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**GUIDE EXPLORATION ANNOUNCES AGREEMENT TO PURCHASE LONG LIFE  
NATURAL GAS PROPERTIES AND \$36.6 MILLION BOUGHT DEAL EQUITY  
FINANCING**

**CALGARY, ALBERTA** (January 4, 2012) – Guide Exploration Ltd. (TSX: GO) ("Guide" or the "Corporation") is pleased to announce that it has entered into an agreement to acquire certain properties from a senior Canadian oil and gas producer for a cash purchase price of \$61.5 million, subject to closing adjustments. The properties are currently producing approximately 20 MMcf/d of sweet natural gas (3,330 BOE/d). Scotia Waterous Inc. acted as exclusive financial advisor to Guide in connection with its acquisition of the properties.

The acquisition will be funded through a combination of a bought deal equity financing of \$36.6 million and Guide's existing credit facilities. The equity financing was entered into with a syndicate of underwriters (the "Underwriters") led by Scotia Capital Inc., National Bank Financial Inc. and Cormark Securities Inc., and also includes BMO Capital Markets Inc., Canaccord Genuity Corp. and Peters & Co. Limited.

**ACQUISITION HIGHLIGHTS & STRATEGIC RATIONALE**

Guide has entered into an agreement to acquire approximately 20 MMcf/d of sweet natural gas sales production from long life, producing properties for a cash consideration of \$61.5 million, subject to closing adjustments. The properties are located in Northwestern Alberta and are all operated by the vendor (to be operated by Guide following closing) with an average working interest of approximately 98%. The effective date of the acquisition is December 1, 2011 with closing anticipated to occur in late January to early February 2012. The completion of the transaction is subject to customary adjustments, approvals and closing conditions.

Total net lands acquired of approximately 694,000 net acres will increase Guide's land holdings to approximately 1,400,000 net acres. The main productive zones are the Bluesky and Gething formations which currently have an average annual decline rate of less than 10%. The natural gas produced from the properties is processed through a system of owned gas plants, the majority of which have year round access and all of which currently have additional capacity available. The properties have not seen any significant drilling since 2006, leaving potential for down spacing as the majority of the field has current well density of less than two wells per section.

**ACQUISITION CHARACTERISTICS**

Total acquisition price <sup>(1)</sup>	\$61.5 million
Current production	20 MMcf/d (3,330 BOE/d)
Proved reserves <sup>(2)(3)</sup>	79.68 Bcf (13.28 MMBOE)
Proved plus probable reserves <sup>(2)(3)</sup>	101.58 Bcf (16.93 MMBOE)
Reserve life index (proved plus probable reserves) <sup>(4)</sup>	13.9 years

Notes:

1. Prior to closing adjustments.
2. Company gross reserves, being the vendor's working interest share before deduction of royalties and without including any royalty interests of the vendor.
3. The proved and proved plus probable reserves attributable to the properties were evaluated by GLJ Petroleum Consultants Ltd. ("GLJ") in a report dated March 22, 2011 and effective as of December 31, 2010 (the "GLJ Report"). GLJ's reserves estimates as reflected in the GLJ Report were mechanically updated by Guide to December 1, 2011 to reflect natural gas production since the date of the GLJ Report and using Sproule Associates Limited's October 31, 2011 price deck. The proved and proved plus probable reserves estimates presented are based on Guide's mechanical update of the GLJ Report and were prepared by a member of Guide's management who is a qualified reserves evaluator in accordance with National Instrument 51-101.
4. Reserve life index based on current production of 20 MMcf/d.

**ASSOCIATED ACQUISITION METRICS (with no value given for undeveloped land)**

Current production	\$18,500/BOE/d
Proved reserves	\$0.77/Mcf (\$4.63/BOE)
Proved plus probable reserves	\$0.61/Mcf (\$3.63/BOE)
Recycle ratio (proved plus probable reserves)	2.4x

The acquired properties are accretive on both a production and reserves per share basis, and will add a new core area for Guide with the potential for further production additions through the optimization, exploitation and development of the pool. Based on an average natural gas price of \$3.50/GJ and including the effects of current natural gas hedges and estimated 2012 production, the acquired properties are expected to be accretive, on a cash flow per share basis, in 2012.

**OPERATIONS UPDATE**

Based on field production report estimates, Guide's 2011 exit production rate was approximately 12,000 BOE/d (41% crude oil and NGLs).

Up to 19 gross wells (14.9 net), (90% targeting light oil) are planned to be drilled during first quarter 2012.

Based on a proposed 2012 capital program of between \$155 and \$160 million and completion of this acquisition, Guide's average 2012 production is expected to range from 15,800 to 16,600 BOE/d (36% crude oil and NGLs).

**BOUGHT DEAL FINANCING**

Guide has entered into an agreement with a syndicate of underwriters led by Scotia Capital Inc., National Bank Financial Inc. and Cormark Securities Inc., which also includes BMO Capital Markets Inc., Canaccord Genuity Corp. and Peters & Co. Limited, wherein, the Underwriters have agreed to purchase, on a bought deal basis, 12 million common shares (the "Common Shares") at a price of \$3.05 (the "Issue Price") per Common Share for gross proceeds of approximately \$36.6 million (the "Offering"). Closing of the Offering is expected to occur on or about January 24, 2012 and is subject to customary conditions and regulatory approvals, including the approval of the Toronto Stock Exchange. Closing of the Offering is not conditional on closing of the acquisition.

The Common Shares will be offered in all provinces of Canada (other than Quebec) by way of a short form prospectus.

## HEDGE POSITIONS

At January 4, 2012, the Corporation has the following financial contracts in place:

Natural Gas:		
January 1, 2012 - December 31, 2012	21,400 Mcf/d	CDN \$5.25/Mcf
April 1, 2012 – October 31, 2012	4,800 Mcf/d	CDN \$5.10/Mcf
Crude Oil:		
Costless Collars:		
January 1, 2012 – December 31, 2012	500 Bbl/d	WTI CDN \$85.00-\$90.00/Bbl
Other:		
January 1, 2012 – December 31, 2012	527 Bbl/d	WTI US \$85.00/Bbl Put
January 1, 2012 – December 31, 2012	1,000 Bbl/d	WTI US \$85.00/Bbl Put
January 1, 2013 – December 31, 2013	1,527 Bbl/d	WTI US \$85.00/Bbl Call
January 1, 2013 – December 31, 2013	500 Bbl/d	WTI US\$ 85.00/Bbl Swaption
January 1, 2013 – December 31, 2013	73 Bbl/d	WTI US \$100.00/Bbl Call
January 1, 2014 – December 31, 2014	980 Bbl/d	WTI US\$ 85.00/Bbl Swaption
January 1, 2014 – December 31, 2014	500 Bbl/d	WTI US \$100.00/Bbl Call

FOR FURTHER INFORMATION SEE [www.guidex.ca](http://www.guidex.ca) OR CONTACT (403) 261-6012:

Jennifer Livingston, Manager, Investor Relations or

William Andrew, Chair and Chief Executive Officer.

### *Forward-Looking Statements*

*Certain information set forth in this press release contains forward-looking statements, including management's assessment of future plans and operations, the metrics of the acquisition, the potential for further production additions from the properties to be acquired, the expected closing date and effective date of the acquisition, anticipated decline rates, proved and proved plus probable reserves estimates, proved plus probable reserve life index estimates, the potential for down spacing, the anticipated closing date of the Offering, the anticipated use of proceeds of the Offering and Guide's anticipated average production for 2012. All estimates and statements that describe the Corporation's objectives, goals or future plans are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties including, without limitation, risks associated with: the integration of the acquired properties into Guide, oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required approvals, the possibility that the acquisition or Offering may not close on the terms disclosed or at all, and ability*

to access sufficient capital from internal and external sources. Additionally, use of the net proceeds of the Offering by Guide might change if the board of directors of Guide determines that it would be in the best interests of Guide to deploy the proceeds for some other purpose. As a consequence, Guide's actual results may differ materially from those expressed in, or implied by, the forward-looking statements.

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 Guide 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 Guide can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the timing of satisfaction of conditions precedent to closing of the property acquisition and that all required approvals for the property acquisition will be obtained. Readers are cautioned that the foregoing list of factors and assumptions is not exhaustive. Additional information on these and other factors that could affect Guide'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)), or at Guide's website ([www.guidex.ca](http://www.guidex.ca)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Guide 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.

Included herein is an estimate that the acquired properties are expected to be accretive to Guide's cash flow on a per share basis and is based on the various assumptions as to production levels, commodity prices and other assumptions stated herein. To the extent such estimate constitutes future oriented financial information or a financial outlook, they were approved by management of Guide on January 4, 2012, and such future oriented financial information or financial outlook is included herein to provide readers with an understanding of Guide's anticipated understanding of the effect of the acquisition on Guide's cash flow on a per share basis based on the assumptions described herein estimated and readers are cautioned that the information may not be appropriate for other purposes.

#### *U.S. Matters*

The securities to be offered under the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

#### *BOEs*

Disclosure provided herein in respect of barrels of oil equivalent (boe) 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.

#### *Effect of Aggregation*

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.