

Attention Business Editors:
Cequence Energy Ltd. provides year end reserve update

CALGARY, March 4 /CNW/ - Cequence Energy Ltd. ("Cequence" or the "Company") (TSX: "CQE") is pleased to provide the following information on its oil and gas reserves as of December 31, 2009 as evaluated by the Company's independent reserve engineering firm, GLJ Petroleum Consultants Ltd. ("GLJ"). The evaluation of the Company's petroleum and natural gas reserves was prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the terms used in this press release have the meanings ascribed in NI 51-101 and the Canadian Oil and Gas Evaluation Handbook ("COGEH") reserve definitions.

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For the year end December 31, 2009, Cequence's capital program achieved the following results:

- Increased total proved plus probable reserves by 70 percent to 12.8 mboe and proved reserves by 56 percent to 7.5 mboe;
- Replaced 2009 production of 594 mboe by 9.9 times with proved plus probable additions and by 5.6 times with proved additions;
- Increased the net present value of the Company's proved plus probable reserves by 34 percent to \$157.7 million using a discount rate of 10 percent;
- Achieved finding, development and acquisition costs including future development capital of \$13.67 per proved plus probable boe. FD&A costs excluding future capital were \$8.51 per boe on a proved plus probable basis;
- Based on an exit production rate of 2,100 boe/d, Cequence has a reserve life index of 9.8 years on a proved basis and 16.6 years on a proved plus probable basis;
- Estimated capital expenditures for the year ended December 31, 2009 were \$49.9 million, excluding asset retirement additions and adjustments resulting from the renunciation of flow through shares. Capital expenditures are estimated and unaudited as of the date of this press release.

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Net Asset Value

The following net asset value ("NAV") table shows what is normally referred to as a "produce-out" NAV calculation under which the current value of the Company's reserves would be produced at forecast future prices and costs and do not necessarily represent a "going concern" value of the Company. The value is a snapshot in time and is based on various assumptions including commodity prices that vary over time. It should not be assumed that the net present values estimated by GLJ represent the fair market value of the reserves.

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NAV December 31, 2009 (\$000s)

Proved plus probable reserves discounted at 10%	\$ 157,689
Undeveloped lands, internal estimate	31,500
Working capital, excluding hedge	6,210
Investments	13,738
Long term debt	(18,054)

Net asset value	\$ 191,083
Basic shares outstanding	39,530
Net asset value per share	\$ 4.83

Finding and Development Costs

	Capital Expenditures (\$000s)	Change in Future Capital (\$000s)	Proved Reserve Additions mboe	Proved Costs \$/boe	Proved plus Probable Reserve Additions mboe	Proved plus Probable Costs \$/boe
FD&A Costs						
Proved FD&A including change in future capital	49,894	14,001	3,296	\$19.39	na	na
P+P FD&A including change in future capital	49,894	30,256	Na	na	5,863	13.67
Proved FD&A excluding change in future capital						
Proved FD&A excluding change in future capital	49,894	na	3,296	\$15.14	na	na
P+P FD&A excluding change in future capital	49,894	na	na	na	5,863	8.51
FD Costs						
Proved FD including change in future capital	24,694	10,951	1,387	25.69	na	na
P+P FD including change in future capital	24,694	27,206	na	na	3,059	16.97
Proved FD excluding change in future capital						
Proved FD excluding change in future capital	24,694	na	1,387	17.80	na	na
P+P FD excluding change in future capital	24,694	na	na	na	3,059	8.07

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Corporate Reserve Information

The following represents selected information obtained from the independent engineering evaluation of GLJ effective December 31, 2009 ("GLJ Report"). The Company intends to file its annual information containing additional reserves and oil and gas information in form NI 51-101 on or about March 18, 2010.

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Summary of Oil and Gas Reserves

Light and

Reserves Category	Medium Crude Oil		NGLs		Natural Gas	
	Gross (Mbl)	Net (Mbl)	Gross (Mbl)	Net (Mbl)	Gross (MMcf)	Net (MMcf)
Proved						
Developed Producing	370	327	204	143	20,290	17,559
Developed Non-Producing	88	63	89	67	9,187	8,212
Undeveloped	11	8	85	61	10,424	9,500
Total Proved	469	398	378	270	39,902	35,271
Probable	202	170	260	176	28,812	25,064
Total Proved plus Probable	671	568	638	446	68,714	60,335

Summary of Net Present Value of Future Net Revenue

Reserves Category	Before Future Income Tax Expenses Discounted at (%/year)				
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)
Proved					
Developed Producing	115,390	89,087	73,501	63,195	55,842
Developed Non-Producing	42,929	28,410	21,527	17,372	14,541
Undeveloped	35,623	16,071	8,186	4,290	2,108
Total Proved	193,941	133,569	103,213	84,857	72,491
Probable	157,730	84,306	54,476	38,900	29,417
Total Proved plus Probable	351,671	217,874	157,689	123,757	101,908

GLJ employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2009 in the GLJ Report in estimating Cequence's reserves data using following forecast prices and costs:

Year	Natural Gas		Light Crude Oil		NGL Mix		Exchange Rate (\$US/\$Cdn)
	Henry Hub (\$US/MMBtu)	AECO Gas Price (\$Cdn/MMBtu)	WTI (\$US/bbl)	Edmonton (\$Cdn/bbl)	Edmonton (\$Cdn/bbl)	Inflation Rates (%/year)	
Forecast							
2010	6.00	5.96	80.00	83.26	84.93	2.0	0.95
2011	7.00	6.79	83.00	86.42	88.15	2.0	0.95
2012	7.10	6.89	86.00	89.58	91.37	2.0	0.95
2013	7.15	6.95	89.00	92.74	94.59	2.0	0.95

2014	7.35	7.05	92.00	95.90	97.82	2.0	0.95
2015	7.50	7.16	93.84	97.84	99.79	2.0	0.95
2016	7.75	7.42	95.72	99.81	101.81	2.0	0.95
2017	8.25	7.95	97.64	101.83	103.86	2.0	0.95
2018	8.79	8.52	99.59	103.88	105.96	2.0	0.95
2019	8.96	8.69	101.58	105.98	108.10	2.0	0.95

Thereafter escalation rate of 2%

Reconciliation of Company Gross Reserves by Product Type

The following table sets forth the changes between the Company's reserve volume estimates made as at December 31, 2009 and the corresponding estimates as at December 31, 2008, using forecast prices and costs:

Factors	Light and Medium Crude Oil		Natural Gas (associated & non-associated)		NGLs	
	Gross Proved		Gross Proved		Gross Proved	
	Gross Proved (Mbbl)	Plus Probable (Mbbl)	Gross Proved (MMcf)	Plus Probable (MMcf)	Gross Proved (Mbbl)	Plus Probable (Mbbl)
December 31, 2008	451	646	24,561	38,558	251	420
Extensions & Improved Recovery	-	-	-	-	-	-
Technical Revisions	(81)	(148)	(286)	(2,196)	18	46
Discoveries	-	-	8,809	20,806	29	60
Acquisitions	154	228	9,871	14,600	109	143
Dispositions	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-
Production	(55)	(55)	(3,054)	(3,054)	(30)	(30)
December 31, 2009	469	671	39,902	68,714	378	638

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Sinclair Montney Development

Development at Sinclair began shortly after the reorganization of the Company in July 2009. The capital program for 2009 was designed with the goal of establishing the viability of a Montney resource play while at the same time efficiently preserving expiring mineral rights and fulfilling the outstanding flow through commitments inherited through the acquisition of HFG Holdings Inc. The drilling program resulted in two successful horizontal wells in the Basal Doig (Upper Montney) and three vertical wells testing the Lower Montney and Basal Doig. Also, Cequence successfully retained all prospective Lower Montney and Basal Doig mineral rights.

Based on the independent reserve evaluation at December 31, 2009, 1.5 mboe proved and 3.5 mboe proved and probable reserves have been assigned to the Basal Doig resource at Sinclair. Two proved undeveloped wells and three probable wells are included in the reserve report based on the success of the first two horizontal wells. Management estimates that further development at

Sinclair will result in the recognition of up to 15 additional Basal Doig locations at Sinclair not recognized in the December 31, 2009 reserve report.

The Sinclair program is still in its initial stages and has continued in the first quarter of 2010. The Company is preparing to complete its first horizontal well in the Lower Montney in March 2010. To date, no reserves have been recognized in the Lower Montney.

Cequence is scheduled to provide an operational update with 2010 guidance and report financial results for the year ended December 31, 2009 on March 18, 2010.

Cequence Energy Ltd. is a Calgary, Alberta-based crude oil and natural gas company with common shares trading on the Toronto Stock Exchange under the symbol "CQE".

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.

Certain financial and operating information included in this press release for the quarter and year ended December 31, 2009, such as exploration and development expenditures, finding, development and acquisition costs and net asset value, are based on estimated unaudited financial results for the quarter and year then ended, and are subject to the same limitations as discussed under "Forward- looking information and 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.

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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