



## JOINT NEWS RELEASE

### GREY WOLF AND INSIGNIA COMPLETE BUSINESS COMBINATION

**Calgary, Alberta, July 24, 2009** – Insignia Energy Ltd. ("Insignia") (TSX: ISN) and Grey Wolf Exploration Inc. ("Grey Wolf") (TSX: GWE) are pleased to announce that the business combination between Insignia and Grey Wolf pursuant to an arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement") was completed today. Pursuant to the Arrangement, Insignia issued approximately 14.4 million Insignia common shares to acquire all of the issued and outstanding Grey Wolf common shares, resulting in pre-Arrangement Insignia shareholders owning approximately 53% of Insignia's outstanding common shares and former Grey Wolf shareholders owning approximately 47% of Insignia's outstanding common shares. After giving effect to the Arrangement, Insignia has approximately 30.66 million common shares outstanding. The common shares of Grey Wolf are expected to be delisted from the TSX on or about July 29, 2009. Insignia is pleased to announce that in connection with the completion of the Arrangement, Vince Tkachyk, Grey Wolf's former President and Chief Operating Officer, was appointed as a director of Insignia.

Insignia will be well positioned with a strong balance sheet and exposure to several high impact growth play types including the Monteny/Doig and Horn River shale. Specifically, Insignia's operating characteristics will include:

- production of approximately 3,300 boe/d (82% gas);
- a balance sheet with approximately \$12 million in net debt;
- proved reserves as at December 31, 2008 of 7,871 mboe<sup>1</sup>;
- proved plus probable reserves as at December 31, 2008 of 15,653 mboe<sup>1</sup>; and
- 235,000 net undeveloped acres.

Note:

- (1) Based on the independent reserves reports disclosed in each company's annual information form for the year ended December 31, 2008.

#### **About Insignia and Grey Wolf**

Insignia and Grey Wolf are both independent Canadian oil and natural gas exploration, development and production companies with the Insignia Shares and Grey Wolf Shares trading on the Toronto Stock Exchange under the symbols "ISN" and "GWE", respectively.

#### *Forward-Looking Statements*

Certain statements contained in this document constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation. This document contains forward-looking statements pertaining to Insignia's positioning and its assessment of its assets as well as Insignia's reserves. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: future capital expenditure levels; future oil and natural gas prices and differentials between light, medium and heavy oil prices; future oil and natural gas production levels; future exchange rates and interest rates; our ability to obtain equipment in a timely manner to carry out development activities; our ability to market our oil and natural gas successfully to current and new customers; the impact of increasing competition; our ability to obtain financing on acceptable terms; and our ability to add production and reserves through our development and exploitation activities. Although we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the following: volatility in market prices for oil and natural gas; failure to realize the anticipated benefits and synergies of the business combination; general economic conditions in Canada, the U.S. and globally; and the other factors described under "Risk Factors" in Insignia's and Grey Wolf's most recently filed Annual Information Form available in Canada at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

#### *Barrels of Oil Equivalent*

Barrels of oil equivalent (boe) is calculated using the conversion factor of 6 Mcf (thousand cubic feet) of natural gas being equivalent to one barrel of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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