



STORM RESOURCES LTD. AND BELLAMONT EXPLORATION LTD. ANNOUNCE BUSINESS COMBINATION AND STORM FINANCING

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CALGARY, ALBERTA

Storm Resources Ltd. (“Storm”) (TSXV:SRX) and Bellamont Exploration Ltd. (“Bellamont”) (TSXV:BMX) are pleased to announce they have entered into an arrangement agreement (the “Arrangement Agreement”) with respect to a combination of both companies (the “Transaction”). Under the terms of the Arrangement Agreement, Bellamont shareholders will receive, at their election, for each common share of Bellamont (“Bellamont Share”) held: (i) \$0.56 cash; or (ii) 0.1445 of a Storm Share; or (iii) a combination of cash and Storm Shares. The cash amount payable to Bellamont shareholders is subject to a maximum aggregate amount of \$20.0 million. Storm will also assume the net debt of Bellamont which is estimated to be \$40.0 million at December 31, 2011, including employee severance costs and costs associated with the Transaction. Including net debt of \$40.0 million, the total value of the Transaction is \$122.6 million, using Storm’s 20 day volume weighted average share price of \$3.75 and assuming maximum cash is elected which results in the issuance of 16.7 million Storm shares.

The Transaction will be funded in part through a \$25.0 million private placement of common shares of Storm (“Storm Shares”) at a price of \$3.40 per Storm Share (the “Financing”).

After completion of the Transaction and the Financing, Storm expects to have a total of approximately 62.2 million Storm Shares outstanding, assuming Bellamont shareholders elect the maximum amount of cash available under the Transaction, and also after giving effect to Storm’s recently completed acquisition of Storm Gas Resource Corp.

The executive management group of Storm, led by Mr. Brian Lavergne as President and Chief Executive Officer, will manage the combined enterprise. The board of directors of Storm will be unchanged after completion of the Transaction.

SUMMARY OF THE TRANSACTION

Storm is acquiring operated, high working interest assets located in the Grande Prairie area of north western Alberta with current production of approximately 2,200 Boe per day (52% natural gas and 48% crude oil and natural gas liquids).

Additional information regarding the Transaction:

- Total Transaction cost (including net debt) is \$122.6 million;
- Net Transaction cost after deducting net debt is \$82.6 million;
- Proved reserves of Bellamont at December 31, 2010⁽¹⁾⁽²⁾⁽³⁾ total 6,405 Mboe (42% light oil and NGLs);
- Proved plus probable reserves of Bellamont at December 31, 2010⁽¹⁾⁽²⁾⁽³⁾ total 11,523 Mboe (40% light oil and NGLs);
- Annualized cash flow⁽⁴⁾ from the Bellamont assets estimated to be \$23.0 million;

- Operating netback⁽⁴⁾ \$28.70/Boe;
- Net debt at December 31, 2011 is estimated to be \$40.0 million (includes Transaction costs plus employee severance);
- Undeveloped land value of \$7.35 million (internally estimated by Storm);
- Annual production decline is relatively shallow at 20% to 25% (decline is less than 10% on older wells that came on production before January 2010, approximately half of current production); and
- Approximately 200 net Boe per day is currently shut in due to mechanical issues (pipeline break at Saddle Hills, liquids rich Montney gas well at Grande Prairie awaiting installation of compression).

A reserves evaluation of Bellamont's assets is expected to be completed by April, 2012.

- (1) Based on Gross Company Interest Reserves, which means working interest reserves before the calculation of royalties, and before the consideration of the company's royalty interest. Reserves are from the reserve evaluation prepared for Bellamont by GLJ Petroleum Consultants Ltd. effective December 31, 2010.
- (2) During 2011, Bellamont's Sinclair and Pembina properties were sold, which had associated proved reserves of 267 MBoe and proved plus probable reserves of 518 Mboe on December 31, 2010.
- (3) Proved and proved plus probable reserves do not reflect estimated production of 889 Mboe during 2011.
- (4) Based on current production of 2,200 Boe/d, Cdn \$99.88/Bbl Edmonton Par, C\$2.97/GJ AECO, operating costs of \$13.50/Boe, transportation cost of \$1.50/Boe, and an average royalty rate of 18%.

RATIONALE FOR THE TRANSACTION

The Transaction benefits both Bellamont and Storm shareholders with the combined company having annualized cash flow of \$30 to \$35 million per year at closing and a more diversified, resource oriented asset base. Near-term growth will primarily come from exploitation of Bellamont's Montney light oil pool at Grimshaw and from delineating Storm's liquids rich natural gas resource in the Montney formation at Umbach. Bellamont shareholders retain exposure to upside associated with the Grimshaw Montney light oil pool and gain asset diversification into much larger resource opportunities at Umbach (liquids rich Montney gas) and in the Horn River Basin (Muskwa and Otter Park shale gas). Storm shareholders benefit from the higher netbacks, cash flow, and relatively shallow decline associated with Bellamont's asset base which will result in increased production growth as well as acceleration of resource delineation at Umbach.

Steve Moran, President and Chief Executive Officer of Bellamont comments, "The Transaction will provide Bellamont shareholders the opportunity to participate in a larger, well capitalized company. The Storm management team has an enviable track record of value creation. The assets and operating philosophies of the two companies are very complementary in nature, with a concentration of high quality resource based opportunities."

At Grimshaw, there remains significant upside associated with further exploiting and delineating Bellamont's large Montney light oil pool. Bellamont has a 100% working interest in 17 sections of land at Grimshaw. Storm management estimates that Discovered Petroleum-Initially-in-Place ("DPIIP") in the Montney pool ranges from 19 million barrels of oil to more than 35 million barrels of oil. Estimated DPIIP is based on an areal extent of 2.0 to 4.5 sections, net pay of 8.5 metres, average porosity of 17% and average oil saturation of 44%. In the second half of 2012, Storm plans to drill five horizontal wells which will include up to two step-out horizontals with logged vertical pilot holes. Bellamont recently drilled a vertical well which encountered a new pool to the west. This vertical well is expected to begin producing in the first quarter of 2012 and, this summer, a horizontal with a logged vertical pilot hole is expected to be drilled offsetting the discovery well. Storm will continue to advance Bellamont's plans to initiate a waterflood in the pool which could materially increase oil recovery and reserves at minimal cost. In the third

quarter of 2011, the operating netback at Grimshaw was \$45.50 per Boe with new horizontal wells benefiting from a 5% royalty rate under Alberta's New Well Royalty Rate program.

Production declines for the combined asset base can be offset by investing approximately 60% of annualized cash flow which will be done primarily by drilling horizontal wells at Grimshaw and at Umbach. This assumes commodity prices in 2012 average \$2.97 per GJ at AECO and \$99.88 per barrel of oil for Edmonton Par. The remaining 40% of annualized cash flow is available for re-investment in high potential opportunities, which includes further advancement of Storm's liquids rich Montney gas resource at Umbach in north eastern British Columbia.

OPERATING GUIDANCE

	Storm	Bellamont	Pro forma Combined
Current daily production			
- natural gas (Mcf)	5,500	6,900	12,400
- crude oil and NGLs (Bbl)	195	1,050	1,245
- Total Boe per day	1,110	2,200	3,310
- Oil and liquids %	18%	48%	38%
Estimated field netback at \$2.97/GJ AECO, Cdn \$99.88/Bbl Edmonton Par ⁽¹⁾	\$21.60	\$29.80	\$27.05
Undeveloped land – net acres	228,000	78,000	306,000
Indicated bank line			\$65.0 million
2012 average operating costs ⁽²⁾			\$10.00 to \$12.00 per Boe
2012 average royalty rate ⁽²⁾			13%
2012 operations capital ⁽²⁾			\$34.0 million
2012 cash G&A ⁽²⁾			\$3.50 per Boe
2012 exit or fourth quarter average production			3,600 to 4,000 Boe per day (40% oil + NGLs)

(1) Using Storm and Bellamont Q1 to Q3 2011 % royalty rate, operating costs and transportation costs.

(2) Assumes transaction with Bellamont closes prior to April 1, 2012.

The 2012 capital budget of \$34.0 million includes \$2.0 million for land/seismic, \$5.0 million for facilities and \$27.0 million for drilling and completions. This includes one vertical well (1.0 net) at Umbach, two horizontal wells (1.2 net) at Umbach, completing a standing horizontal well (0.6 net) at Umbach, two vertical infill wells (2.0 net) at Mica and five horizontal wells (5.0 net) at Grimshaw. The budget of \$5.0 million for facilities includes initiating the waterflood at Mica and modifications at three existing facilities in the Grande Prairie area.

In the near term (to the end of Q3 2012), Storm will be focused on:

- Reducing production declines in the Grande Prairie area by restoring production associated with recent mechanical failures and through optimization of downhole pumps, field compression and facilities to reduce well downtime.
- Implementing operating cost reductions in the Grande Prairie area that have been identified by Storm and Bellamont which total more than \$2.0 million per year. Gas wells with minimal liquids production and high third party processing fees will be shut in, which will reduce production by 180 Boe/d, operating costs by \$1.3 million per year and cash flow by \$250,000 per year (based on Q3 2011 financial results). Modification of three facilities will reduce trucking and processing costs by \$0.7 million to \$1.0 million per year (six to nine month payout).
- Advancing exploitation of the Montney light oil pool at Grimshaw with infill horizontals as well as step-out horizontals with logged vertical pilot holes to help determine the areal extent of the pool. In order to try to improve production rates, the horizontal wellbores will be drilled higher in the formation and the spacing between fracture stimulations will be reduced.
- Further delineating the liquids rich Montney gas resource at Umbach by completing the fourth horizontal well (0.6 net) on the northern lands, drilling and completing two to three additional horizontal wells (1.2 to 1.8 net) on the northern lands and drilling a vertical delineation well (1.0 net) on the southern lands.

Storm estimates that net debt at closing of the Transaction will be \$39.0 million which will be less than 1.5 times annualized cash flow from the merged Storm and Bellamont asset bases using commodity prices of \$2.97/GJ AECO and Cdn \$99.88/bbl Edmonton Par.

THE TRANSACTION

Storm and Bellamont have entered into the Arrangement Agreement pursuant to which each party has agreed that the Transaction will be undertaken by means of a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (Alberta). Under the terms of the Arrangement, Bellamont shareholders will receive, at their election, for each Bellamont Share held: (i) \$0.56 cash; or (ii) 0.1445 of a Storm Share; or (iii) a combination of cash and Storm Shares. The cash amount payable to Bellamont shareholders is subject to a maximum aggregate amount of \$20.0 million. Assuming election of the maximum cash amount of \$20.0 million, Storm will issue 16.7 million common shares to Bellamont shareholders. The Arrangement contemplates that Bellamont will hold a meeting of its shareholders on or prior to March 15, 2012 (the "Bellamont Meeting") to permit shareholders to vote on the Arrangement.

The board of directors of Bellamont eligible to vote unanimously supports the Transaction, has determined that the Transaction is in the best interest of Bellamont and recommends that the shareholders of Bellamont vote in favour of the Transaction. Certain Bellamont shareholders, including all senior officers and directors, who collectively hold approximately 10% of the issued and outstanding voting shares of Bellamont, have agreed to vote their shares in favour of the Transaction at the Bellamont Meeting.

The Arrangement Agreement includes non-solicitation covenants (subject to the fiduciary obligations of the board of directors of Bellamont and the right of Storm to match any Superior Proposal, as defined in the Arrangement). The Arrangement, among other things, provides for non-completion fees of \$3.0 million payable by Storm and Bellamont in the event the Transaction is not completed or is terminated by either party in certain circumstances. The Arrangement Agreement provides that completion of the Transaction is subject to certain

conditions, including the receipt of all required regulatory approvals (including the approval of the TSX Venture Exchange), the approval of the shareholders of Bellamont (including, if applicable, the approval of the majority of the minority) and the approval of the Court of Queen's Bench of Alberta. The Transaction is anticipated to close in March 2012.

THE FINANCING

Storm will issue 7.4 million Storm Shares pursuant to a private placement which will be priced at \$3.40 per Storm Share for gross proceeds of \$25.0 million. Management and directors are subscribing for \$8.5 million of the total Financing. The proceeds of the Financing will be used to fund the cash component of the Transaction payable by Storm pursuant to the Arrangement and for general corporate purposes. A cash commission of up to 5% of proceeds from the Financing may be payable in connection with certain subscriptions under the Financing.

Completion of the Financing is subject to certain conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. Closing of the Financing is expected to occur on or about February 10, 2012.

FINANCIAL ADVISORS

FirstEnergy Capital Corp. is acting as exclusive financial advisor to Bellamont with respect to the Transaction and has provided the Board of Directors of Bellamont with its opinion that, subject to its review of the final form of documents effecting the Arrangement, the consideration to be received by Bellamont shareholders is fair, from a financial point of view.

For further information on Storm Resources Ltd. or Bellamont Exploration Ltd. please contact:

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READER ADVISORIES

Boe Presentation – For the purpose of calculating unit revenues and costs, natural gas is converted to a barrel of oil equivalent (“Boe”) using six thousand cubic feet (“Mcf”) of natural gas equal to one barrel of oil unless otherwise stated. Boe may be misleading, particularly if used in isolation. A Boe conversion ratio of six Mcf to one barrel (“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. All Boe measurements and conversions in this report are derived by converting natural gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil. Mboe means 1,000 Boe.

Non-GAAP Measurements - This document contains the terms “cash flow”, “funds from operations” and “operating netbacks”, which do not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures by other companies. Storm uses cash flow, funds from operations and operating netbacks to analyze financial and operating performance. Storm believes these benchmarks are key measures of profitability and overall sustainability for Storm. They are widely used by analysts, investors and also by the Company’s bankers and each of these terms is commonly used in the oil and gas industry. Cash flow and operating netbacks are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance

with GAAP. Cash flows are calculated as cash flows from operating activities less changes in non-cash working capital. Operating netbacks are determined by deducting royalties, production expenses and transportation, selling expenses and hedging gains or losses (where relevant) from oil and gas revenue. Storm calculates cash flow per share using the same method and shares outstanding that are used in the determination of earnings per share.

Forward-Looking Information - This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the combined company's exploration and development activities, secondary recovery, production declines, working capital and bank facility, production, reserves, debt, royalties, operating costs, capital expenditures, general and administration expenses, cash flow, undeveloped land holdings and anticipated benefits from the Transaction. The forward-looking statements and information are based on certain key expectations and assumptions made by Storm and Bellamont, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates and reserve volumes; the timing of receipt of regulatory and shareholder approvals, the performance of existing wells; the success obtained in drilling new wells; and the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although Storm and Bellamont believe that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Storm and Bellamont can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. There are risks also inherent in the nature of the proposed Transaction, including failure to realize anticipated synergies or cost savings; risks regarding the integration of the two entities; incorrect assessments of the values of the other entity; and failure to obtain the required shareholder, court, regulatory and other third party approvals.

This press release also contains forward-looking statements and information concerning the anticipated completion of the proposed Transaction and the anticipated timing for completion of the Transaction. Storm and Bellamont have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the timing of receipt of the necessary regulatory and court approvals and the time necessary to satisfy the conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory or court approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release concerning these times. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Storm's or the combined company's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Storm's website (www.stormresourcesltd.com). The forward-looking statements and information contained in this press release are made as of the date hereof and Storm and Bellamont undertake no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Discovered-Petroleum-Initially-in-Place ("DPIIP") is defined in the Canadian Oil and Gas Evaluation Handbook ("COGEH") as the quantity of hydrocarbons that are estimated to be in place within a known accumulation. DPIIP is divided into recoverable and unrecoverable portions, with the estimated future recoverable portion classified as reserves and contingent resources. There is no certainty that it will be economically viable or technically feasible to produce any portion of this DPIIP except for those portions identified as proved or probable reserves. A recovery project cannot be defined for this volume of DPIIP at this time, and as such it cannot be further sub-categorized.

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