

## **CEQUENCE ENERGY LTD. PROVIDES OPERATIONAL UPDATE REGARDING DOIG / MONTNEY RESOURCES PLAYS IN NORTHWESTERN ALBERTA**

CALGARY, December 21, 2009 – Cequence Energy Ltd. ("Cequence" or the "Company") (TSX: "CQE") is pleased to provide an operational update with respect to its Doig / Montney resource plays in Northwestern Alberta.

Cequence has completed its first horizontal well at Sinclair in Northwestern Alberta. The 100 percent working interest well at 12-9-75-13W6M (the "12-9 well") was drilled to the Basal Doig formation at a total vertical depth of 2,547 metres with a horizontal section of approximately 1,400 metres.

Details of the 12-9 well include:

- Well tested up 4 ½ inch casing for four days with a stabilized rate of 5.0 mmcf/day at a flowing pressure of 1,250 psi;
- Eight 100 tonne poly CO<sub>2</sub> fractures were conducted resulting in 1,000 metres of productive capability in the 1,400 metre horizontal section with the potential for additional fractures to stimulate the remainder of the wellbore;
- Discovery is expected to result in the recognition of reserves from our independent reserve evaluator in 2009, previously Cequence had not booked any Doig /Montney reserves at Sinclair;
- The 12-9 well qualifies for both the Alberta government drilling and the natural gas deep drilling incentive programs.

Positive results from the 12-9 well supports the Company's plans to further develop both the Doig and Montney resource plays at Sinclair. In total, the Company has 12 sections (100% working interest) of Montney rights in Sinclair offsetting the 12-9 well. Cequence is confident that with additional experience and drilling activity, further performance and cost optimization will be achieved.

Further operations are ongoing at Sinclair, specifically:

- At 1-10-75-13W6M, the Company has drilled and cased a vertical well (100% working interest), directly offsetting the 12-9 well. Completion is scheduled in Q1 2010 to evaluate the Basal Doig and Lower Montney, with horizontal operations to follow.
- At 13-33-75-12W6M the Company drilled and cased a horizontal well (100% working interest) with a total vertical depth of 2,400 metres with a 1,400 metre horizontal section in the Basal Doig formation. Completion efforts are underway.

Cequence expects to drill two additional horizontal wells in Q1 2010 to further evaluate the Sinclair area and to strategically validate expiring lands. With continued success, the Company believes that there is potential in the Basal Doig and Lower Montney for a combined density of up to eight wells per section. Potential tie-in opportunities for Sinclair are currently being reviewed and timing for such tie-ins are expected to be determined in Q1 2010.

Cequence has also spud a 100 percent working interest Lower Montney well located in the Gordondale area at 4-18-79-11W6M (the "4-18 well"). The 4-18 well directly offsets existing Montney production with initial production rates ranging from 2.5 to 5.8 mmcf/day. The 4-18 well is expected to be cased by year end with completion anticipated in Q1 2010.

In addition to the above wells, Cequence plans to drill five vertical wells targeting multi-zone horizons in the Peace River Arch in Q1 2010.

## **Director Appointment**

Effective December 17, 2009, Mr. Hank Swartout resigned from the Board of Directors to pursue other interests. The Board would like to take this opportunity to thank Mr. Swartout for his contributions to the Company. The Board of Directors is pleased to announce that it has appointed Mr. Doug Dafoe to the Board to fill the vacancy created by Mr. Swartout's resignation. Mr. Dafoe is the President and Chief Executive Officer of Ember Resources Inc. and brings extensive industry knowledge and insights, combined with past involvement with Cequel Energy Inc. and Cyries Energy Inc., each being a company which a number of members of management of Cequence were previously involved with.

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](http://www.sedar.com).

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### ***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 and exploration plans and the timing thereof; and 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 and are implicit in, among other things: field production rates and decline rates; the ability of the Company to secure adequate product transportation; the impact of increasing competition in or near the Company's Doig / Montney plays; 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 to develop its business; Cequence's ability to operate the properties in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; 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; 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](http://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.*