



INSIGNIA

News Release

Insignia Energy Ltd. Announces Completion Results of the Crossfire 9-01 well and Guidance for the remainder of 2008.

Calgary, Alberta, August 20, 2008-Insignia Energy Ltd. (“Insignia” or the “Company”) (TSX Venture: “ISN”) provides the following completion and test results from its Nisku oil well located at 9-01-50-6W5 located on its Crossfire project in Pembina, Alberta and corporate guidance for the remainder of 2008.

Crossfire 9-01-50-5W5

The Company has participated for a 15% working interest in the completion and flow test of the 9-01 well which targeted a Nisku seismic anomaly located approximately two miles from the Operator’s producing well at 13-02-50-6W5. The well was successful with logs indicating a hydrocarbon column of approximately 18 meters in the Nisku formation. During a four hour flow-test, the well produced at a restricted rate of 846 Bbl/d of 40 API oil and 564 Mcf/d of raw gas (over 930 boe/d sales) on a 24/64” choke and at a flowing pressure of 740 psi.

The Operator has stated that the geological characteristics and the completion results are similar to the Operator’s oil well located at 13-02-50-6W5. The H₂S concentration in the raw gas from the 9-01 well was 3.5%, which is consistent with the H₂S concentration at the 13-02 well.

The 9-01 well is expected to be on production by the end of the third quarter of 2008. The well’s production rate will depend on 9-01 receiving the necessary pool Maximum Rate Limitation (MRL), Good Production Practice (GPP) and available capacity at the Operator’s existing battery located at 13-02.

Insignia has an interest in approximately 24 sections (22 net) of undeveloped land in the general Crossfire area. The Company is currently evaluating the potential of this land base both geologically and geophysical with 34 square kilometers of existing proprietary 3D seismic data.

Corporate Guidance for the Remainder of 2008

The Board of Directors of Insignia has approved a capital budget of up to \$10 million for the remainder of 2008. Over half of these funds are targeted for facility and equipping expenditures with the balance split between drilling and land and seismic.

Current production is 850-900 boe/d and we are estimating an exit production rate of 1,000-1,100 boe/d net to Insignia.

Our focus for the balance of the year will be firstly, on the existing Insignia asset base including the tie in of the 9-01 well and follow up delineation wells, secondly on opportunistic and accretive corporate and asset acquisitions and thirdly, on establishing

additional core areas predominately located within our focus area as defined by the “deep basin corridor” located in the W5M and W6M area and trending south to the Alberta/US border and northwest into British Columbia.

Cautionary Statements

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 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. All BOE conversions in this press release are derived by converting gas to oil according to this 6 Mcf to 1 Bbl ratio.

Certain information set forth in this press release, including without limitation anticipated operating results, tie-ins, production rates, capital expenditures and timing thereof and potential operating areas, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Insignia’s control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Insignia Ltd’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statement will transpire or occur, or if any of them do so, what benefits that work and the combined company will derive therefrom. Insignia disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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