



## INSIGNIA INSIGNIA ENERGY LTD. ANNOUNCES ITS 2009 YEAR END FINANCIAL AND OPERATING RESULTS

March 17, 2010, Calgary, Alberta. Insignia Energy Ltd. (“Insignia” or the “Company”) (TSX: ISN) is pleased to announce its financial and operating results for the 2009 fiscal year.

### FINANCIAL AND OPERATING HIGHLIGHTS

- Fourth quarter production averaged 2,243 boe/d; consisting of 10,709 mcf/d of natural gas and 458 bbls/d of oil and NGL’s. This is up 98% from the same quarter in 2008. The Company is currently producing approximately 2,600 boe/d.
- Funds from operations for the fourth quarter were \$3.7 million, up 142% from the same quarter a year ago.
- On March 2, 2010, the Company released its 2009 year end reserves summary announcing a 600% increase in its reserves year over year. As of December 31, 2009, the net present value of the Company’s proved plus probable reserves (before tax and discounted at 10%) was estimated at \$158.1 million, resulting in a net asset value of \$5.42 per common share (NAV calculation shown on March 2, 2010 news release).
- Below are the Financial and Operating Statistics for the fourth quarter of 2009 and the year ended 2009:

	Three months ended		Year ended		
	Dec 31, 2009	Sep 30, 2009 <sup>(7)</sup>	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
<b>Financial</b>					
(\$ thousands, except per share amounts)					
Oil and natural gas sales	7,120	5,057	5,135	16,264	10,778
Funds from operations <sup>(1)</sup>	3,748	1,928	1,551	5,958	3,760
Per share - Basic and diluted <sup>(1)</sup>	0.12	0.07	0.12	0.29	0.50
Net loss	(2,554)	(4,335)	(22,893)	(11,656)	(24,477)
Per share - Basic and diluted <sup>(1)</sup>	(0.08)	(0.17)	(1.82)	(0.57)	(3.26)
Working capital surplus (deficiency) <sup>(5)</sup>	(17,405)	(15,193)	28,031	(17,405)	28,031
Available proceeds from equity line <sup>(2)</sup>	-	-	25,000	-	25,000
Total capital resources available <sup>(3)</sup>	37,295	39,807	52,658	37,295	52,658
Property and equipment	140,200	139,509	32,137	140,200	32,137
Total assets	150,714	150,281	65,701	150,714	65,701
Weighted average common shares outstanding (thousands):					
Basic and diluted <sup>(4)</sup>	30,660	26,105	12,609	20,551	7,497
<b>Operating</b>					
(boe conversion - 6:1 basis)					
Average daily production					
Natural gas (mcf/d)	10,709	10,315	3,842	7,068	2,367
Oil and NGL (bbls/d)	458	411	495	290	167
Total (boe/d)	2,243	2,130	1,135	1,468	561
Product prices <sup>(6)</sup>					
Natural gas (\$/mcf)	4.56	3.16	6.78	3.97	7.46
Oil and NGL (\$/bbl)	62.25	54.60	59.75	56.96	70.33
Total (\$/boe)	34.50	25.80	49.16	30.36	52.46
Operating netback (\$/boe) <sup>(1)</sup>	22.14	14.65	19.82	16.81	24.03

(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, transportation costs and net of any realized income on financial derivative contracts, calculated on a boe basis.

- (2) *Insignia had a \$25 million unused equity line whereby Brookfield Special Situations II Limited ("BSS"), formerly Tricap Partners Ltd. 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, which shares were issued on July 20, 2009.*
- (3) *Total capital resources available includes working capital plus future proceeds from the equity line with BSS, which was drawn on in the third quarter of 2009, plus the unused portion of Insignia's line of credit but excludes the Company's outstanding letters of credit of \$0.3 million.*
- (4) *Excludes special voting shares issued pursuant to the BSS equity line.*
- (5) *Working capital surplus (deficiency) includes bank indebtedness and working capital but excludes the financial derivative contracts.*
- (6) *The average selling prices reported are before realized derivatives and transportation charges.*
- (7) *As a result of the timing of the closing of the business combination with Grey Wolf Exploration Inc. ("Grey Wolf"), the quarter ended September 30, 2009 reflects only a partial quarter, namely 69 days of financial and operating results from the Grey Wolf assets and a full quarter of the financial and operating results of Insignia's operations.*

In 2009, the oil and gas industry continued to experience weak global markets, volatile natural gas prices and, in general, continued uncertainty as to the short term direction of both commodity prices and capital markets. Notwithstanding this uncertainty or these challenges, Insignia continued to execute on its strategy of growing the Company through a combination of quality, opportunistic acquisitions and through high grading its drilling inventory and selecting the best returns with the lowest risk capital expenditures.

On July 24, 2009, Insignia closed the acquisition of 100% of the common shares of Grey Wolf Exploration Inc. ("Grey Wolf"). This acquisition positioned Insignia with good quality, long life resource assets and a significant drilling inventory that will provide for future growth. Since the closing of this acquisition, the Company's focus has been the integration of the acquired assets with its existing assets and the identification and building of an expanded drilling inventory.

Reflecting sub \$3.00 per mcf AECO natural gas prices in the third quarter of 2009, the Company opted to defer its drilling program until higher prices supported not only the economics of such expenditures but also the commercial sale of the these quality reserves. As we exited the third quarter, natural gas prices firmed up and this, combined with a more bullish 2010 natural gas forecast, encouraged Insignia to shift its attention to exploiting its assets by increasing its drilling expenditures.

In the fourth quarter of 2009 and extending into the first quarter of 2010, Insignia drilled, completed and has subsequently brought on production, a number of wells as noted in the results section below.

#### **Fourth Quarter and Year End 2009 Results**

- Fourth quarter production averaged 2,243 boe/d; consisting of 10,709 mcf/d of natural gas and 458 bbls/d of oil and NGL's. This is up 5% from the third quarter of 2009 and 98% from the same quarter in 2008. Production for 2009 averaged 1,468 boe/d, an increase of 162% from the average production of 2008.
- Funds from operations for the fourth quarter were \$3.7 million, up 94% from the previous quarter and 142% from the same quarter a year ago. Funds from operations quarter over quarter increased as a result of higher production levels and increased commodity prices. Funds from operations for 2009 were \$6.0 million, up 58% from the previous year.
- Insignia exited the year with a strong balance sheet with net debt of \$17.4 million and a credit facility of \$55 million with a Canadian chartered bank.
- Capital expenditures for the quarter were \$5.4 million. The majority of this capital, over \$4 million, was related to drilling and completion expenditures. The Board of Directors of Insignia had previously approved a second half 2009 capital budget (revised) of \$9 to \$11 million, excluding any potential acquisitions. Actual expenditures totaled \$8.4 million in the second half of 2009. Certain expenditures anticipated to be spent in late 2009 were subsequently incurred in the first quarter of 2010.
- During the fourth quarter, the Company drilled, completed and tied in a 100% well on its Caroline property at 16-13-034-07 W5M (the "16-13 well"). The 16-13 well was drilled to a total depth of 3,113

meters and was completed in several Mannville zones including the Glauconitic, Ostracod and Ellerslie. Subsequent to the quarter, the 16-13 well was placed on production and is currently producing 1.4 mmcf/d of liquid rich gas plus 20 bbls/d of free condensate for a total production rate of approximately 250 boe/d.

- Also during the fourth quarter, the Company successfully drilled a 100% horizontal well on its Pouce Coupe property at 13-29-077-11 W6M (the “13-29 well”) to a total measured depth of 3,450 meters which includes a 1285 meter horizontal section in the Lower Doig Formation. Subsequent to the quarter, the 13-29 well was completed, tied in and is currently producing at a rate in excess of 2 mmcf/d.
- Subsequent to the quarter, the Company:
  - Drilled and cased an additional well on its Caroline property at 16-12-034-07 W5M (the “16-12 well”) for potential liquids rich natural gas from several Mannville zones. It is anticipated that the 16-12 well will be completed following spring break up and, pending success, the well will be tied in to the existing infrastructure and is expected to begin production late in the second quarter of 2010;
  - Commenced the drilling of two additional wells following up previous successes on both its Caroline and Pouce Coupe properties.
    - The Company is currently drilling a 100% horizontal well at Pouce Coupe at a location at 01-20-077-11 W6M which will be drilled to a total measured depth of approximately 3,400 meters including a 1,200 to 1,300 meter horizontal leg through the Lower Doig formation.
    - Insignia is also drilling an additional well at Caroline, following up the recent success, at a location at 102/08-14-034-07 W5M. This well will be vertically drilled to an approximate depth of 3,100 meters to evaluate several liquids rich natural gas zones in the Mannville section.
    - It is anticipated that, with success, both wells will be completed following spring break up and placed on production late in the second quarter or early in the third quarter of 2010;
  - On March 2, 2010, the Company released its 2009 year end reserves summary announcing a 600% increase in its reserves year over year. As of December 31, 2009, the net present value of the Company’s proved plus probable reserves (before tax and discounted at 10%) was estimated at \$158.1 million, resulting in a net asset value of \$5.42 per common share (NAV calculation shown in March 2, 2010 news release); and,
  - The Company is currently producing approximately 2,600 boe/d.

## Outlook

Although 2009 was not without its challenges, we are pleased with Insignia’s financial and operating results achieved in 2009. The acquisition of Grey Wolf positioned the Company with long life, resource style assets in the premier Deep Basin area of Alberta. Our focused multi disciplined team possesses individually and collectively, many years of experience in the Deep Basin area and we are actively expanding our drilling inventory of repeatable, low risk exploitation, resource play projects.

As we begin the new year, we are encouraged with the initial results from our first half drilling program which is focused on two of our main properties; Pouce Coupe and Caroline. Both of these areas are providing Insignia with the resource rich, long life, repeatable drilling plays which are expected to sustain the Company for many years. During the remainder of the first half, we will continue to execute on our drilling program in these areas. Although we have yet to formalize our drilling plans for the second half of 2010, at present and subject to commodity prices, we foresee continued drilling at both Pouce Coupe and Caroline. We are also gearing up for

an active drilling program at Pembina where we anticipate the drilling of three to four net Cardium wells in the second half of 2010 with additional locations to follow in 2011.

As we go forward into 2010 and beyond, we expect that exploration and development will become equal in materiality to our acquisition program as value adding growth mechanisms for Insignia. The Company is well positioned with an extensive drilling inventory of both oil and gas opportunities in long life multi-zone areas. We have the financial flexibility and capital resources to pursue our objectives and we have a capable and dedicated team of professionals who are excited to continue to build on the base we have created.

Finally, I would like to thank the employees who give so much to realize this success as well as our Board of Directors who are always there to give my team and me help and guidance.

*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 preparation 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, transportation costs and net of any realized financial instrument income 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, 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, expected royalty rates, operating costs and general and administrative expense, the expected levels of production 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 manor; 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](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".

Copies of the Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2009 will be filed with Canadian securities regulators and will be available on SEDAR prior to March 31, 2010 and once filed will be accessible at [www.sedar.com](http://www.sedar.com) or by visiting Insignia's website at [www.insigniaenergy.ca](http://www.insigniaenergy.ca).

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