

## **Twin Butte Energy Ltd. Announces Acquisition of Private Company**

CALGARY, June 22 /CNW/ - Twin Butte Energy Ltd. (TSX: TBE) ("Twin Butte") is pleased to announce that it has entered into a definitive agreement with Can-Able Energy Ltd. ("Can-Able"), a private company, pursuant to which Twin Butte has agreed to make an offer to acquire all of the issued and outstanding common shares of Can-Able. Can-Able's primary assets are based in West Central Alberta at Ansell and Ricinus, and currently produce approximately 250 boe/day consisting primarily of high heat content natural gas and associated natural gas liquids.

Pursuant to the proposed transaction, the holders of common shares of Can-Able will be offered 0.58 of a common share of Twin Butte for every common share of Can-Able, for aggregate share consideration of approximately 8,229,968 common shares of Twin Butte. Twin Butte will also assume approximately \$2.1 million of associated debt leading to a total consideration of approximately \$10.3 million.

### ACQUISITION HIGHLIGHTS

- Current production of approximately 250 boe/d, of high heat content natural gas and associated natural gas liquids, with a reserve life index in excess of 9 years on a proved producing basis;
- Proved reserves totalling 1,483 mboe and proved plus probable reserves totalling 2,222 mboe as per an independent reserve evaluation dated December 31, 2008;
- Excellent acquisition metrics of \$9.50 per boe, including forward capital on a proved plus probable basis;
- A significant drilling inventory with 16 identified deep basin style, drill ready locations including horizontal multistage fracture stimulation candidates;
- Low operating costs of approximately \$10.00 per boe;

The acquisition further strengthens and high grades Twin Butte's extensive drilling inventory while establishing a new core area with a repeatable play type with significant running room.

Twin Butte Energy Ltd. is a Calgary, Alberta based oil and natural gas company. The common shares of Twin Butte are listed on the Toronto Stock Exchange under the symbol "TBE".

### Forward-looking Statements

This news release contains statements that constitute "forward-looking information" or "forward-looking statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. This forward-looking information includes, among others, statements regarding: the offer (the "Offer") to acquire all of the issued and outstanding common shares

of Can-Able, the completion of the Offer and the outcome of the Offer, including regarding transaction values and accretion, estimates of reserves, plans for drilling, estimates of production, management's assessment of the companies future plans and operations, the effect of the Offer on the companies and on shareholders of Can-Able and timing of matters relating to the acceptance of the Offer.

Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking information

contained in this news release. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Twin Butte and described in the forward-looking information contained in this news release. Undue reliance should not be placed on forward-looking information. The material risk factors include, but are not limited to: failure to make the Offer, failure to complete the Offer, failure to realize anticipated synergies, the uncertainty of estimates and projections relating to production and reserves, the possibility that government policies or laws may change or governmental and regulatory approvals may be delayed or withheld, changes in tax laws, changes in royalty rates, and Twin Butte's ability to implement its business strategy.

Readers are cautioned that the foregoing list of risk factors is not exhaustive. Additional information on these and other factors that could affect Twin Butte's results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or at Twin Butte's website ([www.twinbutteenergy.com](http://www.twinbutteenergy.com)).

Forward-looking information is based on the estimates and opinions of Twin Butte's management at the time the information is released and Twin Butte does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

In this news release, reserves and production data are commonly stated in barrels of oil equivalent using a six to one conversion ratio when converting thousands of cubic feet of natural gas to barrels of oil and a one to one conversion ratio for natural gas liquids. Such conversion may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The TSX does not accept responsibility for the adequacy or accuracy of this news release.

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