



(TSX: BNP)
FOR IMMEDIATE RELEASE
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NEWS RELEASE

Bonavista Energy Corporation Announces First Quarter Dividend Policy

Calgary – Bonavista Energy Corporation (“Bonavista”) announces today that its Board of Directors has approved the current dividend policy of \$0.12 per common share per month for the first quarter of 2011, based on the current economic conditions of our business. Our objective is to set a prudent dividend policy that provides an attractive cash return to our shareholders, while reinvesting the remainder of our funds from operations to modestly grow our production and equity value. This in turn, should strengthen our asset base, while allowing for consistent or modestly increasing dividend levels in the future. Our dividend 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, current operations and future investment opportunities. We will continue to carefully monitor the impact of all these issues and adjust our monthly dividend and capital programs as conditions dictate.

Bonavista has declared this dividend to be paid on February 15, 2011 to common shareholders of record on January 31, 2011 with an ex-dividend date of January 27, 2011.

<u>Record Date</u>	<u>Ex-Dividend Date</u>	<u>Dividend Date</u>	<u>Dividend per Common Share</u>
January 31, 2011	January 27, 2011	February 15, 2011	\$0.12
February 28, 2011	February 24, 2011	March 15, 2011	\$0.12 (*)
March 31, 2011	March 29, 2011	April 15, 2011	\$0.12 (*)

(*) The above reflects an anticipated dividend based on Bonavista's currently projected commodity prices, commodity hedge positions and production volumes. Dividends are subject to change should there be a material change in forecasted funds from operations for the respective periods.

Currently, Bonavista has 134.0 million common shares and 22.6 million exchangeable shares outstanding. The exchangeable shares are convertible into 22.6 million common shares based on the current exchange ratio, which is adjusted monthly to reflect the dividends paid on the common shares. Cash dividends are not paid on the exchangeable shares, nor are the exchangeable shares publicly traded.

Bonavista is focused on a balanced commodity approach and is committed to operating high quality oil and natural gas properties, delivering sustainable dividends to shareholders and providing modest production growth while maintaining financial strength and flexibility.

Forward Looking Statements

Corporate information provided herein contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, particularly those pertaining to cash dividends, production volumes, commodity prices, operating costs and drilling results, which are considered reasonable by Bonavista at the time of preparation, may be proven 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.

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