

## CEQUENCE ENERGY ANNOUNCES CLOSING OF \$16 MILLION FLOW-THROUGH SHARE OFFERING

December 5, 2012, CALGARY, ALBERTA, Cequence Energy Ltd. ("Cequence") (TSX: CQE) is pleased to announce that it has closed its previously announced short form prospectus offering of 8,560,000 common shares which were issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) (the "Flow-Through Shares") at a price of \$1.87 per Flow-Through Share for aggregate gross proceeds of approximately \$16 million. The offering was conducted through a syndicate of underwriters that was led by Peters & Co. Limited and included Cormark Securities Inc., CIBC, GMP Securities L.P., National Bank Financial Inc. and Stifel Nicolaus Canada Inc.

The purchasers of Flow-Through Shares will be entitled to renunciations from Cequence of Canadian Exploration Expenses in an amount equal to the subscription amount effective December 31, 2012. The gross proceeds from the offering will be used by Cequence to incur eligible Canadian Exploration Expenses on or before December 31, 2013.

Cequence 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 and Additional Advisories

*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 and statements in this press release may include, but are not limited to, information with respect to: development and exploration plans and the timing thereof; and the plans for the use of proceeds from the financing. 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 Cequence believes that the expectations reflected in its forward-looking information is reasonable, undue reliance should not be placed on forward-looking information because Cequence cannot give 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: reserves; field production rates and decline rates; the ability of Cequence to secure adequate product transportation; the timely receipt of any required regulatory approvals; the ability of Cequence to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business; the ability of the operator of the projects in which Cequence has an interest in to operate the properties in a safe, efficient and effective manner; the ability of Cequence 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 Cequence 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 Cequence and described in the forward-looking information. The material risk factors affecting Cequence and its business are contained in Cequence's Annual Information Form which is available under Cequence'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 Cequence 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.*

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