



(TSX: BNP.UN)  
FOR IMMEDIATE RELEASE  
October 14, 2010

## NEWS RELEASE

### Bonavista Energy Trust Announces Fourth Quarter Distributions and Intent to Convert to a Corporation

Calgary – Bonavista Energy Trust (“Bonavista”) announces today that its Board of Directors has approved the current distribution policy at \$0.16 per unit for the fourth quarter of 2010. For 2010, our objective is to set a distribution policy at prudent levels of up to 50% of funds from operations while withholding sufficient funds to finance capital expenditures required to modestly grow our current production base. This in turn, provides for a stronger base of cash flow for future sustainable distributions. Our distribution policy is reviewed monthly and is based on a number of factors including current and future commodity prices, foreign exchange rates, our commodity hedging program, our current operations and future investment opportunities. Bonavista has declared this distribution to be paid on November 15, 2010 for unitholders of record on October 31, 2010 with an ex-distribution date of October 27, 2010.

<u>Record Date</u>	<u>Ex-Distribution Date</u>	<u>Distribution Date</u>	<u>Distribution per Unit</u>
October 31, 2010	October 27, 2010	November 15, 2010	\$0.16
November 30, 2010	November 26, 2010	December 15, 2010	\$0.16 (*)
December 31, 2010	December 29, 2010	January 17, 2011	\$0.16 (*)

(\*) The above reflects an anticipated distribution based on Bonavista’s current projected commodity prices, commodity hedge positions and production volumes. Distributions are subject to change should there be a material change in expected cash flow for the respective periods.

Currently, Bonavista has 133,624,808 million trust units and 9,381,591 million exchangeable shares outstanding. The exchangeable shares are convertible into 22,060,530 million trust units based on the current exchange ratio, which is adjusted monthly to reflect the distributions paid on the trust units. Cash distributions are not paid on the exchangeable shares, nor are the exchangeable shares publicly traded.

Bonavista is also pleased to announce that its Board of Directors has unanimously approved the conversion of Bonavista to a dividend paying corporation (“New Bonavista”) which is expected to be completed on December 31, 2010. Following the conversion, New Bonavista will remain focused on a balanced commodity approach and will be committed to maintaining its emphasis on operating high quality oil and natural gas properties, delivering a combination of growth and income to shareholders while ensuring financial strength and sustainability.

We anticipate providing detailed guidance on our future corporate dividend policy concurrent with the release of our third quarter results scheduled on November 4, 2010.

Pursuant to the conversion, unitholders will exchange their trust units on a one-for-one basis for common shares of New Bonavista and exchangeable shareholders will exchange their exchangeable shares for exchangeable shares of New Bonavista, based on their exchange ratio. The conversion is expected to be a tax-deferred exchange for Canadian income tax purposes. The foregoing statement is not intended to be, and should not be construed as, tax advice. Investors should consult with their tax advisors regarding the tax consequences of the conversion and any dividends paid by New Bonavista following the conversion.

The conversion will be conducted by way of a plan of arrangement that will require the approval of Bonavista's securityholders. In addition to securityholder approval, the conversion is subject to receipt of all required regulatory, stock exchange and Court of Queen's Bench of Alberta approvals. A special meeting of securityholders has been called for December 14, 2010. The record date for this meeting is November 3, 2010. Further information on the conversion will be mailed to securityholders in mid-November.

### **Forward Looking Statements**

Corporate information provided herein contains forward-looking information including our plan to convert to a corporate legal form, the timing of the conversion; our business strategy as a corporation; the income tax consequences of the conversion; the proposed structure of the conversion; and the timing of mailing materials for the special meeting to securityholders.

These forward-looking statements are based on certain key assumptions regarding, among other things: the receipt of all necessary securityholder, court, stock exchange and other third party approvals; petroleum and natural gas prices; well production rates and reserve volumes; our ability to add production and reserves through our exploration and development activities; capital expenditure levels; the availability and cost of labour and other industry services; the amount of future cash distributions that we intend to pay; interest and foreign exchange rates; and the continuance of existing and, in certain circumstances, proposed tax and royalty regimes. The reader is cautioned that such assumptions, although considered reasonable by Bonavista at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein and the variations may be material. There is no representation by Bonavista that actual results achieved during the forecast period will be the same in whole or in part as those forecasts.

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

Keith A. MacPhail or Jason E. Skehar or Ronald J. Poelzer or Glenn A. Hamilton  
Chairman & CEO President & COO Executive Vice President Senior Vice President & CFO

### **Bonavista Energy Trust**

700, 311 - 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 3H2  
Phone: (403) 213-4300

Website: [www.bonavistaenergy.com](http://www.bonavistaenergy.com)