

# Unitech Energy Resources Inc.

## UNITECH ENERGY ENTERS INTO SUB-FARMOUT AGREEMENT AND INVESTMENT AGREEMENT

### FOR IMMEDIATE RELEASE

April 27, 2011

Calgary, Alberta – Unitech Energy Resources Inc. ("**Unitech**" or the "**Company**") (TSXV: URX) is pleased to announce that it has entered into an arm's length sub-farmout agreement (the "**Sub-Farmout Agreement**") with Batoche Resources Ltd. ("**BRL**") as well as an arm's length investment agreement ("**Investment Agreement**") with BRL and Gregory J. Leia, on behalf of an initial group of investors (the "**Initial Investor Group**").

### The Sub-Farmout Agreement

BRL, a private Alberta company, has previously entered into a farmout agreement (the "**BRL Farmout Agreement**") pursuant to which BRL can earn a working interest in mineral rights to approximately 5,576 gross acres located 15 miles south of Eagle Pass in Maverick County, Texas (the "**Lands**"). The Lands are west of the Comanche Ranch and northwest of the Cage Ranch which has been the subject of recent drilling of the Eagle Ford zone and Pearsall zone by Newfield Exploration Company ("**Newfield**") (NYSE: NFX). The Lands are northwest of the approximately 240,000 acres of Anadarko Petroleum Corporation ("**Anadarko**") (NYSE: APC). Anadarko and Korea National Oil Corporation recently announced that they also intend to drill the Eagle Ford zone and Pearsall zone on Anadarko's lands.

The Sub-Farmout Agreement obligates Unitech to: (a) pay approximately \$200,000 in cash to cover prior out of pocket expenses of BRL; (b) assume incurred but unbilled expenses related to the project (normal pre-drill costs) of approximately \$40,000; and (c) pay 100% of the costs to drill, complete and equip (to a single well battery stage) a 2,500 foot lateral in an Eagle Ford horizontal well with multistage completion ("**Well #1**"). The costs to drill and complete Well #1 are estimated to be \$2.5 million. The terms of the Sub-Farmout Agreement provide that if Unitech drills and completes Well #1, it will earn a net 65% working interest in 576 acres and Unitech will be entitled to 100% payback of its costs from the net cash proceeds.

If Unitech drills and completes Well #1, Unitech will have a rolling option (not an obligation) to drill, complete and equip (to a single well battery stage) an additional five Eagle Ford horizontal wells with multistage completion. The terms of the Sub-Farmout Agreement provide that, for each of the additional five wells that may be drilled and completed, Unitech will earn a net 65% working interest in an additional 1,000 acres for each well drilled and Unitech will be entitled to payback of its costs from the net cash proceeds. If Unitech drills and completes all six wells, it will have the right to become the operator.

The Sub-Farmout Agreement also provides for a buy/sell provision which provides that: (a) at any time after 6 months after drilling a well to earn a working interest in acreage on the Lands, either party can commission an independent engineer to prepare an engineering valuation of that parcel in accordance with value methodology which creates the maximum value used by such engineer, provided such methodology is acceptable to the TSX Venture Exchange (the "**Exchange**"). BRL's working interest in such earned acreage shall be valued at an amount equal to the engineered value for proved producing well and one probable well with a pre-tax discount factor of 10% using actual costs ("**FMV Earned Acreage**"). The Sub-Farmout Agreement provides that Unitech can require BRL to sell, or BRL can require Unitech to purchase, BRL's working interest in such earned acreage for a purchase price equal to the FMV Earned

Acreage. The purchase price will be satisfied in part by a cash or debt (40% of the purchase price) as well as by the issuance of common shares of Unitech at the then market price of the common shares (as determined in accordance with the policies of the Exchange).

## **The Investment Agreement**

### ***Private Placement***

Subject to the approval of the Exchange, Unitech proposes to complete a non-brokered private placement of up to 300,000,000 units (each, a "**Unit**") at a price \$0.05 per Unit for gross proceeds of up to \$15 million (the "**Private Placement**"). Each Unit shall be comprised of one common share in the capital of the Company (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant shall entitle the holder to purchase one Common Share at any time within 2 years of the date of issuance at a price of \$0.10 per Common Share. If the Corporation effects a consolidation of its Common Shares at any time within 12 months of closing of the Private Placement on the basis of at least 2 old for 1 new, the exercise price of the Warrants will be reduced to \$0.075 per Common Share (pre-consolidation). The Common Shares and the Warrants comprising the Units (and any Common Shares issued upon exercise of the Warrants within four months from the date of issuance of the Warrants) will be subject to a four month resale restriction.

The Investment Agreement provides that the Initial Investor Group (being an initial group of investors to be identified by Mr. Leia, including Mr. Leia) will subscribe for an initial tranche of \$2.5 million of Units. The initial tranche of the Private Placement is expected to be completed as soon as possible after receipt of conditional acceptance of the Private Placement by the Exchange. The proceeds of the first tranche of the Private Placement will be used to satisfy Unitech's obligations under the Sub-Farmout Agreement to drill, complete and equip Well #1. Unitech expects to commence drilling Well #1 prior to the end of May 2011.

A second tranche consisting of the remaining \$12.5 million of Units is expected to be completed within 45 days of receipt of the conditional acceptance of the Exchange of the Private Placement. The proceeds of the second tranche of the Private Placement are expected to be used to fund Unitech's exploration programs and for general working capital purposes.

Pursuant to the terms of the Investment Agreement, Unitech will reserve the right to pay finders fees equal to: (i) a cash fee of up to 5% of the gross proceeds from subscribers introduced by any such finder; and; (ii) a grant of up to one Warrant (a "**Finder's Warrant**") for every 10 Units sold to subscribers introduced by such finder. Each Finder's Warrant shall entitle the holder to purchase one Common Share at an exercise price of \$0.10 per Common Share on or before the date that is 24 months from the date of issuance of the Finder's Warrant. If the Corporation effects the consolidation of its Common Shares at any time within 12 months of closing of the Private Placement on the basis of at least 2 old for 1 new, the exercise price of the Finder's Warrants will be reduced to \$0.075 per Common Share (pre-consolidation).

### ***Change of Management***

Pursuant to the terms of the Investment Agreement, it is also contemplated that Unitech will effect a change of its board of directors and management. If the initial tranche of the Private Placement is completed, it is contemplated that (i) Gregory J. Leia will become President and Chief Executive Officer of the Company; (ii) Steve Price will resign as President and will become the V.P. Engineering; and (iii) Dwayne Vinck will remain as the Company's Chief Financial Officer. In addition, Colin Ogilvy, Roger Brundrit and Dwayne Vinck would resign as directors of Unitech and these vacancies would be filled by Mr. Leia and two other individuals nominated by Mr. Leia and acceptable to the Exchange.

Mr. Leia is currently the sole shareholder of BRL. Mr. Leia was the sole shareholder of Batoche Energy Corp. which was sold to and amalgamated with Antler Creek Energy Corp (TSXV: AFE) in May 2009. In May 2010, Mr. Leia resigned as an officer and director of Antler Creek Energy Corp (which has since changed its name to Pinecrest Energy Inc. (TSXV: PRY)). Mr. Leia has practiced law in the Province of Alberta for over 28 years, most recently with the law firm Wolff Leia since 1990.

The Company will provide additional disclosure relating to the additional directors, officers and consultants who will be joining the management team upon such members joining the Company.

### ***Shareholder Meeting***

The Investment Agreement also provides that Unitech will call a special meeting of shareholders to approve: (i) a proposed consolidation of the Common Shares on a 10 old for 1 new basis; (ii) a proposed change of the Company name to "Jadela Oil Corp."; and (iii) the Change of Control (as defined in the policies of the Exchange) resulting from Mr. Leia's subscription under the initial tranche of the Private Placement and his contemplated position as a director and officer of the Company.

### ***Conditions to the Completion of the Transactions***

The obligations of Unitech, BRL and the Initial Investor Group to proceed with terms of the Investment Agreement and the Sub-Farmout Agreement shall be subject to, among other things (i) the receipt of all necessary regulatory approvals (including the approval of the Exchange); (ii) the receipt of all necessary shareholder and board of director approvals; (iii) the completion of all necessary due diligence by each of the parties; (iv) the delivery of executed subscription agreements for the initial tranche of \$2.5 million under the Private Placement; and (v) other conditions as are customary in transactions of this nature.

In addition to the above, the Exchange has requested that the Company prepare an internal geological report on the Lands. The geological report has been prepared and is being submitted for review by the Exchange. Once accepted by the Exchange, excerpts from the report will be disclosed in a subsequent news release of the Company.

### **About Unitech**

Unitech's business currently includes a wide range of oil and gas activities including oil and gas proprietary technologies, oil and gas exploration and oil and gas services, including oil and water disposal services. For additional details, please visit Unitech's website at [www.unitechenergy.ca](http://www.unitechenergy.ca).

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### **Reader Advisory**

*This press release should not be considered a comprehensive summary of the terms of the transactions described above. Additional information may be required by the TSX Venture Exchange and may be disseminated at a future date following a satisfactory review by the TSX Venture Exchange.*

*Completion of the transactions described above is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance. The transactions described above cannot close until the required approvals are obtained. There can be no assurance that the transactions described above will be completed as proposed or at all.*

*Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to, statements with respect to the timing and completion of the Company's proposed activities, statements concerning the timing and completion of the transactions described therein, the terms of the Private Placement, the business plan of the Company, statements concerning the proposed change of management, the consolidation of the Common Shares, the change of name of the Company, the proposed use of proceeds and related information. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee*

*future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.*

*Forward-looking information is based on the opinions and estimates of management at the date the statements are made and are founded on the basis of expectations and assumptions made by the Company which include, but are not limited to, the timing of the receipt of the required shareholder, regulatory and third party approvals, the future operations of, and transactions completed by Unitech as well as the satisfaction of other conditions pertaining to the completion of the transactions described herein. Such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in the prices of oil and natural gas; governmental regulation of the oil and gas industry, including environmental regulation; unanticipated operating events or performance which can reduce production or cause production to be shut in or delayed; failure to obtain industry partner and other third party consents and approvals, if and when required; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, drilling, processing and transportation problems; changes in tax laws and incentive programs relating to the oil and gas industry; failure to realize the anticipated benefits of acquisitions and dispositions; and other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.*

*The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.*

*This press release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold within the United States or to "U.S. persons" (as such term is defined in Regulation S promulgated under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

*The TSX Venture Exchange has in no way passed upon the merits of the proposed transactions described above and has neither approved nor disapproved the contents of this press release.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*