



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

## NEWS RELEASE

### **Bonavista Energy Trust Announces Securityholder and Court Approvals for its Previously Announced Conversion to a Corporation and Declares Final Distributions of the Trust**

CALGARY, ALBERTA – Bonavista Energy Trust ("Bonavista" or the "Trust") is pleased to announce today that Bonavista received securityholder and court approvals for the previously announced plan of arrangement (the "Arrangement") pursuant to which Bonavista will convert, effective December 31, 2010, to a dividend paying corporation to be named "Bonavista Energy Corporation". Bonavista's securityholders voted 99.95% in favour of the Arrangement. Upon completion of the Arrangement, the common shares of Bonavista Energy Corporation will be listed for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol "BNP", subject to satisfying certain listing conditions of the TSX.

Bonavista is also announcing that the Board of Directors has declared a cash distribution of Cdn. \$0.16 per trust unit payable to unitholders of record on December 31, 2010 (ex-distribution date December 29, 2010) which will be paid to unitholders on January 17, 2011. This distribution will be the final cash distribution of the Trust and will be paid pursuant to the Arrangement or if the Arrangement is not completed for any reason paid in the normal course. As previously announced, following the Arrangement it is expected that Bonavista Energy Corporation will adopt a monthly dividend policy with an initial dividend rate of \$0.12 per common share commencing in January 2011 with the first dividend anticipated to be paid on February 15, 2011.

In addition, pursuant to the terms of the Arrangement the Trust is required to declare payable to unitholders of record at the effective time a distribution (the "Additional Distribution") per trust unit equal to any remaining taxable income of the Trust divided by the total number of trust units then outstanding payable in trust units with a value equal to such distribution. Management of Bonavista does not currently anticipate that there will be any remaining taxable income in the Trust at the effective time and as a result the Board of Directors has declared a nil Additional Distribution for unitholders of record on December 31, 2010 (ex-distribution date December 29, 2010). If the Board of Directors determines that there is taxable income in the Trust as of December 31, 2010 the amount of this Additional Distribution will be adjusted; however, regardless of whether any amount is distributed pursuant to this Additional Distribution, unitholders will not receive any cash or trust units pursuant to this Additional Distribution as immediately following such Additional Distribution the number of trust units will be consolidated such that each unitholder will hold after the consolidation the same number of trust units as the unitholder held before the Additional Distribution of trust units.

Bonavista is a mid-sized energy trust created through the reorganization of Bonavista Petroleum Ltd. on July 2, 2003. Bonavista 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

**Bonavista Energy Trust**

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**Forward-Looking Statements** – Certain information set forth in this news release contains forward-looking statements. Forward-looking statements include Bonavista's expectations with respect to the expected conversion to a corporation, including the proposed structure and the timing relating to the amount of the final distributions of the Trust and the proposed dividend policy of Bonavista Energy Corporation including the amount of dividend proposed to be paid and our ability to sustain that dividend.

These forward-looking statements are based on certain key assumptions regarding, among other things: our ability to complete the Arrangement in the manner and timeframe expected; 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 dividends that we intend to pay; future exchange rates, 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.