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*For Immediate Release*

### **CINCH ENERGY ANNOUNCES \$35 MILLION BOUGHT DEAL FINANCING**

**CALGARY, January 7, 2010** – Cinch Energy Corp. ("Cinch" or the "Company") (TSX: CNH) is pleased to announce that it has entered into an agreement with a syndicate of underwriters co-led by Canaccord Financial Ltd., CIBC World Markets Inc. and Dundee Securities Corporation, and including Wellington West Capital Markets Inc., Haywood Securities Inc., Peters & Co. Limited and Raymond James Ltd. (together the "Underwriters"), under which the Underwriters have agreed to purchase, on a bought deal basis, 21,214,000 common shares ("Common Shares") of the Company at Cdn\$1.65 per Common Share (the "Offering") to raise gross proceeds of Cdn\$35,003,100. Closing of the Offering, which is subject to customary conditions and regulatory approvals, including approval of the Toronto Stock Exchange, is expected to occur on or about January 28, 2010. Cinch has also granted the Underwriters an over-allotment option to purchase, on the same terms, up to an additional 3,182,100 Common Shares. This option is exercisable, in whole or in part, by the Underwriters, in their sole discretion, at any time up to 30 days after closing. The maximum gross proceeds raised under the Offering will be Cdn\$40,253,565, should the over-allotment option be exercised in full.

The net proceeds from this Offering will be used to initially reduce bank debt and to fund the Corporation's exploration and development program and for general corporate purposes.

The Common Shares to be issued under the Offering will be offered by way of a short form prospectus to be filed in Alberta, British Columbia, Ontario and such other Canadian provinces or territories as the Underwriters and the Company may agree.

*The securities offered 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 applicable exemption from the registration requirements. 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.*

#### **Forward Looking Statements**

*This document contains forward looking statements. More particularly, this press release contains statements concerning the anticipated closing date of the Offering and the anticipated use of the net proceeds of the Offering. Although Cinch believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because Cinch can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The closing of the Offering could be delayed if Cinch is not able to obtain the necessary regulatory and stock exchange approvals on the timelines it has planned. The Offering will not be completed at all if these approvals*

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*are not obtained or some other condition to the closing is not satisfied. Accordingly, there is a risk that the offering will not be completed within the anticipated time or at all. The intended use of the net proceeds of the offering by Cinch might change if the board of directors of Cinch determines that it would be in the best interests of Cinch to deploy the proceeds for some other purpose, such as an acquisition.*

*The forward looking statements contained in this document are made as of the date hereof and Cinch undertakes 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.*

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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