

Cequence Energy Ltd. and Open Range Energy Corp. Amend Terms of Arrangement

CALGARY, June 11, 2012 /CNW/ - Cequence Energy Ltd. ("Cequence") (TSX: CQE) and Open Range Energy Corp. ("Open Range") (TSX: ONR) announce that they have entered into an amended and restated arrangement agreement (the "Amended and Restated Arrangement Agreement") to amend certain terms of the previously announced arrangement agreement (the "Arrangement Agreement") between Open Range and Cequence, whereby Cequence agreed to acquire all of the common shares of Open Range ("Open Range Shares") pursuant to a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta).

Pursuant to the previously announced terms of the Arrangement Agreement, Open Range shareholders were to receive 1.065 (the "Exchange Ratio") common shares of Cequence ("Cequence Shares") for each Open Range Share held.

Under the terms of the Amended and Restated Arrangement Agreement, Cequence will increase the consideration payable to holders of Open Range Shares by increasing the Exchange Ratio to 1.1 Cequence Shares for each Open Range Share.

In addition, the Amended and Restated Arrangement Agreement provides that the reciprocal termination fee payable in certain circumstances will be increased from \$3.6 million to \$4.6 million. All other terms of the Arrangement Agreement, including non-solicitation and right to match provisions remain in effect, un-amended.

The Board of Directors of Open Range has unanimously approved the Amended and Restated Arrangement Agreement, and, based on a verbal fairness opinion provided by National Bank Financial Inc., determined that the consideration to be received by Open Range shareholders pursuant to the amended Arrangement is fair to holders of Open Range Shares, is in the best interests of Open Range and unanimously resolved to recommend that holders of Open Range Shares vote in favour of the amended Arrangement. Management and directors of Open Range holding approximately 8.3 percent of the issued and outstanding Open Range Shares have entered into support agreements to vote their Open Range Shares in favour of the amended Arrangement at the meeting of Open Range shareholders.

Cequence anticipates that it will issue approximately 82.2 million Cequence Shares to acquire all the issued and outstanding Open Range Shares under the Arrangement, which represents more than 25% of the currently issued and outstanding Cequence Shares. As previously disclosed, under the rules of the TSX, Cequence will be required to obtain the approval of a simple majority of its shareholders, voting in person or by proxy at the meeting of Cequence shareholders, for the issuance of Cequence Shares pursuant to the amended Arrangement. The board of directors of Cequence has unanimously approved the Amended and Restated Arrangement Agreement, and, based on a verbal fairness opinion provided by Peters & Co. Limited, determined that the consideration to be paid by Cequence pursuant to the amended Arrangement is fair to the Cequence shareholders, is in the best interests of Cequence and unanimously resolved to recommend that holders of Cequence Shares approve the issuance of Cequence Shares pursuant to the amended Arrangement. Management, directors and certain shareholders of Cequence holding approximately 27 percent of the issued and outstanding Cequence Shares have entered into support agreements pursuant to which they have agreed to vote in favour of the issuance of Cequence Shares pursuant to the amended Arrangement at the meeting of Cequence shareholders. Assuming the issuance of the Cequence Shares in connection with the Arrangement, as well as the Cequence Shares to be issued in connection with the previously disclosed equity financings, Cequence will have 272.7 million Cequence Shares (basic) outstanding.

The mailing of a joint information circular to the respective shareholders of Cequence and Open Range regarding the meetings of such shareholders remains and is expected to occur in early July, with the respective shareholders meetings and closing of the Arrangement expected to be held by the end of July 2012, provided that all shareholder, Court and regulatory approvals are obtained.

Peters & Co. Limited is acting as financial advisor to Cequence in connection with the Arrangement and has provided Cequence's Board of Directors with its verbal opinion that, as of the date of such opinion, the consideration to be paid by Cequence pursuant to the amended Arrangement is fair, from a financial point of view, to the Cequence shareholders. Comark Securities L.P. acted as strategic advisor to Cequence. National Bank Financial Inc. is acting as financial advisor to Open Range in connection with the Arrangement and has provided Open Range's Board of Directors with its verbal opinion that, as of the date of such opinion, subject to review of the final documentation in respect of the amended Arrangement, the consideration to be received by the Open Range shareholders pursuant to the amended Arrangement is fair, from a financial point of view, to the Open Range shareholders.

Complete details of the terms of the amended Arrangement are set out in the Amended and Restated Arrangement Agreement (which will be filed by each of Cequence and Open Range on SEDAR) and the Arrangement Agreement, which has been filed on SEDAR and is available for viewing under Cequence's and Open Range's profiles on 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 and exploration plans and the timing thereof; future production level; timing for completion of the Arrangement, the availability of an increased credit facility following completion of the Arrangement and the anticipated benefits resulting from the transactions described in this press release. 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 each of Cequence and Open Range believe that the expectations reflected in its forward-looking information is reasonable, undue reliance should not be placed on forward-looking information because neither Cequence nor Open Range can 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: cash flow projections and netbacks; anticipated operating costs; bank debt levels; combined reserves; field production rates and decline rates; the ability of Cequence to secure adequate product transportation; the ability of Cequence and Open Range to complete the Arrangement and, if completed, the ability of Cequence to realize the anticipated benefits of such Arrangement; the timely receipt of any required regulatory approvals (including Court and shareholder approvals); the ability of Cequence 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 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 or Open Range, as applicable, 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. 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.

Additional Advisories

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

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Cequence Shares to be offered have not been, and will not be,

registered under the U.S. Securities Act of 1933, as amended and may not be offered or sold in the United States or to a U.S. person absent registration or an applicable exemption from the registration requirements.

Further Information

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.

Open Range is a publicly traded Canadian energy company with focused operations in the Deep Basin region of Alberta. Further information about Open Range may be found in its continuous disclosure documents filed with Canadian securities regulators at www.sedar.com.

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