

Cequence Energy Ltd. Provides Operational Update

CALGARY, Sept. 21 - Cequence Energy Ltd. ("Cequence" or the "Company") (TSX: "CQE") announces that based on the continued weakness in natural gas prices the operator of its wells located in the Gunnell area of north eastern British Columbia intends to shut in production beginning on September 21, 2009. Cequence's production in the area is approximately 3,000 mcf per day of natural gas. The Company believes that the decision to shut in production from the Gunnell area is an economically prudent decision given the current commodity pricing environment and will add long term value to the Cequence shareholders. The estimated cash flow impact of the shut-in is approximately \$130,000 per month using current natural gas prices of C\$3.50 per mcf. Production is expected to resume when natural gas prices recover. Cequence has natural gas hedges in place on 6,000 GJ/d until March 31, 2010 at a price of \$7.85/GJ which represents approximately 60 percent of estimated corporate production after the closing of the two recently announced property acquisitions and the shut-in of the Gunnell area. The previously announced acquisition is expected to close on September 24, 2009 pending final due diligence and purchase price adjustments.

Following the completion of the two property acquisitions, the Company remains financially flexible with its operating bank lines undrawn and an expected positive cash balance within Cequence of approximately \$10 million. Cequence's planned capital spending for the remainder of the year is \$15 million and is focused primarily on the Montney lands held within our subsidiary company, HFG Holdings Inc. The budgeted program is focused at Sinclair and includes the drilling of two new horizontal Montney wells and two completions on recently drilled Montney wells. Cequence expects drilling to commence early in October.

Cequence Energy Ltd. is a publicly traded Canadian energy company involved in the acquisition, exploitation, exploration, development and production of natural gas and crude oil in western Canada. Further information about Cequence may be found in its continuous disclosure documents filed with Canadian securities regulators at www.sedar.com.

Forward Looking Information

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, information with respect to: operational decisions and the timing thereof, development, exploration, acquisition and disposition plans and the timing thereof; reserve quantities and the discounted present value of future net cash flows from such reserves; future production levels. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to

be incorrect. Although the Company believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on forward-looking information 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 press release, assumptions have been made regarding, among other things: the decisions of the operator of the Gunnell area wells; the impact of increasing competition; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; 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; the ability of the Company 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 of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters; and the ability of the Company to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking information. The material risk factors affecting the Company and its business are contained in the Company's Annual Information Form which is available under the Company's issuer profile on SEDAR at www.sedar.com.

The forward-looking information contained in this press release is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

Additional Advisories

Boes are presented on the basis of one Boe for six Mcf of natural gas. Disclosure provided herein in respect of 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.

The Toronto Stock Exchange has neither approved nor disapproved the contents of this press release.

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