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## EMBER RESOURCES INC. REPORTS 2009 OPERATING RESULTS, YEAR-END RESERVES AND OPERATIONAL UPDATE

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Ember Resources Inc. ("Ember" or the "Company") today released un-audited fourth quarter and full-year 2009 operating results together with its 2009 year-end reserve information and an operations update.

### Operating Highlights

|   | Three months ended<br>December 31, |        |        | Twelve months ended<br>December 31, |        |        |
|---|------------------------------------|--------|--------|-------------------------------------|--------|--------|
|   | 2009                               | 2008   | Change | 2009                                | 2008   | Change |
| <b>Production</b>                                 |                                    |        |        |                                     |        |        |
| Gas (Mcf/d)                                       | 23,583                             | 28,930 | (18%)  | 25,320                              | 14,700 | 72%    |
| Oil equivalent (BOE/d)                            | 3,931                              | 4,822  | (18%)  | 4,220                               | 2,450  | 72%    |
| Production per million shares (BOE/d)             | 62                                 | 94     | (34%)  | 78                                  | 94     | (17%)  |
| <b>Drilling activity</b>                          |                                    |        |        |                                     |        |        |
| Gross wells                                       | 29.0                               | 11.0   | 163%   | 50.0                                | 64.0   | (22%)  |
| Net wells   | 20.9                               | 8.6    | 143%   | 33.0                                | 44.6   | (26%)  |
| Success rate                                      | 100%                               | 100%   | -      | 100%                                | 100%   | -      |
| <b>Reserves (Bcfe)</b>                            |                                    |        |        |                                     |        |        |
| Total proved                                      |                                    |        |        | 96.0                                | 100.3  | (4%)   |
| Total probable                                    |                                    |        |        | 39.7                                | 43.0   | (8%)   |
| Total proved plus probable                        |                                    |        |        | 135.7                               | 143.3  | (6%)   |
| Reserve life index – years                        |                                    |        |        | 15.8                                | 13.6   | 16%    |
| <b>Finding, development and acquisition costs</b> |                                    |        |        |                                     |        |        |
| Total proved                                      |                                    |        |        | 9.86                                | 26.08  | (62%)  |
| Total proved plus probable                        |                                    |        |        | 27.38                               | 20.44  | 34%    |

## 2009 Highlights

Due to low gas prices and limited access to capital during the year, Ember concentrated on converting undeveloped reserves into proved producing reserves:

- A total of 50 wells (33 net) were drilled with 29 (20.9 net) of those wells drilled late in the fourth quarter.
- 2009 drilling transferred 7.7 Bcf from the undeveloped categories into the proved and proved non-producing reserves categories with the non-producing portion put on stream in late January 2010. Also, 8.6 Bcf was added to the proved and probable undeveloped reserves categories.
- Finding and development costs per BOE, including future capital, were \$13.06 proved and \$16.05 for proved plus probable reserves.
- The three-year average finding and development cost per BOE, including future capital, was \$9.48 proved and \$7.18 for proved plus probable reserves.
- Ember divested a number of minor non-core assets for gross proceeds of \$5.7 million at a realized price of \$23.92/BOE proved reserves and \$10.62/BOE proved plus probable reserves.
- Ember spent \$3.1 million to acquire an 8.5% royalty interest payable on lands in Acme, which was then cancelled. Based on year-end reserves, estimated royalty payments on these lands would have totaled \$32 million (\$11.7 million @ 10% discount rate) over the life of the property.

## Reserves

Reserve information is based on an independent reserve evaluation report (the “McDaniel Report”) prepared by McDaniel & Associates Consultants Ltd. (“McDaniel”) dated March 9th, 2010 with an effective date of December 31, 2009. Certain minor properties representing less than 3% of total proved plus probable reserves were evaluated internally and are included in the McDaniel report. The report was prepared in accordance with the COGE Handbook and National Instrument 51-101-Standards of Disclosure for Oil and Gas Activities (“NI 51-101”). Complete NI 51-101 reserve disclosure will be included in Ember’s Annual Information Form (“AIF”) which will be filed on SEDAR in late March 2010.

Ninety three percent of Ember’s proved plus probable reserves are in the Horseshoe Canyon coals. The remaining reserves are conventional natural gas in different horizons. Sixty seven percent of these conventional reserves are producing from the same wellbores as the Horseshoe Canyon reserves.

The following table summarizes the Company’s reserve information based on the McDaniel report and using the published McDaniel (2010-01) price forecast.

|                            | Reserves<br>Bcfe<br>(Sales) | Net Present Values<br>Before Income Tax (\$ millions)<br>Discounted at |       |       |       |       |
|----------------------------|-----------------------------|--|-------|-------|-------|-------|
|                            |                             | 0%   | 5%    | 10%   | 15%   | 20%   |
| Proved                     |                             |  |       |       |       |       |
| Developed producing        | 53.8                        | 245.6  | 188.6 | 154.4 | 131.5 | 115.0 |
| Developed non-producing    | 4.9                         | 19.1   | 12.8  | 9.3   | 7.1   | 5.6   |
| Undeveloped                | 37.2                        | 116.9  | 77.5  | 52.9  | 36.5  | 25.1  |
| Total proved               | 96.0                        | 381.6  | 278.9 | 216.5 | 175.0 | 145.7 |
| Total probable             | 39.7                        | 197.1  | 117.9 | 78.5  | 55.7  | 41.2  |
| Total proved plus probable | 135.7                       | 578.6  | 396.8 | 295.0 | 230.7 | 186.9 |

## Price Forecast

The following table summarizes McDaniel's (2010-01) price forecast.

| YEAR     | NATURAL GAS                |                             | Exchange Rate<br>(\$Cdn/\$US) |
|----------|----------------------------|-----------------------------|-------------------------------|
|          | Henry Hub<br>(\$US/ MMBtu) | AECO-CSpot<br>(\$Cdn/MMBtu) |                               |
| Forecast |                            |                             |                               |
| 2010     | 6.05                       | 6.05                        | .95                           |
| 2011     | 6.90                       | 6.75                        | .95                           |
| 2012     | 7.30                       | 7.15                        | .95                           |
| 2013     | 7.70                       | 7.45                        | .95                           |
| 2014     | 8.15                       | 7.80                        | .95                           |
| 2015     | 8.50                       | 8.15                        | .95                           |
| 2016     | 8.75                       | 8.40                        | .95                           |
| 2017     | 8.90                       | 8.55                        | .95                           |
| 2018     | 9.10                       | 8.70                        | .95                           |
| 2019     | 9.30                       | 8.90                        | .95                           |
| 2020     | 9.45                       | 9.05                        | .95                           |

The weighted average realized sales price for Ember for the year ended December 31, 2009 was estimated at \$4.17/Mcf for natural gas.

## Reserves Reconciliation

The 2009 drilling program concentrated on conversion of undeveloped reserves into the producing category. Drilling transferred 7.7 Bcf to the proved producing and non-producing reserves categories and added 8.6 Bcf to undeveloped proved reserves and undeveloped probable reserves categories. In addition, Ember received positive revisions for proved producing assets due to continued stability in historical production. The following table sets forth the changes between the reserve volume estimates made as at December 31, 2009 and the corresponding estimates as at December 31, 2008, based on forecast prices, before royalties:

| Reserves (Bcfe)              | Proved      |                  |             | Probable    | Total        |
|------------------------------|-------------|------------------|-------------|-------------|--------------|
|                              | Producing   | Non<br>Producing | Undeveloped |             |              |
| <b>December 31, 2008</b>     | <b>56.8</b> | <b>2.5</b>       | <b>40.9</b> | <b>43.0</b> | <b>143.2</b> |
| Extensions/Improved recovery | 0.1         | 0.1              | 3.5         | 5.1         | 8.8          |
| Technical revisions          | 2.2         | (0.1)            | (1.1)       | (5.1)       | (4.0)        |
| Category transfers           | 5.2         | 2.5              | (6.0)       | (1.4)       | 0.3          |
| Acquisitions                 | -           | -                | -           | -           | -            |
| Dispositions                 | (1.3)       | -                | (0.1)       | (1.8)       | (3.2)        |
| Economic factors             | (0.1)       | -                | (0.1)       | -           | (0.2)        |
| Production (Estimate)        | (9.1)       | (0.1)            | -           | -           | (9.2)        |
| <b>December 31, 2009</b>     | <b>53.8</b> | <b>4.9</b>       | <b>37.2</b> | <b>39.7</b> | <b>135.6</b> |

## Finding, Development and Acquisition Costs

Ember's finding, development and acquisition costs (FD&A) for 2009 reflect an emphasis on drilling, largely in the fourth quarter, to convert existing undeveloped reserves into the producing category. In addition, the Company sold a number of minor properties resulting in net proceeds of \$5.7 million. The FD&A cost for the year was higher than the three-year average due to increased capital estimates on certain future drilling locations, offset by both positive and negative reserve additions in the proved and probable categories. The acquisition of Cordero in 2008 continues to represent a significant portion of Ember's total three year average FD&A costs.

The following table summarizes Ember's efficiency in capital spending during 2009, the comparative 2008 period and the corresponding three-year averages.

|  | Year ended<br>December 31,<br>2009 <sup>(1)</sup> | Year ended<br>December 31,<br>2008 | 3 –year<br>period<br>2007-2009 <sup>(2)</sup> |
|--|---|------------------------------------|---|
| <b>Finding &amp; Development costs</b>               |   |                                    |   |
| Proved Reserves                                      |   |                                    |   |
| Capital expenditures (\$000's)                       | 14,617  | 24,419                             | 54,481  |
| Change in future capital costs                       | (934)   | (4,006)                            | (11,123)                                      |
| Total capital costs (\$000's)                        | 13,683  | 20,413                             | 43,358  |
| Reserve additions (BOE's)                            | 1,047   | 2,695                              | 4,573   |
| F&D cost, before future capital (\$/BOE)             | 13.95   | 9.06                               | 11.91   |
| <b>F&amp;D cost, after future capital (\$/BOE)</b>   | <b>13.06</b>                                      | <b>7.57</b>                        | <b>9.48</b>                                   |
|  |   |                                    |   |
| Proved plus Probable Reserves                        |   |                                    |   |
| Capital expenditures (\$000's)                       | 14,617  | 24,419                             | 54,481  |
| Change in future capital costs                       | (1,845)   | (14,268)                           | (27,273)                                      |
| Total capital costs (\$000's)                        | 12,772  | 10,151                             | 27,208  |
| Reserve additions (BOE's)                            | 796   | 2,326                              | 3,792   |
| F&D cost, before future capital (\$/BOE)             | 18.37   | 10.50                              | 14.37   |
| <b>F&amp;D cost, after future capital (\$/BOE)</b>   | <b>16.05</b>                                      | <b>4.36</b>                        | <b>7.18</b>                                   |
|  |   |                                    |   |
| <b>Acquisition ( Divestiture ) (“A&amp;D”) costs</b> |   |                                    |   |
| Proved Reserves                                      |   |                                    |   |
| Capital expenditures (\$000's)                       | (5,710)   | 251,105                            | 254,145                                       |
| Change in future capital costs                       | -   | 54,502                             | 82,202  |
| Total capital costs (\$000's)                        | (5,710)   | 305,607                            | 336,347                                       |
| Reserve additions (BOE's)                            | (239)   | 9,736                              | 11,856  |
| A & D cost, before future capital (\$/BOE)           | 23.92   | 25.79                              | 21.44   |
| <b>A &amp; D cost, after future capital (\$/BOE)</b> | <b>23.92</b>                                      | <b>31.39</b>                       | <b>28.37</b>                                  |
|  |   |                                    |   |
| Proved plus Probable Reserves                        |   |                                    |   |
| Capital expenditures (\$000's)                       | (5,710)   | 251,105                            | 254,145                                       |
| Change in future capital costs                       | -   | 73,248                             | 121,948                                       |
| Total capital costs (\$000's)                        | (5,710)   | 324,353                            | 376,093                                       |
| Reserve additions (BOE's)                            | (538)   | 13,950                             | 17,985  |
| A & D cost, before future capital (\$/BOE)           | 10.62   | 18.00                              | 14.13   |
| <b>A &amp; D cost, after future capital (\$/BOE)</b> | <b>10.62</b>                                      | <b>23.25</b>                       | <b>20.91</b>                                  |

|  | Year ended<br>December 31,<br>2009 <sup>(1)</sup> | Year ended<br>December 31,<br>2008 | 3 –year<br>period<br>2007-2009 <sup>(2)</sup> |
|--|---|------------------------------------|---|
| <b>Finding Development &amp;<br/>Net Acquisition costs</b> |   |                                    |   |
| Proved Reserves  |   |                                    |   |
| Capital expenditures (\$000's)                             | 8,907   | 275,524                            | 308,626                                       |
| Change in future capital costs                             | (934)   | 50,496                             | 71,079  |
| Total capital costs (\$000's)                              | 7,973   | 326,020                            | 379,705                                       |
| Reserve additions (BOE's)                                  | 808   | 12,431                             | 16,429  |
| FD&A cost, before future capital (\$/BOE)                  | 11.01   | 22.16                              | 18.79   |
| <b>FD&amp;A cost, after future capital (\$/BOE)</b>        | <b>9.86</b>                                       | <b>26.23</b>                       | <b>23.11</b>                                  |
| Proved plus Probable Reserves                              |   |                                    |   |
| Capital expenditures (\$000's)                             | 8,907   | 275,524                            | 308,626                                       |
| Change in future capital costs                             | (1,845)   | 58,980                             | 94,675  |
| Total capital costs (\$000's)                              | 7,062   | 334,504                            | 403,301                                       |
| Reserve additions (BOE's)                                  | 258   | 16,276                             | 21,777  |
| FD&A cost, before future capital (\$/BOE)                  | 34.54   | 16.93                              | 14.17   |
| <b>FD&amp;A cost, after future capital (\$/BOE)</b>        | <b>27.38</b>                                      | <b>20.55</b>                       | <b>18.52</b>                                  |

- (1) 2009 capital expenditures does not include \$3.1 million to acquire and cancel a royalty interest at Acme
- (2) Ember has excluded \$5.4 million in capital expenditures incurred in 2007 on Ember's Mannville resource which do not reflect the efficiencies of Ember's current focus on the Horseshoe Canyon CBM.

### **Undeveloped drilling locations and reserves upside in the possible category**

Ember has a significant number of drilling locations booked within various reserve categories. In accordance with the COGE Handbook, the classification of these future drilling locations is based on distance from the nearest producing wells. Essentially, all of Ember's undeveloped drilling locations have the Horseshoe Canyon coals as the primary target. By its nature, the Horseshoe Canyon trend encompasses a very large aerial extent and is generally prevalent across Ember's core properties. Ember's historical experience has been 100% success in drilling Horseshoe Canyon wells regardless of their reserve classification. Ember expects to continue to convert these undeveloped reserves into producing reserves at less than \$10/BOE, consistent with its three-year FD&A costs.

In addition to undeveloped drilling locations, Ember's engineers recognize additional upside to its proved plus probable reserves, in the form of possible reserves. Current possible reserves are estimated at 33.9 Bcfe and have a net present value of \$64 million discounted at 10%.

The following table details Ember's undeveloped reserves and additional possible reserves.

| Reserves (Bcfe)      |           |               |                    |                      |                      |       |
|----------------------|-----------|---------------|--------------------|----------------------|----------------------|-------|
|                      | Producing | Non-Producing | Proved Undeveloped | Probable Undeveloped | Possible Undeveloped | Total |
| Proved               | 53.8      | 4.9           | 37.2               | -                    | -                    | 96.0  |
| Probable             | 13.6      | 1.8           | 7.6                | 16.7                 | -                    | 39.7  |
| Proved plus Probable | 67.5      | 6.7           | 44.8               | 16.7                 | -                    | 135.7 |
| Possible             | 13.8      | 1.0           | 7.6                | 2.7                  | 8.8                  | 33.9  |
| Total                | 81.2      | 7.7           | 52.4               | 19.4                 | 8.8                  | 169.5 |
| Capital \$MM         | -         | 2.8           | 76.4               | 29.1                 | 13.9                 | 122.2 |
| # of wells           | -         | 24.2          | 213.1              | 82.6                 | 43.5                 | 363.4 |
| Cost \$/BOE (3P)     |           | 2.18          | 8.75               | 9.00                 | 9.48                 | 8.30  |

### Undeveloped Lands and Mannville resources

Ember has a significant land position with rights to the Mannville coals. From 2005 to early 2007 Ember committed capital (\$45.2 million) and technical expertise in an attempt to commercialize this resource. To date, Ember has achieved individual well success, but has not been successful in a larger multi-well development program. Due to the higher costs and higher risk associated with the Mannville resource, Ember has elected to focus on the more profitable and predictable Horseshoe Canyon coals. Other industry participants continue to pursue the Mannville resource in areas adjacent to Ember's land holdings. Ember will continue to hold these lands, subject to expiries, and will re-activate its investigation of these coals if economic conditions and technical advances warrant further capital investments. Ember's internal resource assessment prepared by Ember's internal qualified reserve evaluators and effective December 31, 2009 estimates contingent recoverable resources on Company-interest Mannville lands at 127 Bcf (Low estimate), 282 Bcf (Best estimate) and 516 Bcf (High estimate).

The Cordero acquisition included undeveloped lands prospective for conventional exploration, which is outside of Ember's CBM focus. The Company is in the process of divesting these lands. The following table details Ember's undeveloped land holdings as of December 31, 2009.

| Land type                                 | Undeveloped Lands (Acres) |         |                                   |
|---|---------------------------|---------|-----------------------------------|
|   | Gross                     | Net     | Value (\$millions) <sup>(1)</sup> |
| Horseshoe Canyon CBM lands <sup>(2)</sup> | 39,707                    | 35,386  | 4.1                               |
| Mannville CBM lands                       | 220,298                   | 205,622 | 5.1                               |
| Conventional exploration                  | 140,026                   | 107,420 | 5.4                               |
| Total                                     | 400,030                   | 348,428 | 14.6                              |

(1) Based on internal estimates and industry activity

(2) Includes lands without Horseshoe Canyon reserves assigned that the Company believes to be on trend.

### Estimated Net Asset Value – December 31, 2009

The following table summarizes the Company's estimated net asset value which is based on various assumptions. Reference should be made to the forward-looking statements advisory included below. Net asset value represents a calculation at a point in time and should not be assumed to represent the fair market value of the Company or its shares.

| \$ millions ( except per share amounts) | Forecasted Prices – Net present value before tax discounted at 10% at December 31, |       |
|---|--|-------|
|   | 2009   | 2008  |
| Reserves                                |  |       |
| Proved                                  | 216.5  | 299.7 |
| Probable                                | 78.5   | 103.1 |
| Proved plus probable                    | 295.0  | 402.8 |
| Undeveloped land                        | 14.6   | 20.6  |
| Bank debt, net of working capital       | 81.7   | 101.8 |
| Net asset value                         | 227.9  | 321.6 |
| Common shares outstanding               | 74.9   | 51.4  |
| Net asset value per share (\$/share)    | 3.04   | 6.25  |

## Operational Update

Ember has been active in the field since late November 2009. In Q4 2009 a total of 29 gross (20.9 net) wells were drilled and completed in the Acme and Bashaw areas with a 100% success rate. In Q1 2010 a total of 31 gross (18.7 net) wells have been drilled and completed in the Acme and Bashaw area with a 100% success rate. In total the wells from the two programs have tested at or above our expected initial production rates with combined tested gas rates of 7.4 MMcf/d (4.7 MMcf/d net). Fifty percent of the program is currently on production with the remainder of the wells expected to be on production by the end of March.

To support cash flow and the Company's capital program, Ember has hedged 50% of first quarter production at an average price of \$5.51/Mcf, and 20% of April to December 2010 production with a floor price of \$4.73/Mcf and a ceiling price of \$6.92/Mcf.

As previously announced, production guidance for 2010 is 26-27 MMcf/d based on a capital budget of \$30 million and the drilling of 60-65 net Horseshoe Canyon CBM wells. With an average estimated natural gas price of \$6 per Mcf at AECO, Ember expects to generate \$30 million in cash flow. Net bank debt and working capital was \$81.7 million at year end 2009 and previous guidance remains unchanged. The Company is able to adjust its capital programs to react to changing economic conditions and commodity prices.

## Reader Advisory

### FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements including expectations of estimated reserves and resources and future net revenue, estimated net asset value, future production, funds from operations, earnings, operating expenses and capital expenditures. These statements are based on current expectations that involve a number of assumptions, risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., 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 and resource estimates; the uncertainty of estimates and projections relating to production, costs and expenses, health, safety and environmental risks and changes to legislation related to royalties, taxation and environmental matters), commodity price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Additional information on these and other factors that could affect the Company's operations or financial results are included in the Company's reports on file with Canadian securities regulatory authorities.

The reserves and future net revenue and resources in this press release represent estimates only. The reserves and future net revenue from the Company's properties have been independently evaluated by McDaniel with an effective date of December 31, 2009. This evaluation includes a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate

recovery of reserves, timing and amount of capital salvage values, royalties and other government levies that may be imposed during the producing life of the reserves. These assumptions were based on McDaniel price forecasts in use at December 31, 2009 and many of these assumptions are subject to change and are beyond the control of the Company. Actual production, sales and cash flows derived there from, will vary from the evaluation and such variations could be material. The present value of estimated future net cash flows referred to herein should not be construed as the current market value of estimated crude oil and natural gas reserves attributable to the Company's properties. Estimates of future net revenue do not represent fair market value. There can be no assurance that contingencies relating to the contingent resources will be satisfied such that these resources may be classified as reserves. There can be no certainty that it will be economically viable or technically feasible to produce any portion of the resources.

**Possible Reserves:** Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

**BOE/Mcfe Disclosure:** Disclosure provided herein in respect of barrels of oil equivalent (BOE) and equivalent million cubic feet of natural gas may be misleading, particularly if used in isolation. A BOE/Mcfe 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.

**Ember Resources Inc. is a resource company specializing in coalbed methane (CBM) with extensive land and resource holdings in Alberta, Canada. Ember's shares are traded on the Toronto Stock Exchange under the trading symbol "EBR".**

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