

Cequence Energy Enters Into Agreements to Acquire Oil and Gas Producing Properties and Related Assets

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CALGARY, ALBERTA (August 18, 2009) - Cequence Energy Ltd., formerly Sabretooth Energy Ltd., ("Cequence" or the "Company") (TSX: "CQE"; formerly "SAB") is pleased to announce that it has entered into two separate purchase and sale agreements (the "Purchase and Sale Agreements"), one with a subsidiary of a major publicly traded oil and gas company and one with a private oil and gas company (collectively referred to as the "Vendors") providing for the acquisition (the "Acquisitions") by the Company of certain oil and gas producing properties (the "Properties") for an aggregate purchase price of approximately \$19 million in cash, subject to adjustment. The Acquisitions are expected to close at the end of August 2009 and the end of September 2009 with effective dates of June 1, 2009 and August 1, 2009, respectively.

The Properties are concentrated in the Peace River Arch area of northwest Alberta and, in the opinion of management, are an excellent complement to the existing Cequence properties. The Properties include various facility and pipeline working interests with the majority of production being operated.

Anticipated production from the Properties is estimated to be approximately 850 boe/d, comprised of 4.6 mmcf per day of high heat content natural gas and 85 barrels per day of oil and natural gas liquids. In addition, the Properties contain approximately 31,000 net acres of undeveloped land.

Based on independent reserves evaluations of the Properties, Cequence's total proved reserves are expected to increase by approximately 1,650 mboe and proved plus probable reserves are expected to increase by approximately 2,841 mboe.

Upon closing of the Acquisitions, Cequence expects to have average daily production volumes of approximately 2,150 boed (6:1), comprised of approximately 11.0 mmcf/d of natural gas and 266 bbls/d of oil and natural gas liquids. Expected daily production volumes take into account the planned shut-in of approximately 150 boe/d in mid-August due to low natural gas prices.

Cequence expects to finance the Acquisitions through its existing working capital. Completion of the Acquisitions is subject to certain customary closing conditions.

The key attributes of the Acquisitions are:

- Anticipated combined production of approximately 850 boe/d;
- 48 net sections of undeveloped land;
- Numerous development drilling locations; and
- Operating costs of approximately \$11 per boe.

Acquisition Metrics

Based on the above, and excluding undeveloped land value of \$1.55 million, the acquisition metrics are as follows:

- Production
 - \$22,353 per producing boe based on 850 boe/d
- Reserves (including future capital)
 - \$8.25 per proven plus probable boe; and
 - \$12.27 per proved boe.

Cequence Energy Ltd. is a publicly traded Canadian energy company involved in the exploration, development and production of natural gas and crude oil in western Canada.

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: business strategy and objectives; information relating to the Acquisitions and the benefits thereof; development, exploration, acquisition and disposition plans and the timing thereof; reserve quantities and the discounted present value of future net cash flows from such reserves including production from the Properties; future production levels. 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 the Company believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on forward-looking information 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 impact of increasing competition; the ability to complete the Acquisitions; timing for completing the Acquisitions; 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 including any financing required to complete the Acquisitions; field production rates and decline rates; 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 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 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 the Company and described in the forward-looking information. The material risk factors affecting the Company and its business are contained in the Company's Annual Information Form which is available under the Company'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 the Company 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

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.

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

For further information:

Howard Crone, Chief Executive Officer
(403) 229-3050

hcrone@cequence-energy.com

or

David Gillis, Chief Financial Officer

(403) 229-3050

dgillis@cequence-energy.com