



(TSX: BNP)

FOR IMMEDIATE RELEASE

January 3, 2012

**NEWS RELEASE**

**Bonavista Energy Corporation Announces Increase to Exchangeable Share Ratio**

Calgary – Bonavista Energy Corporation (“Bonavista”) is pleased to announce the increase to the Exchange Ratio of its exchangeable shares from 1.04906 to 1.05389. This increase will be effective on January 16, 2012 (the “Effective Date”).

The following are the details of the calculation of the Exchange Ratio:

Record Date of Bonavista Dividend	Opening Exchange Ratio	Bonavista Dividend per common share	Five day Weighted Average Trading Price of Bonavista common shares (Prior to the end of the Month)	Increase in Exchange Ratio <sup>(1)</sup>	Effective Date of the increase in Exchange Ratio	Exchange Ratio as of the Effective Date
December 31, 2011	1.04906	\$0.12	\$26.07	0.00483	January 16, 2012	1.05389

- (1) The increase in the Exchange Ratio is calculated by multiplying the Bonavista dividend per common share by the Exchange Ratio immediately prior to the Record Date and dividing by the five day weighted average trading price of Bonavista’s common shares.

A holder of Bonavista exchangeable shares can exchange all or a portion of their holdings into Bonavista common shares, at any time, by giving notice to their investment advisor or Valiant Trust Company at its principal transfer office in Suite 310, 606 – 4<sup>th</sup> Street S.W., Calgary, Alberta, T2P 1T1.

Please visit our website at [www.bonavistaenergy.com](http://www.bonavistaenergy.com) for detailed corporate information.

**FOR FURTHER INFORMATION CONTACT:**

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