



(TSX: BNP)
FOR IMMEDIATE RELEASE
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NEWS RELEASE

Bonavista Energy Corporation Announces Third 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 third quarter of 2011, based on current economic conditions and results of operations 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 increase our production and equity value. This in turn, will strengthen our asset base, which will allow 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 continually monitor the impact of all these factors and adjust our dividend and capital programs as conditions dictate.

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

<u>Record Date</u>	<u>Ex-Dividend Date</u>	<u>Dividend Date</u>	<u>Dividend per Common Share</u>
July 31, 2011	July 27, 2011	August 15, 2011	\$0.12
August 31, 2011	August 29, 2011	September 15, 2011	\$0.12 (*)
September 30, 2011	September 28, 2011	October 17, 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 135.9 million common shares and 21.3 million exchangeable shares outstanding. The exchangeable shares are convertible into 21.7 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.

FOR FURTHER INFORMATION CONTACT:

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

Bonavista Energy Corporation

1500, 525 - 8th Avenue SW

Calgary, AB T2P 1G1

Phone: (403) 213-4300

Website: www.bonavistaenergy.com