



**For Immediate Release**  
**TSX: BXE**

**BELLATRIX EXPLORATION REPORTS YEAR-END RESERVES, NET ASSET VALUE AND LAND HOLDINGS AND INDUSTRY LEADING FD&A COSTS**

Calgary, February 22, 2010 – Bellatrix Exploration Ltd (“Bellatrix” or the "Company”) announces the results of its 2009 year-end reserves as evaluated by GLJ Petroleum Consultants Ltd. (“GLJ”), the independent reserves evaluator, for 100% of Bellatrix's oil and gas properties prepared in accordance with National Instrument 51-101 (“NI 51-101”).

As Bellatrix plans to announce its audited 2009 financial results on or about March 11, 2010, certain financial estimates have been made by Bellatrix in this release to facilitate the discussion with respect to the performance of our capital program. Readers are advised that these financial estimates are subject to audit and may be amended as necessary.

**FINDING, DEVELOPMENT AND ACQUISITION COSTS (“FD&A”) HIGHLIGHTS**

<i>(\$/boe)</i>	<b>2009</b>	2008	2007-2009 Average
Proved (excluding FDC)	<b>\$6.01</b>	\$18.24	\$16.07
Proved (including FDC)	<b>\$9.50</b>	\$20.86	\$17.06
Proved Plus Probable (excluding FDC)	<b>\$6.97</b>	\$31.46	\$16.63
Proved Plus Probable (including FDC)	<b>\$6.97</b>	\$36.06	\$17.20

- The Company established a recycle ratio, after commodity price risk management contracts and excluding future development costs, of **3.14x** on a proved basis and **2.71x** on a proved plus probable basis.
- The Company’s reserves life index has extended to **6.5 years** for proved reserves and is **9.6 years** for proved plus probable reserves.

**FIRST QUARTER DRILLING PROGRAM UPDATE**

In the first quarter of 2010, the Company plans to drill 8 gross (6.25 net) Cardium horizontal wells and 2 gross (1.85 net) Notikewin horizontal wells. To date the Company has drilled three Cardium horizontal wells (100% WI), at Norbuck and Pembina. Bellatrix has conducted a multi-staged completion on all three wells and is currently flowing back load oil on two of the wells. The third well (100% WI) in the Lodgepole area of Pembina is on production after recovering all of its load oil and is averaging 375 bopd. In the Ferrier area the Company has drilled and conducted a multi-staged completion on a Notikewin horizontal well (100% WI) and is in the process of testing the

well prior to placing on production. The Company is currently drilling 3 gross (1.46 net) Cardium horizontal wells at Norbuck, West Pembina and Willesden Green.

## **OPERATING HIGHLIGHTS**

Bellatrix's corporate thrust in 2009 was to improve the Company's balance sheet by reducing total outstanding debt and streamlining its operating cost structure. This strategy resulted in a reduced 2009 capital program of approximately \$16 million, from \$43 million in 2008, and strategic divestitures for proceeds of approximately \$93 million which were expected to negatively impact reserves and production.

The consequence of this planned activity was total net debt levels decreasing by \$108 million from \$215 million at December 31, 2008 to \$107 million at December 31, 2009 including the liability component of the convertible debentures and excluding unrealized commodity contract assets and liabilities, future income taxes and asset retirement obligations. The accompanying reduction posted in reserves and production was within the planned parameters.

Bellatrix continues to tighten its cost structure in the current economically challenging climate with forecasted reductions of approximately 22% to total operating expenses which includes general and administrative costs ("G&A") and lease operating costs in 2010. As stated in the press release dated January 29, 2010 Bellatrix has announced a \$75 million capital expenditures budget for 2010. Based on the timing of proposed expenditures, downtime for anticipated plant turnarounds and normal production declines, execution of the 2010 budget is anticipated to provide 2010 average daily production of approximately 8,500 boe/d and an exit rate of approximately 10,000 boe/d. The 2010 capital budget is expected to be directed primarily towards horizontal drilling and completions activities in the Cardium and Notikewin resource plays.

As an added layer of protection of its cash flow forecast, Bellatrix has hedged approximately 54% of its estimated 2010 natural gas production for the balance of the year at an average fixed price of \$6.56/mcf (\$5.972 CAD per GJ).

Bellatrix reports the following highlights of the Company's reserves and undeveloped land at December 31, 2009 in comparison to the prior year end, including:

- 100% drilling success rate in 2009 that consisted of 18 gross (11.68 net) wells at Pembina, Willesden Green, Mantario and Irvine.
- Following securityholder and regulatory approval, on November 1, 2009, the Company was converted (the "Reorganization") from an open-ended, unincorporated investment trust into a growth oriented, public exploration and production company. Strategically, the Reorganization re-positioned the Company, allowing Bellatrix to move forward with a corporate organic growth model and a strong balance sheet.
- Total net proceeds from the sale of properties in 2009 were \$93 million; the net proceeds from the dispositions were used to pay down debt.

- Company's total net debt including the liability component of its convertible debentures, excluding unrealized commodity contract assets and liabilities, future income taxes and asset retirement obligations, as at December 31, 2009 was \$107 million, down from \$215 million as at December 31, 2008 and \$250 million as at December 31, 2007.
- The Company's credit facility was renewed on November 1, 2009 and consists of a \$10 million demand operating facility provided by one Canadian bank and a \$75 million extendible revolving term credit facility provided by one Canadian bank and one Canadian financial institution. The next borrowing base review is scheduled for March 31, 2010.
- As at December 31, 2009, Bellatrix has approximately \$28 million drawn on its extendible, revolving bank credit facility leaving \$57 million available to assist in managing our operations and capital program. On January 28, 2010, Bellatrix closed an equity issuance of 13.64 million common shares on a bought deal basis at a price of \$3.30 per share for gross proceeds of \$45.0 million (net proceeds of \$42.7 million after underwriter fees and before other closing costs). The net proceeds from this financing were used to temporarily reduce outstanding indebtedness.
- Bellatrix's net asset value, based on the GLJ evaluation at a 10% discount rate, equates to \$3.76 per share on a basic and fully diluted basis as at December 31, 2009.
- Based on the reserves information and other data as at December 31, 2009, the Company has performed ceiling test calculations in accordance with the requirements of CICA AcG 16 "Oil and Gas Accounting – Full Cost". No ceiling test impairment of oil and gas properties is anticipated for accounting purposes as at December 31, 2009.
- The Company has approximately \$400 million in tax pools available for deduction against future income.
- Bellatrix has over 258,500 net undeveloped acres in Alberta, British Columbia and Saskatchewan.

## **RESERVES**

The Company has experienced several years of positive revisions to the reserve base as its assets continue to mature and expects this trend to continue. Additionally, reserves expected from the Company's developing Cardium and Notikewin resource plays remain largely unassigned due to the nascent development of the play and the horizontal drilling and completion technologies involved. Specifically, the reserve evaluation includes only one (net) undeveloped Notikewin horizontal gas location at Ferrier and two (net) undeveloped Cardium horizontal oil locations at Pembina. Focusing on the Cardium oil play, the Company is in the process of developing and proving reserves across 133 gross (81 net) sections of land, an average 61% working interest.

Bellatrix's average sales volumes for 2009 are estimated to be 8,426 boe/d. Fourth quarter 2009 sales volumes averaged 6,572 boe/d, weighted 75% toward natural gas, 17% toward light oil and natural gas liquids with the remaining 8% being heavy oil. Omitting properties subject to

disposition in 2009, proved and probable company interest reserve additions in 2009 replaced 99% of production.

At December 31, 2009 the Company's proved and probable company interest reserves, using forecast prices and costs, were 25,872 mboe, a decrease of 34% compared to 39,488 mboe at December 31, 2008. Property dispositions accounted for 12,858 mboe or 94 % of the decrease. By commodity type, natural gas makes up 72%, light oil and natural gas liquids 21% and heavy oil 7% of total reserves. At December 31, 2009, the Company's total proved company interest reserves were 16,573 mboe, a decrease of 29% compared to 23,453 mboe at December 31, 2008; property dispositions accounted for 6,464 mboe or 94% of the decrease.

Exploration and development capital expenditures after drilling incentive credits but excluding acquisitions and dispositions were \$15.8 million in 2009. During the fourth quarter of 2009, Bellatrix spent \$9.6 million on capital projects, excluding corporate and asset acquisitions and dispositions, compared to \$11.0 million in 2008. In 2009, Bellatrix drilled or participated in 18 (11.68 net) wells including 12 gross (7.62) net natural gas wells, and 4 gross (3.5 net) oil wells and 2 gross (0.56 net) awaiting completion.

## **PRODUCTION**

For the 2009 year, sales volumes averaged 8,426 boe/d compared to 11,900 boe/d for the same period in 2008, representing a 29% decrease. The reduction in average sales volumes from the 2008 year to 2009 is a result of natural production decline, minimal 2009 capital spending and approximately 3,600 boe/d in dispositions during the first half of 2009.

As stated in the press release dated January 29, 2010 Bellatrix has announced a \$75 million capital expenditures budget for 2010, which compares with the Company's \$19 million 2009 capital expenditures budget. Based on the timing of proposed expenditures, downtime for anticipated plant turnarounds and normal production declines, execution of the 2010 budget is anticipated to provide 2010 average daily production of approximately 8,500 boe/d and an exit rate of approximately 10,000 boe/d. The 2010 capital budget is expected to be directed primarily towards horizontal drilling and completions activities in the Cardium and Notikewin resource plays.

As part of the 2010 capital expenditures budget the Corporation anticipates drilling 44 gross wells (31.6 net wells) primarily in the Pembina and Ferrier areas of Alberta, for an approximate cost of \$57.0 million. In addition, the Corporation anticipates spending approximately \$4.0 million on land and seismic acquisitions, \$6.25 million on well site equipping and field facilities, \$0.75 million on geological and geophysical expenditures, \$3.0 million on optimization and recompletions and \$4.0 million on non-operated joint venture billings.

## CAPITAL EXPENDITURES

(\$000s)	Years ended December 31,	
	2009 (unaudited)	2008
Lease acquisitions and retention	649	1,244
Geological and geophysical	31	318
Drilling and completion costs	13,715	19,008
Facilities and equipment	3,616	16,129
Drilling Incentive Credits	(2,168)	-
Exploration and development	15,843	36,699
Corporate	644	589
Property acquisitions	-	5,714
Total capital expenditures – cash	16,487	43,002
Property dispositions – cash	(92,921)	(44,340)
Total net capital expenditures – cash	(76,434)	(1,338)
Other – non-cash <sup>2</sup>	(492)	3,710
Total capital expenditures <sup>1</sup>	(76,926)	2,372

<sup>1</sup> Excludes capitalized costs related to asset retirement obligation expenditures incurred during the year.

<sup>2</sup> Other includes current period's asset retirement obligations and unit based compensation capitalized.

## DISPOSITIONS

The Company's focus in 2009 has been on the restructuring and strengthening of its balance sheet. The Company had two minor dispositions in the second quarter and successfully completed the divestiture of the majority of its petroleum and natural gas properties in Saskatchewan in the third quarter. Net proceeds from the dispositions were used to reduce the Company's bank indebtedness; these strategic accomplishments have allowed the Company to progress forward with substantially improved financial flexibility.

On June 30, 2009, Bellatrix sold 145 boe/d, including 0.63 mmcf/d of natural gas, in the Penhold Area of Central Alberta for \$4.7 million, after purchase adjustments and closing costs. In addition, in June 2009, Bellatrix completed a disposition of certain royalty interests for approximately \$3.7 million, after purchase adjustments and closing costs. The proceeds from these two dispositions were used to reduce Bellatrix's bank indebtedness.

On July 30, 2009, the Company successfully completed the divestiture of a majority of its oil and natural gas assets in Saskatchewan for net proceeds of \$86 million (the "Saskatchewan Divestiture"). The Saskatchewan Divestiture excludes the Saskatchewan properties of Mantario and Cypress. Bellatrix's interests to the base Belly River in three sections in the Ferrier area of West Central Alberta were also included in the divestiture package. In the second quarter of 2009, the Company recorded a \$114.2 million non-cash loss on the assets sold being the excess of the allocated net book value to these assets, compared to the total estimated net proceeds, after purchase adjustments and estimated closing costs.

## TOTAL DEBT

Bellatrix's net debt, excluding unrealized commodity contract assets and liabilities, future income taxes and asset retirement obligations, as at December 31, 2009 was \$107 million, representing \$27.9 million outstanding on the credit facility, \$81.7 million in convertible debentures (liability component) and the net balance of working capital.

On January 28, 2010, Bellatrix closed an equity issuance to sell 13.64 million common shares on a bought deal basis at a price of \$3.30 per share for gross proceeds of \$45.0 million (net proceeds of \$42.7 million after underwriter fees and before other closing costs). The net proceeds from this financing will be used to temporarily reduce outstanding indebtedness, thereby freeing up borrowing capacity that may be redrawn to fund Bellatrix's ongoing capital expenditure program and for general purposes.

## TAX POOLS

At December 31, 2009, the Company had \$399.6 million in tax pools available for deduction against future income as follows:

<i>(\$000s)</i>	Rate %	<b>2009 (unaudited)</b>	2008
Canadian exploration expenses	100	<b>43,200</b>	43,300
Canadian development expenses	30	<b>210,500</b>	214,100
Canadian oil and gas property expenses	10	<b>15,100</b>	63,300
Foreign resource expenses	10	<b>1,100</b>	700
Attributed Canadian Royalty Income	(Alberta) 100	<b>16,100</b>	16,100
Undepreciated capital cost	6-55	<b>100,600</b>	128,300
Non capital losses (expire through 2027)	100	<b>12,800</b>	39,800
Financing costs	20 S.L.	<b>200</b>	5,400
<b>Total Tax Pools</b>		<b>399,600</b>	511,000

The reduction in tax pools from 2008 to 2009 is primarily due to the dispositions that closed during the year. As a result of the Reorganization, \$1.7 million of tax pools related to financing costs were eliminated effective November 1, 2009.

Reserves, at December 31, 2009, as evaluated by GLJ, are summarized below and in the following tables.

**Summary of Oil and Gas Company Interest<sup>1</sup> Reserves<sup>2</sup> (Gross + Royalties Receivable)  
Forecast Prices and Costs**

	As At December 31, 2009					As at Dec. 31, 2008
	Natural Gas <sup>3</sup> (mmcf)	Heavy Oil (mdbl)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)	Total (mboe, 6:1)	Total (mboe, 6:1)
Proved						
Developed producing	55,438	759	1,057	1,289	12,345	17,465
Developed non-producing	5,572	-	40	50	1,019	1,565
Undeveloped	9,415	619	751	270	3,209	4,413
Total proved	70,425	1,378	1,848	1,610	16,573	23,453
Probable	41,961	477	794	1,034	9,299	16,035
Proved plus probable, producing	73,459	943	1,458	1,755	16,399	23,135
Total proved plus probable	112,386	1,855	2,642	2,644	25,872	39,488

<sup>1</sup> "Company Interest" means Bellatrix's working interest (operated or non operated) share before deduction of royalties but after including any royalty interests of Bellatrix.

<sup>2</sup> May not add due to rounding.

<sup>3</sup> Includes 1,518 mmcf of total proved and 1,950 Gross mmcf total proved plus probable assigned to natural gas from coal bed methane reserves.

**Summary of Oil and Gas Working Interest<sup>1</sup> Reserves<sup>2</sup> (Gross)  
Forecast Prices and Costs**

	As At December 31, 2009					As at Dec. 31, 2008
	Natural Gas <sup>3</sup> (mmcf)	Heavy Oil (mdbl)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)	Total (mboe, 6:1)	Total (mboe, 6:1)
Proved						
Developed producing	55,173	741	1,057	1,278	12,272	17,336
Developed non-producing	5,572	-	40	50	1,019	1,562
Undeveloped	9,386	617	751	269	3,201	4,407
Total proved	70,131	1,358	1,848	1,597	16,492	23,306
Probable	41,795	471	794	1,027	9,259	15,972
Proved plus probable, producing	73,170	919	1,457	1,743	16,315	22,963
Total proved plus probable	111,926	1,830	2,642	2,624	25,750	39,278

<sup>1</sup> "Working Interest" means Bellatrix's working interest (operated or non operated) share before deduction of royalties and without including any royalty interests of Bellatrix. Also referred to as "Gross" reserves under NI 51-101.

<sup>2</sup> May not add due to rounding.

<sup>3</sup> Includes 1,518 mmcf of total proved and 1,950 Gross mmcf total proved plus probable assigned to natural gas from coal bed methane reserves.

**Summary of Oil and Gas Net Reserves<sup>1,2</sup> (Net)  
Forecast Prices and Costs**

	As At December 31, 2009					As at Dec. 31, 2008
	Natural Gas <sup>3</sup> (mmcf)	Heavy Oil (mdbl)	Light and Medium Oil (mdbl)	Natural Gas Liquids (mdbl)	Total (mboe, 6:1)	Total (mboe, 6:1)
Proved						
Developed producing	45,482	650	911	816	9,954	14,277
Developed non-producing	4,548	-	27	32	817	1,231
Undeveloped	7,335	489	627	178	2,516	3,559
Total proved	57,365	1,140	1,565	1,025	13,291	19,067
Probable	33,741	384	597	659	7,263	12,915
Proved plus probable, producing	60,253	803	1,224	1,103	13,172	18,835
Total proved plus probable	91,106	1,524	2,162	1,684	20,555	31,982

<sup>1</sup> "Net" means Bellatrix's working interest (operated or non operated) share after deduction of royalty obligations, plus Bellatrix's royalty interests in reserves.

<sup>2</sup> May not add due to rounding.

<sup>3</sup> Includes 1,510 mmcf of total proved and 1,681 Gross mmcf total proved plus probable assigned to natural gas from coal bed methane reserves.

**RESERVES RECONCILIATION  
COMPANY INTEREST<sup>1,2</sup> (Gross + Royalties Receivable)**

	Light and Medium Crude Oil (mdbl)	Heavy Crude Oil (mdbl)	Total Crude Oil (mdbl)	NGLs (mdbl)	Conventional Natural Gas (mmcf)	Natural Gas from Coal (mmcf)	Total Natural Gas (mmcf)	Oil Equivalent (mboe)
<b>PROVED PRODUCING</b>								
<b>Opening Balance<sup>3</sup></b>	1,240	4,550	5,790	1,122	61,773	1,604	63,377	17,475
Discoveries	0	0	-	4	119	0	119	24
Extensions	37	0	37	167	4,282	0	4,282	917
Infill Drilling	203	57	260	10	245	0	245	311
Improved Recovery	0	0	-	-	0	0	-	-
Technical Revisions	(4)	68	64	258	5,268	171	5,439	1,247
Acquisitions	0	54	54	-	0	0	0	54
Dispositions	(252)	(3,338)	(3,590)	(45)	(5,303)	0	(5,303)	(4,518)
Economic Factors	(1)	15	14	(8)	(538)	(30)	(568)	(89)
Production	(167)	(646)	(813)	(237)	(11,886)	(266)	(12,153)	(3,075)
<b>Closing Balance<sup>4</sup></b>	1,057	759	1,817	1,289	53,959	1,479	55,438	12,346
<b>TOTAL PROVED</b>								
<b>Opening Balance<sup>3</sup></b>	1,497	7,055	8,552	1,358	79,606	1,656	81,261	23,453
Discoveries	0	0	-	2	67	0	67	13
Extensions	0	19	19	219	5,628	0	5,628	1,176
Infill Drilling	743	0	743	25	588	0	588	866
Improved Recovery	0	0	-	-	0	0	-	-
Technical Revisions	29	115	144	304	1,088	159	1,247	656
Acquisitions	0	106	106	-	0	0	-	106
Dispositions	(253)	(5,272)	(5,525)	(45)	(5,365)	0	(5,365)	(6,464)
Economic Factors	(1)	0	(1)	(17)	(817)	(31)	(848)	(158)
Production	(167)	(646)	(813)	(237)	(11,886)	(266)	(12,153)	(3,075)
<b>Closing Balance<sup>4</sup></b>	1848	1,378	3,226	1,610	68,907	1,518	70,425	16,573
<b>PROBABLE</b>								
<b>Opening Balance<sup>3</sup></b>	792	6,170	6,963	965	48,210	435	48,645	16,035
Discoveries	0	0	0	9	234	0	234	48
Extensions	0	8	8	54	1,300	0	1,300	278
Infill Drilling	98	0	98	10	459	0	459	184
Improved Recovery	0	0	0	0	0	0	0	0
Technical Revisions	(15)	(140)	(156)	22	(4,436)	(4)	(4,440)	(873)
Acquisitions	0	34	34	0	0	0	0	34
Dispositions	(81)	(5,601)	(5,683)	(28)	(4,101)	0	(4,101)	(6,394)
Economic Factors	0	7	7	3	(137)	1	(136)	(13)
Production	0	0	0	0	0	0	0	0
<b>Closing Balance<sup>4</sup></b>	794	477	1,271	1,034	41,530	432	41,961	9,299
<b>PROVED PLUS PROBABLE</b>								
<b>Opening Balance<sup>3</sup></b>	2,289	13,226	15,515	2,322	127,815	2,090	129,906	39,488
Discoveries	0	0	-	11	301	0	301	61
Extensions	0	27	27	273	6,927	0	6,927	1,454
Infill Drilling	842	0	842	34	1,047	0	1,047	1,050
Improved Recovery	0	0	-	-	0	0	-	-
Technical Revisions	13	(25)	(12)	3275	(3,349)	156	(3,193)	(217)
Acquisitions	0	140	140	-	0	0	-	140
Dispositions	(334)	(10,873)	(11,207)	(73)	(9,466)	0	(9,466)	(12,858)
Economic Factors	(1)	7	6	(14)	(954)	(30)	(984)	(171)
Production	(167)	(646)	(813)	(237)	(11,886)	(266)	(12,153)	(3,075)
<b>Closing Balance<sup>4</sup></b>	2,642	1,855	4,497	2,644	110,437	1,950	112,386	25,872

<sup>1</sup> "Company Interest" means Bellatrix's working interest (operated or non operated) share before deduction of royalties but after including any royalty interests of Bellatrix.

<sup>2</sup> Based on forecast prices and costs.

<sup>3</sup> As at December 31, 2008.

<sup>4</sup> As at December 31, 2009.

**RESERVES RECONCILIATION  
WORKING INTEREST<sup>1</sup> (Gross)**

	Light and Medium Crude Oil (mdbl)	Heavy Crude Oil (mdbl)	Total Crude Oil (mdbl)	NGLs (mdbl)	Conventional Natural Gas (mmcf)	Natural Gas from Coal (mmcf)	Total Natural Gas (mmcf)	Oil Equivalent (mboe)
<b>PROVED PRODUCING</b>								
<b>Opening Balance<sup>2</sup></b>	1,235	4,529	5,764	1,110	61,172	1,604	62,776	17,336
Discoveries	0	0	0	4	119	0	119	24
Extensions	37	0	37	167	4,282	0	4,282	917
Infill Drilling	203	57	260	10	245	0	245	311
Improved Recovery	0	0	0	0	0	0	0	0
Technical Revisions	(4)	68	64	272	5,193	171	5,364	1,230
Acquisitions	0	54	54	0	0	0	0	54
Dispositions	(247)	(3,338)	(3,584)	(42)	(4,993)	0	(4,993)	(4,458)
Economic Factors	(1)	15	14	(9)	(551)	(30)	(581)	(91)
Production	(166)	(644)	(811)	(234)	(11,772)	(266)	(12,039)	(3,051)
<b>Closing Balance<sup>3</sup></b>	1,057	741	1,798	1,278	53,694	1,479	55,173	12,272
<b>TOTAL PROVED</b>								
<b>Opening Balance<sup>2</sup></b>	1,490	7,035	8,524	1,344	78,969	1,656	80,624	23,306
Discoveries	0	0	0	2	67	0	67	13
Extensions	0	18	18	219	5,628	0	5,628	1,175
Infill Drilling	743	0	743	25	588	0	588	866
Improved Recovery	0	0	0	0	0	0	0	0
Technical Revisions	28	115	143	300	1,014	159	1,173	638
Acquisitions	0	106	106	0	0	0	0	106
Dispositions	(247)	(5,271)	(5,518)	(42)	(5,050)	0	(5,050)	(6,401)
Economic Factors	0	0	0	(17)	(830)	(31)	(860)	(160)
Production	(166)	(644)	(811)	(234)	(11,772)	(266)	(12,039)	(3,051)
<b>Closing Balance<sup>3</sup></b>	1,848	1,358	3,206	1,597	68,613	1,518	70,131	16,492
<b>PROBABLE</b>								
<b>Opening Balance<sup>2</sup></b>	791	6,165	6,956	957	47,923	435	48,358	15,972
Discoveries	0	0	0	9	234	0	234	48
Extensions	0	8	8	54	1,300	0	1,300	277
Infill Drilling	98	0	98	10	459	0	459	185
Improved Recovery	0	0	0	0	0	0	0	0
Technical Revisions	(15)	(140)	(156)	24	(4,431)	(4)	(4,434)	(870)
Acquisitions	0	34	34	0	0	0	0	34
Dispositions	(80)	(5,601)	(5,681)	(27)	(3,982)	0	(3,982)	(6,372)
Economic Factors	0	7	7	1	(141)	1	(140)	(16)
Production	0	0	0	0	0	0	0	0
<b>Closing Balance<sup>3</sup></b>	794	471	1,266	1,027	41,364	432	41,795	9,258
<b>PROVED PLUS PROBABLE</b>								
<b>Opening Balance<sup>2</sup></b>	2,280	13,200	15,480	2,301	126,892	2,090	128,982	39,278
Discoveries	0	0	0	11	301	0	301	61
Extensions	0	25	25	273	6,927	0	6,927	1,452
Infill Drilling	842	0	842	34	1,047	0	1,047	1,050
Improved Recovery	0	0	0	0	0	0	0	0
Technical Revisions	13	(25)	(12)	324	(3,417)	156	(3,261)	(231)
Acquisitions	0	140	140	0	0	0	0	140
Dispositions	(326)	(10,872)	(11,199)	(69)	(9,032)	0	(9,032)	(12,773)
Economic Factors	0	7	7	(16)	(970)	(30)	(1,000)	(176)
Production	(166)	(644)	(811)	(234)	(11,772)	(266)	(12,039)	(3,051)
<b>Closing Balance<sup>3</sup></b>	2,642	1,830	4,472	2,624	109,976	1,950	111,926	25,750

<sup>1</sup> "Working Interest" means Bellatrix's working interest (operated or non operated) share before deduction of royalties and without including any royalty interest of Bellatrix. Also referred to as "Gross" reserves under NI 51-101.

<sup>2</sup> As at December 31, 2008.

<sup>3</sup> As at December 31, 2009.

## NET PRESENT VALUE OF FUTURE NET REVENUE

The forecast prices used in GLJ's reserve report effective December 31, 2009 (the "GLJ Report") were an average of the forecast prices published by GLJ, Sproule Associates Limited and McDaniel & Associates Consultants Ltd., as at January 1, 2010 (the "Consultants' Average Forecast Prices"). In the GLJ Report the forecast prices used were the average of the same firms' published forecast prices and cost inflation factors as at January 1, 2010 prior to provision for interest, debt service charges and general and administrative expenses. **It should not be assumed that the net present values of future net revenues estimated by GLJ represent the fair market value of the reserves.**

Estimated future net revenues are stated before deducting future estimated site restoration costs but are reduced for estimated future abandonment costs, the Saskatchewan Capital Tax and estimated capital for future development associated with the reserves. In the GLJ Report, the net total future capital over the life of the reserves associated with the proved reserves is \$56.2 million (\$45.9 million discounted at 10%) and \$94.1 million (\$75.4 million discounted at 10%) for the total proved plus probable reserves. The change in 2009 net total future capital (excluding dispositions) over the life of the reserves associated with the proved reserves is \$9.2 million (\$6.2 million discounted at 10%) and \$0 (negative \$1.8 million discounted at 10% due to extended future schedules for some projects) for the total proved plus probable reserves.

### Summary of Net Present Values of Future Net Revenue<sup>1</sup>

#### Forecast Prices and Costs (\$000s)

#### Before Income Taxes, Discounted at (%/ year)

As at December 31, 2009	0%	5%	10%	15%	20%
Proved					
Developed producing	307,573	248,416	209,215	181,494	160,930
Developed non-producing	22,810	15,004	11,089	8,705	7,092
Undeveloped	65,973	45,175	32,340	23,768	17,758
Total proved	396,356	308,595	252,644	213,966	185,780
Probable	256,020	155,145	104,696	75,817	57,688
Proved Plus Probable Producing	434,711	322,148	257,823	216,478	187,735
Total proved plus probable	652,375	463,740	357,340	289,783	243,468

<sup>1</sup> May not add due to rounding

The following table provides an estimate of the net present value of future net revenue on an after tax basis assuming that Bellatrix would be subject to corporate income tax on its income beginning in 2010. It should be noted that this estimate does not take into account any corporate tax deductions such as interest and general and administrative expenses or for any tax pools generated by capital expenditures beyond what exists in the GLJ forecast.

**Summary of Net Present Values of Future Net Revenue<sup>1</sup>**

**Forecast Prices and Costs (\$000s)**

**After Income Taxes, Discounted at (%/ year)**

As at December 31, 2009	0%	5%	10%	15%	20%
Proved					
Developed producing	307,573	248,416	209,215	181,494	160,930
Developed non-producing	22,810	15,004	11,089	8,705	7,092
Undeveloped	62,682	43,953	31,824	23,530	17,642
Total proved	393,065	307,374	252,128	213,729	185,665
Probable	191,781	119,123	82,619	61,453	47,923
Proved Plus Probable Producing	421,825	317,238	255,764	215,552	187,296
Total proved plus probable	584,846	426,497	334,748	275,182	233,587

<sup>1</sup> May not add due to rounding

The following is a summary of the Consultants' Average Forecast Prices as at January 1, 2010:

Year Forecast	OIL			NATURAL GAS AECO Price (\$Cdn/MMBtu)	NATURAL GAS LIQUIDS at Edmonton <sup>3</sup> (\$Cdn/Bbl)	INFLATIO N RATES <sup>1</sup> %/Year	EXCHANGE RATE <sup>2</sup> (\$US/\$Cdn)
	WTI Cushing Oklahoma (\$US/Bbl)	Edmonton Par Price 40° API (\$Cdn/Bbl)	Hardisty Heavy 12° API (\$Cdn/Bbl)				
2010	79.72	83.57	67.67	5.79	85.47	0.0	0.94
2011	83.69	87.80	68.88	6.58	89.77	2.0	0.94
2012	86.76	91.06	69.14	6.83	93.10	2.0	0.94
2013	90.17	94.64	69.46	7.21	96.73	2.0	0.94
2014	93.10	97.74	71.07	7.61	99.91	2.0	0.94
2015	95.70	100.48	73.06	7.82	102.67	2.0	0.94
2016	97.61	102.51	74.55	8.05	104.77	2.0	0.94
2017	99.56	104.57	76.05	8.34	106.86	2.0	0.94
2018	101.53	106.66	77.57	8.64	108.97	2.0	0.94
2019	103.59	108.83	79.17	8.83	111.21	2.0	0.94
2020	105.64	111.00	80.72	9.00	113.41	2.0	0.94
2021	107.76	113.19	82.35	9.19	115.67	2.0	0.94
2022	109.90	115.45	83.98	9.38	117.96	2.0	0.94
2023	112.10	117.76	85.66	9.57	120.36	2.0	0.94
2024	114.37	120.15	87.39	9.76	122.76	2.0	0.94
2025	116.66	122.55	89.14	9.96	125.22	2.0	0.94
Thereafter	+ 2%/year	+ 2%/year	+ 2%/year	+ 2%/year	+ 2%/year	2.0	0.94

<sup>1</sup> Inflation rates for forecasting prices and costs

<sup>2</sup> Exchange rates used to generate the benchmark reference prices in this table

<sup>3</sup> Natural Gas Liquids is represented by the pentanes plus price

Weighted average historical prices realized by Bellatrix (before hedging) for the year ended December 31, 2009, were \$4.50/Mcf for natural gas, \$61.24 /bbl for light and medium gravity crude oil, \$49.10 /bbl for heavy oil and \$27.73 /bbl for natural gas liquids.

## NET ASSET VALUE – Proved Plus Probable

The following table of net asset value is based on the GLJ evaluation of future net revenue, which does not represent fair market value and does not take into account possible reserve additions from reinvestment of cash flow in existing properties.

<i>(\$000's except acre, unit and per unit amounts)</i>					
	PW 0%	PW 5%	PW 10%	PW 15%	PW 20%
Reserves <sup>1</sup>	652,375	463,740	357,340	289,783	243,468
Undeveloped Lands <sup>2</sup>	45,837	45,837	45,837	45,837	45,837
Net Debt <sup>3</sup>	(106,963)	(106,963)	(106,963)	(106,963)	(106,963)
Net asset value	591,249	402,614	296,214	228,657	182,342
Per Common Share - Basic	\$7.50	\$5.11	\$3.76	\$2.90	\$2.31
- Fully diluted	\$7.50	\$5.11	\$3.76	\$2.90	\$2.31

<sup>1</sup> As evaluated by GLJ as at December 31, 2009 based on forecast prices and costs before income tax

<sup>2</sup> As estimated by Bellatrix as at December 31, 2009 on 258,507 net acres of undeveloped land at an average price of \$177.32 per acre.

<sup>3</sup> Long term debt net of working capital excluding unrealized commodity contract losses as at December 31, 2009, including the liability portion of convertible debenture (\$81.7 million). As at December 31, 2009, the principal amount of convertible debentures outstanding was \$84.9 million.

<sup>4</sup> Based on 78.809 million common shares outstanding as at December 31, 2009. On January 28, 2010, Bellatrix issued 13.64 million common shares for net proceeds of \$42.7 million.

## FINDING, DEVELOPMENT AND ACQUISITION COSTS<sup>1</sup> PROVED PLUS PROBABLE

	2009	2008	2007	2007 – 2009 Avg.
<i>Excluding Future Development Costs</i>				
FD&A Costs Proved plus Probable (\$/boe)				
Exploration and development <sup>2</sup>	7.35	37.30	17.41	17.15
Acquisitions (excluding dispositions)	-	16.46	6.75	10.47
Total (including acquisitions)	6.97	31.46	17.00	16.63
<i>Including Future Development Costs<sup>2</sup></i>				
FD&A costs – Proved plus Probable (\$/boe)				
Exploration and development	7.35	43.69	17.15	17.76
Acquisitions (excluding dispositions)	-	16.46	6.75	10.47
Total (including acquisitions)	6.97	36.06	16.75	17.20

<sup>1</sup> NI 51-101 specifies how finding and development costs should be calculated if they are reported. Essentially NI 51-101 requires that the exploration and development costs incurred in the year along with the change in estimated future development costs be aggregated and then divided by the applicable reserve additions. The calculation specifically excludes the effects of acquisitions and dispositions on both reserves and costs. By excluding the effects of acquisitions and dispositions Bellatrix believes that the provisions of the NI 51-101 do not fully reflect Bellatrix's ongoing reserve replacement costs. Since acquisitions can have a significant impact on Bellatrix's annual reserve replacement costs, excluding these amounts could result in an inaccurate portrayal of Bellatrix's cost structure. Accordingly, Bellatrix also provides finding, development and acquisition costs that incorporate all acquisitions net of any dispositions during the year. The foregoing calculation is based on working interest reserves.

<sup>2</sup> The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

## FINDING, DEVELOPMENT AND ACQUISITION COSTS<sup>1</sup> PROVED

	2009	2008	2007	2007 – 2009 Avg.
<i>Excluding Future Development Costs</i>				
FD&A Costs Proved (\$/boe)				
Exploration and development <sup>2</sup>	6.26	17.50	21.38	16.02
Acquisitions (excluding dispositions)	-	24.15	15.84	16.90
Total (including acquisitions)	6.01	18.24	21.25	16.07
<i>Including Future Development Costs<sup>2</sup></i>				
FD&A costs – Proved (\$/boe)				
Exploration and development	9.90	20.45	19.80	16.20
Acquisitions (excluding dispositions)	-	24.15	15.84	16.90
Total (including acquisitions)	9.50	20.86	19.71	17.06

<sup>1</sup> NI 51-101 specifies how finding and development costs should be calculated if they are reported. Essentially NI 51-101 requires that the exploration and development costs incurred in the year along with the change in estimated future development costs be aggregated and then divided by the applicable reserve additions. The calculation specifically excludes the effects of acquisitions and dispositions on both reserves and costs. By excluding the effects of acquisitions and dispositions Bellatrix believes that the provisions of the NI 51-101 do not fully reflect Bellatrix's ongoing reserve replacement costs. Since acquisitions can have a significant impact on Bellatrix's annual reserve replacement costs, excluding these amounts could result in an inaccurate portrayal of Bellatrix's cost structure. Accordingly, Bellatrix also provides finding, development and acquisition costs that incorporate all acquisitions net of any dispositions during the year. The foregoing calculation is based on working interest reserves.

<sup>2</sup> The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

## RECYCLE RATIO (OPERATING NETBACK<sup>1</sup>/FD&A COST)

As at December 31, 2009	Proved	Proved Plus Probable
Operating netback before commodity price risk management contracts (\$/boe) <sup>1</sup>	\$13.11	\$13.11
Recycle ratio (excluding future development costs)	2.18x	1.88x
Operating netback after commodity price risk management contracts (\$/boe) <sup>1</sup>	\$18.88	\$18.88
Recycle ratio (excluding future development costs)	3.14x	2.71x

<sup>1</sup> Operating netback is calculated by deducting transportation, royalties and operating costs from revenue.

## RESERVE LIFE INDEX

Bellatrix's reserve life index has been determined for proved plus probable working interest reserves using forecast prices and costs. The reserve life index is calculated by dividing reserves as at the effective date of the GLJ Report, December 31, 2009, by the first year production as set forth in the GLJ Report, representing a measure of the amount of time production could be sustained at the production rates based on the reserves at the applicable point in time.

### Reserve Life Index

	2009	2008	2007	2006	2005
Proved	6.5	6.4	5.6	4.7	4.4
Proved plus probable	9.6	10.1	7.9	6.4	4.5

## METHOD OF PREPARATION

In this press release both "Working Interest" reserves (being working interest reserves, excluding royalty interest reserves, before deduction of royalty burdens payable) and "Net Interest" reserves (being working interest reserves and royalty interests less royalty burdens payable) are disclosed. Working Interest reserves are also referred to as "Gross" reserves under NI 51-101. In addition "Company Interest" reserves are disclosed (being working interest reserves and royalty interests, before deduction of royalty burdens payable). The GLJ Report was prepared utilizing definitions as set out under NI 51-101.

## LAND

As at December 31, 2009, Bellatrix had over 258,507 net undeveloped acres in Alberta, British Columbia and Saskatchewan.

### Land Statistics

	2009	2008
Average working interest		
Developed	57%	59%
Undeveloped	61%	64%
Total	59%	62%

### Land Holdings<sup>1</sup>

	2009		2008	
	Gross	Net	Gross	Net
Developed				
British Columbia	21,265	7,740	21,265	7,740
Alberta	386,844	220,343	414,432	237,814
Saskatchewan	14,324	13,531	69,619	56,320
Total	422,433	241,614	505,316	301,874
Undeveloped				
British Columbia	146,612	61,987	152,190	63,794
Alberta	258,036	176,184	327,114	221,225
Saskatchewan	20,437	20,336	105,760	90,323
Total	425,085	258,507	585,063	375,343
Developed and Undeveloped				
British Columbia	167,878	69,726	173,455	71,534
Alberta	644,879	396,527	741,545	459,039
Saskatchewan	34,761	33,867	175,379	146,644
Total	847,518	500,120	1,090,379	677,216

<sup>1</sup> May not add due to rounding

Bellatrix Exploration Ltd. is a growth oriented exploration and production company based in Calgary, Alberta, Canada. An updated corporate presentation will be posted on [www.bellatrixexploration.com](http://www.bellatrixexploration.com).

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#### **READER ADVISORIES:**

*BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

*Statements in this document may contain forward-looking information including management's assessment of future plans and operations, drilling plans, reserve estimates, capital expenditures and the nature of the expenditures, expected increases to reserves and the timing thereof and the total future capital associated with development of reserves, forecast reductions in operating expenses, and 2010 average production and exit rate estimates. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. These risks include, but are not limited to: the risks associated with the oil and gas industry; commodity prices, and; exchange rate changes. Industry related risks could include, but are not limited to: operational risks in exploration; development and production; delays or changes in plans; risks associated to the uncertainty of reserve estimates; health and safety risks, and; the*

*uncertainty of estimates and projections of production, costs and expenses. The recovery and reserve estimates of Bellatrix's reserves provided herein are estimates only and there is not guarantee that the estimated reserves will be recovered. In addition, forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products. Readers are cautioned that the foregoing lists of factors and assumptions are not exhaustive. Additional information on these and other factors that could effect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), at the Company's website ([www.bellatrixexploration.com](http://www.bellatrixexploration.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

*The reader is further cautioned that the preparation of financial statements in accordance with Generally Accepted Accounting Principles ("GAAP") requires management to make certain judgements and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgments and decisions based upon available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.*

*This document also contains other terms such as net debt and operating netbacks, which are not recognized measures under GAAP. Management believes these measures are useful supplemental measures of firstly, the total amount of current and long-term debt and secondly, the amount of revenues received after transportation, royalties and operating costs. Readers are cautioned, however, that these measures should not be construed as an alternative to other terms such as current and long-term debt or net income determined in accordance with GAAP as measures of performance. Bellatrix's method of calculating these measures may differ from other entities, and accordingly, may not be comparable to measures used by other trusts or companies.*