



## NEWS RELEASE

February 10, 2010

### **Bonterra Energy Corp. Announces Significant Year-end Corporate Reserves Growth and Updates Pembina Cardium Horizontal Well Results**

Bonterra Energy Corp. ("Bonterra" or "the company") ([www.bonterraenergy.com](http://www.bonterraenergy.com)) (TSX: BNE) is pleased to announce the results of its independent reserve report prepared by Sproule Associates Limited with an effective date of December 31, 2009.

#### **Highlights:**

- Bonterra increased its reserve base in 2009 by 5.0 percent on a total proved (TP) basis and 14.7 percent on a proved plus probable (P+P) basis to total 25.3 million barrels of oil equivalent (boe) (2008 – 24.1 MMboe) and 35.8 million boe (2008 – 31.2 MMboe), respectively, through development of its Pembina Cardium horizontal drilling program, improved operations, and acquisitions (TP 151 Mboe; P+P 269 Mboe), and offset by production (1,823 Mboe) and divestments (TP 1,011 Mboe; P+P 1,152 Mboe).
- A total of 4.1 million boe (TP) and 7.6 million boe (P+P) of reserves were added which equates to 2.2 and 4.1 times 2009 production, respectively.
- Reserves per share increased 8.7 percent to 1.99 boe per share at December 31, 2009 compared to 1.83 boe per unit in 2008 on a P+P basis.
- Reserves split of 76% oil and ngl's and 24% natural gas on a TP basis and 77% oil and ngl's and 23% natural gas on a P+P basis.
- Average daily production in 2009 totaled 4,994 boe per day, an increase of 14.9 percent when compared with 2008 levels. Average daily production in the fourth quarter of 2009 totaled 4,879 boe per day, an increase of 6.4 percent when compared to the fourth quarter of 2008.
- Bonterra's low decline production is supported by its high-quality reserve base. The reserve life index (RLI) in 2009 remained relatively unchanged at 14.2 years on a TP basis and 20.1 years on a P+P basis versus the 2008 RLI of 14.2 years on a TP basis and 18.7 years on a P+P basis.
- Bonterra continues to focus on the efficient development of its asset base. Finding, development and acquisition (FD&A) costs including future development costs in 2009 continue to be among the lowest in the industry. FD&A costs including acquisitions (and net of dispositions) in 2009 were \$13.25 per boe on a TP basis and \$8.93 per boe on a P+P basis compared with the previous three

year average (2006-2008) of \$12.30 per boe on a TP basis and \$9.45 per boe on a P+P basis.

- A total of 2.2 million boe on a TP basis and 6.6 million boe on a P+P basis of net reserves have been assigned to 28.1 net (34 gross) horizontal wells in the company's Pembina Cardium horizontal project. Since there is minimal production history and the development is intentionally located beyond existing Cardium pool production to reduce the possibility of depletion and water production, reserves could only be assigned to a limited number of locations at this time as per NI 51-101 standards. Once additional drilling is completed and additional production history is available, additional reserves could be assigned. Management believes that geological information indicates that the undeveloped lands that have not been assigned reserves have similar characteristics to currently producing lands to which reserves have been assigned.

### Corporate Reserves Information:

Bonterra engaged the services of Sproule Associates Limited to prepare a reserve evaluation with an effective date of December 31, 2009. The reserves are located in the provinces of Alberta, British Columbia (BC) and Saskatchewan. Bonterra's largest producing area is located in the Pembina Field of Alberta, which contains 89.3% of the company's reserves on a P+P basis. The gross reserve figures for the following tables represent Bonterra's ownership interest before royalties and before consideration of the company's royalty interests. Tables may not add due to rounding.

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

Reserve Category:	Light and Medium Oil Gross (Mbbbl)	Natural Gas Gross (MMcf)	Natural Gas Liquids Gross (Mbbbl)	BOE Gross (Mboe)
PROVED				
Developed Producing	14,248	32,103	1,271	20,869
Developed Non-Producing	220	760	7	354
Undeveloped	3,284	3,779	190	4,104
TOTAL PROVED	17,752	36,642	1,468	25,327
PROBABLE	7,923	12,896	425	10,497
TOTAL PROVED PLUS PROBABLE	25,675	49,539	1,893	35,824

**Reconciliation of Company Gross Reserves by Principal Product Type  
as of December 31, 2009**

	Light and Medium Oil and Natural Gas Liquids		Natural Gas		BOE	
	Gross Proved	Gross Proved Plus Probable	Gross Proved	Gross Proved Plus Probable	Gross Proved	Gross Proved Plus Probable
	(Mbbl)	(Mbbl)	(Mmcf)	(Mmcf)	(Mboe)	(Mboe)
December 31, 2008	17,991	22,867	36,571	50,246	24,086	31,241
Extension	1,983	6,062	1,024	2,540	2,154	6,485
Improved recovery	0	0	0	0	0	0
Technical revisions	2,138	1,579	3,350	1,034	2,696	1,751
Discoveries	0	0	0	0	0	0
Acquisitions	142	253	53	96	151	269
Dispositions	(1,010)	(1,151)	(7)	(9)	(1,011)	(1,152)
Economic factors	(877)	(895)	(290)	(309)	(925)	(947)
Production	(1,146)	(1,146)	(4,059)	(4,059)	(1,823)	(1,823)
December 31, 2009	19,220	27,568	36,642	49,539	25,327	35,824

**Summary of Net Present Values of Future Net Revenue as of December 31, 2009**

**Net Present Values of Future Net Revenue  
Before Income Taxes  
Discounted at (%/Year)**

(\$ Millions)	0%	5%	10%	15%	20%
Reserve Category:					
PROVED					
Developed Producing	1,045.3	580.8	407.6	319.1	264.8
Developed Non-Producing	15.8	13.0	11.2	9.9	9.0
Undeveloped	135.5	102.4	79.2	62.3	49.7
TOTAL PROVED	1,196.6	696.2	498.1	391.4	323.4
PROBABLE	702.9	260.6	135.6	84.7	58.4
TOTAL PROVED PLUS PROBABLE	1,899.5	956.9	633.7	476.1	381.8

**Net Present Values of Future Net Revenue  
After Income Taxes  
Discounted at (%/Year)**

(\$ Millions)	0%	5%	10%	15%	20%
Reserve Category:					
PROVED					
Developed Producing	903.8	533.5	387.5	309.1	259.4
Developed Non-Producing	11.8	10.6	9.6	8.9	8.3
Undeveloped	101.4	79.4	63.3	51.1	41.6
TOTAL PROVED	1,017.0	623.4	460.4	369.1	309.3
PROBABLE	527.4	195.8	102.5	64.5	44.9
TOTAL PROVED PLUS PROBABLE	1,544.5	819.2	562.9	433.7	354.2

**Commodity prices used in the above calculations of reserves are as follows:**

Year	Edmonton Par Price (Cdn \$ per bbl)	Alberta Gas AECO-C Spot (Cdn \$ per MMBtu)	Edmonton Propane (Cdn \$ per bbl)	Edmonton Butane (Cdn \$ per bbl)	Edmonton Pentane (Cdn \$ per bbl)
2010	84.25	5.36	52.74	59.65	86.28
2011	89.99	6.21	56.33	63.72	92.16
2012	92.61	6.44	57.97	65.57	94.84
2013	96.19	7.23	60.21	68.11	98.51
2014	98.13	7.98	61.43	69.48	100.50
2015	100.11	8.16	62.67	70.89	102.53
2016	102.13	8.34	63.94	72.32	104.60
2017	104.19	8.52	65.23	73.78	106.71
2018	106.30	8.71	66.54	75.27	108.86
2019	108.44	8.90	67.89	76.79	111.06
2020	110.63	9.10	69.26	78.34	113.30

Crude oil, natural gas and liquid prices escalate at 2 percent per year thereafter

The Company has been active in its capital development program over the past three years. Over this time period Bonterra has incurred the following F&D and FD&A<sup>(3)</sup> Costs:

	2009 F&D Costs per BOE <sup>(1)(2)</sup>	2008 F&D Costs per BOE <sup>(1)(2)</sup>	2007 F&D Costs per BOE <sup>(1)(2)</sup>	2009 Three Year Average	2008 Three Year Average
Proved Reserve Additions	\$16.23	\$7.00	\$2.15	\$8.46	\$11.55
Proved plus Probable Reserve Additions	\$11.01	\$6.82	\$2.02	\$6.62	\$9.02

	2009 FD&A Costs per BOE <sup>(1)(2)(3)</sup>	2008 FD&A Costs per BOE <sup>(1)(2)(3)</sup>	2007 FD&A Costs per BOE <sup>(1)(2)(3)</sup>	2009 Three Year Average	2008 Three Year Average
Proved Reserve Net Additions	\$13.25	\$8.67	\$2.74	\$8.22	\$12.30
Proved plus Probable Reserve Net Additions	\$8.93	\$7.47	\$2.68	\$6.36	\$9.45

The above figures have been calculated in accordance with National Instrument 51-101 (NI 51-101) where the 2009 F&D Costs equate to the total exploration and development costs incurred by the Company of \$28,726,000 (includes \$5,814,000 for undeveloped land) as calculated according to GAAP plus or minus the yearly change in estimated future development costs as calculated by Sproule Associates Limited (\$34,960,000 for proved and \$51,538,000 for proved and probable). FD&A costs include acquisition costs of \$7,105,000 as well as proceeds of disposition of \$30,191,000. The following precautionary notes have been provided as required by NI 51-101.

- (1) Barrels of Oil Equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of 6MCF:1bbl is based on an energy equivalency

- conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
- (2) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.
  - (3) FD&A costs are net of proceeds of disposal and the FD&A costs per BOE are based on reserves acquired net of reserves disposed of.

Certain financial and operating information included in this press release for the quarter and year ended December 31, 2009, such as production information, finding and development costs and net asset values are based on estimated unaudited financial results for the year and are subject to the same limitations as discussed under Forward Looking 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. All reserve numbers provided above are Bonterra's interest before royalties.

It should not be assumed that the estimates of future net revenue presented in the above tables represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material.

Estimates of reserves and future net revenues for individual properties may not reflect the same confidence level as estimates of reserves and future net revenues for all properties due to the effects of aggregation.

### **Update of Pembina Cardium Horizontal Well Results**

Bonterra is also pleased to present the following gross production volumes to January 31, 2010, for seven of the Pembina Cardium horizontal wells that are currently on production. One additional well has been placed on production on February 6, 2010, and one additional well will be placed on production by mid-February. Production on these wells will be released when available.

<b>Well ID</b>	<b>Days on Production</b>	<b>Oil Production (bbls)</b>	<b>Average Rate (bbls/day)</b>
1-25-47-3W5	364	43,453	119.4
16-19-47-2-W5	182	26,697	146.7
16-13-47-3W5	81	2,254	27.8
8-30-47-2W5	77	21,257	276.1
16-25-47-3W5	30	7,939	264.6*
12-24-47-3W5	30	2,436	81.2
16-27-47-5W5	29	4,361	150.4

\*Flowing - well placed on pump February 2, 2010, and is producing at higher rates.

Subject to commodity prices and regulatory policies such as the Alberta competition review, Bonterra is projecting 2010 capital expenditures of \$40 - \$50 million. Most of the capital will be focused on the Pembina Cardium horizontal drilling program with the drilling

of between 15 and 20 additional wells in 2010. Bonterra expects 2010 production to average between 5,700 – 6,000 boepd.

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**Caution Regarding Engineering Terms:**

Disclosure provided herein in respect of barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. In accordance with NI 51-101, a boe conversion ratio of 6 MCF to 1 barrel has been used in all cases in this disclosure. This boe conversion ratio is based on an energy equivalency conversion method primarily available at the burner tip and does not represent a value equivalency at the wellhead.

**Caution Regarding Forward Looking Information:**

Certain information set forth in this press release, including management's assessment of Bonterra's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Bonterra'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. Bonterra'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 statements will transpire or occur, or if any of them do so, what benefits that Bonterra will derive therefrom. Bonterra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.