



(TSX: BNP.UN)

FOR IMMEDIATE RELEASE
January 4, 2011

NEWS RELEASE

BONAVISTA ENERGY TRUST CONVERTED INTO BONAVISTA ENERGY CORPORATION

CALGARY, ALBERTA - Bonavista Energy Corporation is pleased to confirm today that it has completed the previously announced plan of arrangement involving Bonavista Energy Trust, Bonavista Petroleum Ltd. and Bonavista Energy Corporation. Pursuant to the plan of arrangement holders of trust units of Bonavista Energy Trust (the "Unitholders") exchanged their trust units for common shares of Bonavista Energy Corporation and holders of exchangeable shares of Bonavista Petroleum Ltd. (the "Exchangeable Shareholders") exchanged their exchangeable shares for exchangeable shares of Bonavista Energy Corporation.

Unitholders and Exchangeable Shareholders, voting as a single class, voted 99.95% in favour of the plan of arrangement at the special meeting of Unitholders and Exchangeable Shareholders held on December 14, 2010. In accordance with the terms of the plan of arrangement, former Unitholders who complete the letter of transmittal provided to Unitholders will receive common shares of Bonavista Energy Corporation on a one-for-one basis. Former Exchangeable Shareholders who complete the letter of transmittal provided to Exchangeable Shareholders will receive exchangeable shares of Bonavista Energy Corporation based on the exchange ratio which is 2.40917 exchangeable shares of Bonavista Energy Corporation for each exchangeable share of Bonavista Petroleum Ltd. Bonavista Energy Corporation currently has outstanding approximately 133.9 million common shares and approximately 22.6 million exchangeable shares.

It is anticipated that the common shares of Bonavista Energy Corporation will commence trading on the Toronto Stock Exchange under the new trading symbol "BNP" in early January 2011 and the trust units will be delisted.

Bonavista Energy Corporation is a mid-sized energy corporation committed to maintaining its emphasis on operating high quality oil and natural gas properties, providing moderate growth and delivering consistent dividends to its shareholders while ensuring financial strength and sustainability.

Please visit our website at www.bonavistaenergy.com for detailed corporate information.

FOR FURTHER INFORMATION CONTACT:

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Forward-Looking Statements: Contained in this news release are forward-looking statements. The reader is cautioned that these statements represent management's expectations or beliefs concerning, among other things timing of the delisting of the trust units and the listing of the common shares of Bonavista Energy Corporation on the Toronto Stock Exchange. Although these assumptions are considered reasonable by Bonavista Energy Corporation at the time of preparation, they may prove to be incorrect. Actual events or results may differ materially. The projections, estimates and beliefs contained in such forward-looking statements are based on management's opinions and assumptions at the time the statements were made, and necessarily involve known and unknown risks and uncertainties which may cause actual results to differ materially from any projections of future results expressed or implied by such forward-looking statements, including those material risks discussed in Bonavista Energy Trust's information circular and proxy statement dated November 15, 2010, and Bonavista Energy Trust's Annual Information Form and MD&A under "Risk Factors". Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. Bonavista Energy Corporation does not undertake to update any forward-looking statements contained in this press release whether as to new information, future events or otherwise except as required by securities rules and regulations.