <sup>(d)</sup>	(17.4)	53.3
Proceeds from Dilutive Stock Options	3.3	0.4
Net Asset Value	174.2	89.0
Shares Outstanding (000's) <sup>(d)(e)</sup>	32,142	16,372
<b>NAV/Share</b>	<b>\$5.42</b>	<b>\$5.44</b>

(a) Financial information is based on management prepared financial statements for the year ended December 31, 2009 which are in the process of being audited by Insignia's independent auditors and, accordingly, such financial information is subject to change based on the results of the audit. See "Cautionary Statements – Unaudited Financial Information" below.

(b) "Net" means the Company's working interest (operating or non-operating) share after deduction of royalty obligations plus the Company's royalty interest in reserves.

(c) Undeveloped land value is based on a management prepared internal estimate as at December 31, 2009. Insignia had a total of 232,787 net undeveloped acreage at year end 2009.

(d) Net Cash (Debt) excludes any future income tax asset. For the 2008 year end it assumes that the Company's Equity Commitment was exercised whereby the Company would issue 3,676,470 common shares for total proceeds of \$25 million.

(e) Represents total common shares outstanding (basic) plus the dilutive stock options (2009-1,482,000, 2008-99,000).

## **RESERVES**

See “Cautionary Statement - Information Regarding Disclosure on Oil and Gas Reserves and Operational Information” for explanations and discussions and “Cautionary Statement - Forward looking information and statements” for a statement of principal assumptions and risks that may apply.

The Company’s total proved plus probable reserves increased by 630% in 2009 to 13.3 MMboe and proved reserves increased by 601% to 5.4 MMboe. These increases are mainly attributable to the acquisition of Grey Wolf Exploration Inc. (“Grey Wolf”) in the third quarter of 2009.

### **Summary of Oil and Gas Reserves as of December 31, 2009**

<b>RESERVES CATEGORY</b>	<b>LIGHT AND MEDIUM OIL</b>		<b>HEAVY OIL</b>		<b>CONVENTIONAL NATURAL GAS</b>		<b>NATURAL GAS LIQUIDS</b>		<b>TOTAL OIL EQUIVALENT</b>	
	<b>Gross (Mbbbl)</b>	<b>Net (Mbbbl)</b>	<b>Gross (Mbbbl)</b>	<b>Net (Mbbbl)</b>	<b>Gross (MMcf)</b>	<b>Net (MMcf)</b>	<b>Gross (Mbbbl)</b>	<b>Net (Mbbbl)</b>	<b>Gross (Mbbbl)</b>	<b>Net (Mbbbl)</b>
<b>PROVED</b>										
Producing	317	260	26	25	13,968	12,981	203	158	2,874	2,606
Developed Non-Producing	14	12	–	–	2,656	2,348	96	71	552	474
Undeveloped	–	–	–	–	11,052	9,889	152	108	1,994	1,756
<b>TOTAL PROVED</b>	<b>331</b>	<b>272</b>	<b>26</b>	<b>25</b>	<b>27,676</b>	<b>25,217</b>	<b>452</b>	<b>337</b>	<b>5,421</b>	<b>4,836</b>
<b>PROBABLE</b>	<b>199</b>	<b>157</b>	<b>9</b>	<b>8</b>	<b>42,074</b>	<b>35,300</b>	<b>635</b>	<b>425</b>	<b>7,856</b>	<b>6,473</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>530</b>	<b>429</b>	<b>35</b>	<b>33</b>	<b>69,749</b>	<b>60,518</b>	<b>1,087</b>	<b>761</b>	<b>13,277</b>	<b>11,309</b>

### **Net Present Values of Future Net Revenue As of December 31, 2009, Forecast Prices and Costs**

<b>RESERVES CATEGORY</b>	<b>BEFORE INCOME TAXES DISCOUNTED AT</b>					<b>AFTER INCOME TAXES DISCOUNTED AT</b>				
	<b>(%/year)</b>					<b>(%/year)</b>				
	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>
	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>	<b>(M\$)</b>
<b>PROVED</b>										
Producing	85,716	69,370	58,849	51,480	46,007	85,716	69,370	58,849	51,480	46,007
Non-Producing	16,901	14,026	12,021	10,555	9,440	16,901	14,026	12,021	10,555	9,440
Undeveloped	38,582	25,847	18,181	13,159	9,660	38,582	25,847	18,181	13,159	9,660
<b>TOTAL PROVED</b>	<b>141,198</b>	<b>109,243</b>	<b>89,051</b>	<b>75,195</b>	<b>65,107</b>	<b>141,198</b>	<b>109,243</b>	<b>89,051</b>	<b>75,195</b>	<b>65,107</b>
<b>TOTAL PROBABLE</b>	<b>173,402</b>	<b>104,917</b>	<b>69,050</b>	<b>47,790</b>	<b>34,121</b>	<b>145,797</b>	<b>90,933</b>	<b>61,292</b>	<b>43,200</b>	<b>31,272</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>314,600</b>	<b>214,160</b>	<b>158,101</b>	<b>122,984</b>	<b>99,228</b>	<b>286,995</b>	<b>200,176</b>	<b>150,343</b>	<b>118,395</b>	<b>96,379</b>

*Notes:*

- (1) Net present value of future net revenue may 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.

**Summary of Pricing and Inflation Rate Assumptions**  
**Forecast Prices and Costs, GLJ Forecast Effective January 1, 2010**

Year	OIL		NATURAL GAS				Inflation Rates <sup>(1)</sup> %/Year	Exchange Rate <sup>(2)</sup> (\$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								
2010	80.00	83.26	5.96	84.93	64.11	2.0	0.950	
2011	83.00	86.42	6.79	88.15	66.54	2.0	0.950	
2012	86.00	89.58	6.89	91.37	68.98	2.0	0.950	
2013	89.00	92.74	6.95	94.59	71.41	2.0	0.950	
2014	92.00	95.90	7.05	97.82	73.84	2.0	0.950	
2015	93.84	97.84	7.16	99.79	75.33	2.0	0.950	
2016	95.72	99.81	7.42	101.81	76.85	2.0	0.950	
2017	97.64	101.83	7.95	103.86	78.41	2.0	0.950	
2018	99.59	103.88	8.52	105.96	79.99	2.0	0.950	
2019	101.58	105.98	8.69	108.10	81.60	2.0	0.950	
2020+			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 NATURAL GAS		
	Proved (MbbL)	Probable (MbbL)	Proved Plus Probable (MbbL)	Proved (MbbL)	Probable (MbbL)	Proved Plus Probable (MbbL)	Proved (MMcf)	Probable (MMcf)	Proved Plus Probable (MMcf)
<b>December 31, 2008</b>	<b>101</b>	<b>98</b>	<b>199</b>	<b>26</b>	<b>176</b>	<b>201</b>	<b>3,755</b>	<b>4,526</b>	<b>8,281</b>
Discoveries	-	-	-	6	3	9	607	364	970
Extensions	-	-	-	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-
Technical Revisions	56	3	60	21	4	25	248	(1,179)	(931)
Acquisitions	227	96	323	-	-	-	25,821	38,531	64,352
Dispositions	-	-	-	(15)	(173)	(188)	(174)	(160)	(334)
Economic Factors	6	2	8	(6)	(1)	(7)	(37)	(9)	(46)
Production	(60)	-	(60)	(6)	-	(6)	(2,544)	-	(2,544)
<b>December 31, 2009</b>	<b>331</b>	<b>199</b>	<b>530</b>	<b>26</b>	<b>9</b>	<b>35</b>	<b>27,676</b>	<b>42,074</b>	<b>69,749</b>

FACTORS	NATURAL GAS LIQUIDS			BOE		
	Proved (MbbL)	Probable (MbbL)	Proved Plus Probable (MbbL)	Proved (MbbL)	Probable (MbbL)	Proved Plus Probable (MbbL)
<b>December 31, 2008</b>	<b>20</b>	<b>18</b>	<b>37</b>	<b>773</b>	<b>1,045</b>	<b>1,818</b>
Discoveries	17	10	27	124	74	198
Extensions	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions	10	(3)	7	127	(191)	(64)
Acquisitions	440	611	1,051	4,971	7,129	12,100
Dispositions	-	(1)	(2)	(44)	(201)	(245)
Economic Factors	(1)	1	-	(7)	-	(7)
Production	(33)	-	(33)	(523)	-	(523)
<b>December 31, 2009</b>	<b>452</b>	<b>636</b>	<b>1,087</b>	<b>5,421</b>	<b>7,856</b>	<b>13,277</b>

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

## FD&A COSTS

In 2009 Insignia's capital program was dominated (90% of the program) by the successful acquisition of Grey Wolf in the third quarter of 2009. Net acquisition spending was \$110.3 million resulting in a net acquisition cost of \$9.30 per boe on a proved plus probable basis, prior to FDC and \$17.63 per boe on a proved plus probable basis including FDC. Exploration and Development Expenditures ("E&D") included opportunistic land purchases and low cost seismic purchases in a low natural gas price environment. In 2009 Insignia spent \$12.1 million on E&D of which \$5.5 million was on land and seismic and \$6.6 million on drilling, completions and equipping, of which, \$4.5 million was associated with the Grey Wolf properties, incurred late in 2009 and no additional reserves were attributed to these expenditures in the 2009 reserve report.

	2009		2008		Three Year Average 2007-2009	
	Proved	Proved plus Probable	Proved	Proved plus Probable	Proved	Proved plus Probable
Exploration and Development expenditures (\$ thousands) (note 2)	12,131	12,131	5,866	5,866	21,121	21,121
Net Acquisitions/(Dispositions) (\$ thousands) (note 2)	110,259	110,259	45,313	45,313	157,302	157,302
Change in future development capital (\$ thousands)						
- Exploration and Development	(270)	(5,331)	(584)	(200)	(854)	(5,531)
- Acquisitions/Dispositions	25,563	98,756	1,352	9,818	27,649	110,308
Reserves additions after revisions (Mboe)						
- Exploration and Development	244	127	70	99	527	715
- Acquisitions/Dispositions	4,927	11,855	657	1,359	5,647	13,315
	5,171	11,982	727	1,458	6,174	14,030
<b>Finding, Development &amp; Acquisition Costs (\$/boe)</b>						
Including Change in Future Development Cost (note 1)						
Exploration and development	48.61	53.54	75.53	57.08	38.48	21.80
Acquisitions/Dispositions	27.57	17.63	70.99	40.57	32.75	20.10
Total F,D&A	28.56	18.01	71.43	41.70	33.24	20.19
Excluding Change in Future Development Cost						
Exploration and development	49.72	95.52	83.88	59.09	40.11	29.53
Acquisitions/Dispositions	22.38	9.30	68.93	33.35	27.85	11.81
Total F,D&A	23.67	10.21	70.37	35.10	28.90	12.72
Reserves Replacement Ratio	989%	2291%	355%	712%		
Reserve Life Index based on fourth quarter production (years)	6.6	16.2	1.9	4.4		

Notes:

- Calculation includes reserve revisions and changes in future development costs. Insignia also calculates finding, development and acquisition ("FD&A") costs which incorporate both the costs and associated reserve additions related to acquisitions net of any dispositions during the year. Since acquisitions can have a significant impact on Insignia's annual reserve replacement costs, the Company believes that FD&A costs provide a more meaningful portrayal of Insignia's cost structure.
- 2009 figures include information based on estimated unaudited financial results that may change on the completion of the audited financial statements.

## FDC USING FORECAST PRICES AND COSTS

Year	Proved Future Development Costs	Proved plus Probable Future Development Costs
	(\$ thousands)	(\$ thousands)
2010	20,333	36,741
2011	5,911	33,686
2012	-	28,481
2013	-	5,306
2014	-	-
2015 and subsequent	552	563
Undiscounted total	26,795	104,777
Discounted @ 10%/yr	24,836	90,776

## **LAND HOLDINGS**

The Company has completed an internal evaluation of the fair market value of the Company's undeveloped land holdings as at December 31, 2009. This evaluation was completed principally using industry activity levels, third party transactions and land acquisitions that occurred in proximity to Insignia's undeveloped lands during the past year. The Company has estimated the value of its net undeveloped acreage at \$30.2 million.

A summary of the Company's land holdings at December 31, 2009 is outlined below:

(acres)	Developed		Undeveloped		Total	
	Gross	Net	Gross	Net	Gross	Net
Alberta	92,103	61,247	200,692	171,110	292,795	232,357
Other	26,408	21,609	76,340	61,677	102,748	83,286
Total	118,511	82,856	277,032	232,787	395,543	315,643

## **CAUTIONARY STATEMENTS**

### ***Unaudited financial information***

*Certain financial and operating information included in this press release for the quarter and year ended December 31, 2009, such as exploration and development expenditures, finding, development and acquisition costs, operating netback and net asset value, are based on estimated unaudited financial results for the quarter and year then ended, and are subject to the same limitations as discussed under "Forward- looking information and statements" set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2009 and changes could be material.*

### ***Information Regarding Disclosure on Oil and Gas Reserves and Operational Information***

*The reserves data set forth above is based upon an independent reserves assessment and evaluation prepared by GLJ with an effective date of December 31, 2009 (the "GLJ Report"). The presentation summarizes the Company's crude oil, natural gas liquids and natural gas reserves and the net present values before income tax of future net revenue for the Company's reserves using forecast prices and costs based on the GLJ Report. The GLJ Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101.*

*All evaluations and reviews of future net cash flows are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimates of future net revenues presented in the tables above represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.*

*The reserve data provided in this release only represents a summary of the disclosure required under National Instrument 51-101 ("NI 51-101"). Additional disclosure will be provided in the Company's Annual Information Form filed on [www.sedar.com](http://www.sedar.com) on or before March 31, 2010.*

*In relation to the disclosure of net asset value ("NAV"), the NAV table shows what is normally referred to as a "produce-out" NAV calculation under which the current value of the Company's reserves would be produced at forecast future prices and costs and do not necessarily represent a "going concern" value of the Company. The value is a snapshot in time and is based on various assumptions including commodity prices and foreign exchange rates that vary over time. It should not be assumed that the future net revenues estimated by GLJ represent the fair market value of the reserves, nor should it be assumed that Insignia's internally estimated value of its undeveloped land holdings represent the fair market value of the lands.*

### ***Non-GAAP Measures Advisory***

*The above information includes non-GAAP measures not defined under generally accepted accounting principles ("GAAP"), including operating netback, recycle ratio, net cash and reserve life index. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Operating netback is calculated as revenue less royalties, operating expenses, transportation expenses and net of any realized gains or losses on financial contracts. Recycle ratio is calculated as operating netback divided by the capital cost of reserve replacement which is one of our indicators to ensure our capital programs are adding reserves at an*

*economic cost. Reserve life index is calculated by dividing our reserves by our annualized fourth quarter production which is one of our indicators for quality of a reserve base.*

***Forward-looking information and statements***

*This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: the volumes and estimated value of Insignia's oil and gas reserves; the life of Insignia's reserves; the volume and product mix of Insignia's oil and gas production; future oil and natural gas prices; future results from operations and operating metrics; future costs, expenses and royalty rates; future interest costs and the exchange rate between the \$US and \$Cdn.*

*The recovery and reserve estimates of Insignia's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of Insignia which have been used to develop such statements and information but which may prove to be incorrect. Although Insignia 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 Insignia can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: results from drilling and development activities consistent with past operations; the continued and timely development of infrastructure in areas of new production; continued availability of debt and equity financing and cash flow to fund Insignia's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Insignia operates; the timely receipt of any required regulatory approvals; the ability of Insignia to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Insignia has an interest in to operate the field in a safe, efficient and effective manner; the ability of Insignia to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Insignia to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Insignia operates; and the ability of Insignia to successfully market its oil and natural gas products.*

*The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statement, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Insignia's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Insignia or by third party operators of Insignia's properties, increased debt levels or debt service requirements; inaccurate estimation of Insignia's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Insignia's public disclosure documents, (including, without limitation, those risks identified in this news release and Insignia's Annual Information Form).*

*The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Insignia does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.*

***BOE equivalent***

*Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 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.*

**ABOUT INSIGNIA**

Insignia is a Calgary, Alberta based oil and gas exploration, development and production company whose shares are traded on The Toronto Stock Exchange under the trading symbol "ISN".

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