



**(TSX: BNP.UN)  
FOR IMMEDIATE RELEASE  
July 16, 2009**

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## **N E W S R E L E A S E**

### **Bonavista Energy Trust Announces Strategic Property Acquisition and Bought Deal Financing**

CALGARY, ALBERTA – Bonavista Energy Trust (“Bonavista”) is pleased to announce that it has entered into an agreement to acquire certain long-life natural gas weighted properties located in its Central Alberta core area (the “Acquired Properties”). The acquisition has an effective date of April 1, 2009 and is expected to close on or about August 21, 2009 for a cash purchase price, at closing, of approximately \$694 million. The completion of the transaction is subject to customary regulatory approvals and other conditions.

#### **Transaction Highlights**

The acquisition is consistent with Bonavista's strategy of acquiring high quality, long-life natural gas and oil assets with significant low risk development potential. The Acquired Properties complement Bonavista's emerging initiatives involving the use of leading technologies to access underdeveloped reservoirs in our Central Alberta core area. The Acquired Properties are situated on approximately 492,000 (409,000 net) acres of resource rich contiguous land, of which approximately 156,000 (136,000 net) acres are undeveloped. Of these lands, 77% are freehold interests with an attractive tenure of a minimum five year term and a favourable royalty structure equating to 80% of Alberta's New Royalty Framework. The area is characterized as one of the most prolific multi-zone areas in western Canada with over twelve different producing horizons and significant exposure to the recently emerging resource plays occurring in the Glauconite, Rock Creek, Cardium, Viking and Notikewin formations. Bonavista believes that both production and recoverable reserves can potentially be increased by over 50% from these large and scalable under developed reservoirs. While there is extensive exploration and development potential in many zones within the area, the primary development program will initially consist of drilling horizontal wells within the Glauconite and Rock Creek formations utilizing multistage fracture techniques paralleling Bonavista's success in the area over the past year. Bonavista has initially identified 165 horizontal drilling locations on the Acquired Properties in a development program anticipated to generate attractive future development efficiencies with finding and development costs of approximately \$10/boe and on-stream costs of approximately \$10,000 per boe/day. Furthermore, the Acquired Properties are characterized by high working interests and operatorship with extensive gathering and processing infrastructure to efficiently accommodate production additions.

The acquisition provides the following benefits to unitholders:

- Increases Bonavista's current production by 22% to approximately 63,000 boe/day (60% natural gas weighting);
- Increases Bonavista's proven plus probable reserves by 29% to 247 million boe;
- Improves Bonavista's proved reserve life index by approximately 5% to 7.8 years, and proved plus probable reserve life index by approximately 9% to 10.2 years using current production rates;
- Increases Bonavista's undeveloped land position by 12% to approximately 1.3 million net acres and includes an attractive seismic position overlaying these lands of approximately 3,400 miles of 2D and 160 square miles of 3D data. Bonavista has internally ascribed \$41 million of value to the undeveloped land and seismic assets;
- 89% of the production is operated resulting in attractive operating costs of \$6.40/boe;
- Control of strategic infrastructure including 610 miles of pipelines, 35,000 horsepower of compression facilities and 52% ownership of a key 33 mmcf/day gas plant with the ability to swing excess production to other 3<sup>rd</sup> party processing facilities in the area;
- Accretive to Bonavista's cash flow, reserves, production, net asset value, and reserve life index;
- Significant development opportunities on the Acquired Properties, providing Bonavista with the ability to continue its strategy of adding low cost production and reserves through internal development and optimization; and
- Additional critical mass providing for increased stability over the longer-term, additional efficiencies in Bonavista's operations and greater access to capital markets.

### Acquired Properties

The Acquired Properties are currently producing approximately 11,400 barrels of oil equivalent per day (boe/day), including 53.2 million cubic feet per day (mmcf/day) of natural gas, 2,150 barrels per day (bbls/day) of associated natural gas liquids and 380 bbls/day of light oil. The following table outlines the associated forecasted company interest reserves, effective April 1, 2009, of the assets to be acquired:

	<b>Natural gas</b>	<b>Natural gas liquids</b>	<b>Oil</b>	<b>Total BOE</b>	<b>10% NPV<sup>(1)</sup></b>
	(Bcf)	(mbbls)	(mbbls)	(mboe)	(\$ millions)
Total Proved	177.8	7,030	683	37,348	628.7
Proved and Probable	264.9	10,477	967	55,596	878.6

Note:

(1) Estimated net present values do not represent fair market value.

The major producing properties were evaluated based on an independent engineering report using their April 1, 2009 price forecast, in accordance with NI 51-101.

### Financing

The cash to close the acquisition of approximately \$694 million will be funded through a combination of bank debt and an issuance of subscription receipts ("Subscription Receipts"). In conjunction with the acquisition, Bonavista has entered into an agreement to sell, on a bought deal basis, 23,000,000 Subscription Receipts at a price of \$16.85 each for gross proceeds of approximately \$388 million (the "Offering") to a syndicate of underwriters co-led by TD Securities Inc. and CIBC World Markets Inc. and including BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., FirstEnergy Capital Corp., National Bank Financial Inc., Peters & Co. Limited, HSBC Securities (Canada) Inc. and Tristone Capital Inc. (the "Underwriters"). Bonavista has also granted the Underwriters an over-allotment option to purchase an additional 2,000,000 Subscription Receipts at the same price, exercisable in whole or in part at closing or until 30 days following closing of the Offering.

Each Subscription Receipt represents the right to receive one trust unit on the closing of the acquisition. The proceeds from the offering of Subscription Receipts will be deposited in escrow pending closing of the acquisition. If the acquisition closes on or before August 21, 2009, the net proceeds from the offering of subscription receipts will be released to Bonavista and used by it to pay a portion of the purchase price of the acquisition. If the acquisition closes on August 21, 2009, as scheduled, holders of Subscription Receipts will become holders of record of trust units on August 21, 2009 and will, if they continue to hold such trust units, be entitled to the August 31, 2009 distribution to holders of the trust units.

If the acquisition fails to close by September 30, 2009, or the acquisition is terminated at an earlier time, the escrow agent will return the net proceeds and pro rata entitlement to interest thereon to holders of the Subscription Receipts.

Completion of the Offering is subject to certain conditions including normal regulatory and stock exchange approvals. The Subscription Receipts will be offered in all provinces of Canada by way of a short form prospectus. The closing of the Offering is expected to occur on or about August 7, 2009.

In connection with this acquisition, Bonavista is currently arranging to increase its bank financing by up to \$400 million with the current members of its banking syndicate with the same maturity and financial covenants of its existing bank credit facility. Bonavista has agreed with two of its existing lenders to secure \$150 million of commitments in connection with other contemplated increases. This will provide Bonavista with up to \$1.4 billion of total bank credit facilities to fund its ongoing capital programs.

TD Securities Inc. and CIBC World Markets Inc. acted as advisors with respect to financial matters.

#### **Hedging and Potential Property Dispositions**

As a result of this transaction, Bonavista is pursuing additional hedge positions and may also sell up to \$100 million of producing and royalty interests properties that it has targeted for disposition.

#### **Outlook**

The substantial inventory of low cost drilling opportunities on the Acquired Properties, combined with Bonavista's current large inventory will ensure a smooth transition into a "hybrid" model where we will provide stakeholders a combination of growth and income. We are very pleased to be able to acquire such a high quality property at this time and look forward to executing our capital program over the next several years to continue delivering exceptional long term value to our unitholders.

Bonavista Energy Trust is a mid-sized energy trust created through the reorganization of Bonavista Petroleum Ltd. on July 2, 2003. Bonavista Energy Trust is committed to maintaining its emphasis on operating high quality oil and natural gas properties, providing moderate growth and delivering consistent distributions to its unitholders while ensuring financial strength and sustainability. Bonavista's trust units trade on the Toronto Stock Exchange under the symbol BNP.UN.

Please visit our website at [www.bonavistaenergy.com](http://www.bonavistaenergy.com) for detailed corporate information.

#### **FOR FURTHER INFORMATION CONTACT:**

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Chairman & CEO		President & COO		Executive Vice President		Senior Vice President & CFO

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## **Advisory Regarding Forward-Looking Information and Statements**

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements or information.*

*More particularly and without limitation, this press release contains forward looking statements and information concerning: closing of the Offering and the acquisition and the expected timing of such closings; the estimated closing purchase price of the acquisition; Bonavista's plans to obtain an increase in its credit facility; estimated production and reserves and anticipated increases in production and reserves; development and drilling programs, plans and opportunities; expected finding and development costs and on-stream costs; the payment of future distributions and the timing thereof; future development and growth opportunities; Bonavista's capital program; the sale of other properties and royalties; cash flow, net asset value and reserves life; the anticipated benefits of the acquisition including increased long-term stability, operating efficiencies and capital market access; and plans to transition into future business model.*

*The forward-looking statements and information in this press release are based on certain key expectations and assumptions made by Bonavista, including completion of the acquisition and the Offerings on the timing planned; prevailing commodity prices and exchange rates; applicable royalty rates and tax laws; future well production rates; reserve and resource volumes; the performance of existing wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the receipt, in a timely manner of regulatory, stock exchange and other required approvals. Although Bonavista believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Bonavista can give no assurance that they will prove to be correct. There is no certainty that Bonavista will achieve commercially viable production from its undeveloped lands and prospects.*

*Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the failure to obtain the necessary regulatory, stock exchange and other regulatory approvals and on the timelines it has planned, the risk that some other condition to the closing of the Offering or the acquisition is not satisfied; the negotiation of an increase in Bonavista's credit facility and the continued participation of Bonavista's lenders; the oil and gas industry in general such as: operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation or petroleum and natural gas and loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; stock market volatility; and changes in legislation, including but not limited to tax laws, royalty rates and environmental regulations.*

*Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Bonavista are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).*

*The forward-looking statements and information contained in this press release are made as of the date hereof and Bonavista undertake 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 so required by applicable securities laws.*

### **Boe Advisory**

*The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A Boe conversion ratio of six thousand cubic feet per barrel (6 Mcf: 1 Bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*