

CEQUENCE ENERGY LTD. PROVIDES OPERATIONAL UPDATE

Calgary, March 19, 2012 - Cequence Energy Ltd. ("Cequence" or the "Company") is pleased to provide the following operational update.

Cequence has concluded its winter drilling program at Simonette with the completion of its final two horizontal Montney wells:

- A 100 percent working interest Montney horizontal well at 9-25-61-27W5 has flowed on clean-up for 4 days at a final rate of 2,500 boepd (14.0 mmcf/d of natural gas and 175 bbls/d of free condensate) at a flowing casing pressure of 1820 psi. Completion operations consisted of a 24 stage water-based frac over the 2,400 metre horizontal wellbore; and
- A 50 percent working interest Montney horizontal well at 13-22-61-26W5 has flowed on clean-up for 4 days at a final rate of 2,300 boepd (12.0 mmcf/d of natural gas and 285 bbls/d of free condensate) at a flowing casing pressure of 300 psi. Completion operations consisted of an 18 stage water-based frac over the 1,800 metre horizontal wellbore.

All 5 (3.0 net) Montney wells drilled in Q1 2012 are expected to be on production by the end of March, 2012.

In addition, Cequence has agreed to dispose of a minor producing property in a non-core area for total consideration of \$3.0 million. In total, Cequence has disposed of non-core properties for total consideration of \$20.2 million in 2012.

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.

Cequence's corporate presentation has been revised and can be viewed at www.cequence-energy.com.

For further information contact:

Paul Wanklyn, Chief Executive Officer, (403) 218-8850, pwanklyn@cequence-energy.com

David Gillis, Chief Financial Officer, (403) 806-4041, dgillis@cequence-energy.com

Forward looking Statements or Information

Certain statements included in this press release constitute forward-looking statements or forward-looking information under applicable securities legislation. Such forward-looking statements or information are 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 statements or information typically contain 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 statements or information in this press release may include, but are not limited to, statements or information with respect to future production levels and the timing thereof and disposition plans and the timing thereof. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements 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, among other things: 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; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; and the ability of the Company to secure adequate product transportation; 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 statements or information are 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 statements or information. These risks and uncertainties may cause actual results to differ materially from the forward-looking statements or information. The material risk factors affecting the Company and its business are contained in the Company's Annual Information Form which is available on SEDAR at www.sedar.com.

The forward-looking statements or information contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise unless required by applicable securities laws. The forward looking statements or information contained in this press release are 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.

For fiscal 2011, the ratio between the average price of West Texas Intermediate ("WTI") crude oil at Cushing and NYMEX natural gas was approximately 24:1 ("**Value Ratio**"). The Value Ratio is obtained using the 2011 WTI average price of \$95.11 (US\$/Bbl) for crude oil and the 2011 NYMEX average price of \$4.03 (US\$/MMbtu) for natural gas. This Value Ratio is significantly different from the energy equivalency ratio of 6:1 and using a 6:1 ratio would be misleading as an indication of value.

The TSX has neither approved nor disapproved the contents of this news release.