

Cequence Energy Ltd. announces issuance of common shares on exercise of over-allotment option

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CALGARY, July 12, 2012 /CNW/ - Cequence Energy Ltd. ("**Cequence**") (TSX: CQE) is pleased to announce that it has completed the issuance and sale of an aggregate of 1,252,500 common shares at a price of \$1.20 per share to a syndicate of underwriters led by Peters & Co. Limited and including Cormark Securities Inc., National Bank Financial Inc., Stifel Nicolaus Canada Inc., Canaccord Genuity Corp., GMP Securities L.P. and TD Securities Inc. (collectively, the "**Underwriters**") for gross proceeds of approximately \$1.5 million. The common shares were issued on the exercise of an over-allotment option which was granted under the terms of an underwriting agreement between Cequence and the Underwriters dated May 31, 2012. The net proceeds of this equity sale will be initially applied to repay outstanding indebtedness under Cequence's credit facilities.

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.

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 the use of proceeds from the equity issuance. 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. 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. 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 common 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.

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