



INSIGNIA

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**INSIGNIA ENERGY LTD. FILES
FINAL PROSPECTUS FOR \$30 MILLION RIGHTS OFFERING**

October 13, 2011, Calgary, Alberta. Insignia Energy Ltd. ("**Insignia**" or the "**Company**") (TSX: ISN) is pleased to announce that, further to its October 6, 2011 press release, it has filed a final short form prospectus with the securities regulatory authorities in each of the provinces and territories of Canada in connection with its proposed \$30 million rights offering (the "**Rights Offering**"). The prospectus qualifies the distribution of 30,660,222 rights ("**Rights**") to subscribe for up to 28,301,887 common shares ("**Common Shares**") prior to 5:00 p.m. (Calgary time) on November 17, 2011.

Pursuant to the Rights Offering, each registered holder of Common Shares as of October 25, 2011 will receive one Right for each Common Share held. Each Right entitles the holder (provided they are resident in an eligible jurisdiction or they are an approved eligible holder) to acquire 0.9230816 of a Common Share at a subscription price of \$1.06 per Common Share such that the holder may exercise 1.083327836 Rights to purchase one Common Share at the subscription price. The Rights Offering will include an additional subscription privilege under which holders of Rights who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available, that were not otherwise subscribed for in the Rights Offering.

The Rights are anticipated to be listed on the Toronto Stock Exchange ("**TSX**") beginning on October 21, 2011 and will be posted for trading until 12:00 p.m. (Toronto time) on November 17, 2011.

The Rights Offering is subject to regulatory approval, including that of the TSX.

Further details concerning the Rights Offering and the procedures to be followed by holders of Common Shares are contained in the short form prospectus available on the Company's profile at www.sedar.com.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy securities in any jurisdiction, including the United States, absent U.S. registration or an applicable exemption therefrom, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state. The Rights and the Common Shares issuable on exercise of the Rights will not be and have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person, absent registration or an applicable exemption therefrom.

About Insignia

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".

Advisories

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, the timing and completion of the Rights Offering, the timing of the listing of the Rights on the TSX, 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), 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.

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