

## **CERES CAPITAL CORP.**

# **Ceres Announces its Financial & Operating Results for the Second Quarter Ended June 30, 2009**

Calgary, Alberta

August 28, 2009

Ceres Capital Corp. (the "Company" or "Ceres") (TSXV: SRS) is pleased to report its operational and financial results for the second quarter ended June 30, 2009.

The consolidated financial statements and management discussion and analysis for the three and six months ended June 30, 2009 for Ceres and its subsidiary Reliable Energy Ltd. ("Reliable") will be available at [www.sedar.com](http://www.sedar.com) or at the Company's website [www.reliableenergy.ca](http://www.reliableenergy.ca).

### **HIGHLIGHTS AND ACCOMPLISHMENTS**

The following represents some of the recent highlights and accomplishments that are relevant to the Company:

- Increased production for the quarter to 7,779 boe up by 3,369 boe or 76% compared with last quarter. Average daily production for the quarter was 85 boe/d compared with 49 boe/d in the first quarter
- Operating netbacks improved to \$37.12 per bbl compared with \$22.13 per bbl last quarter.
- Drilled four (3.95 net) wells targetting the Bakken and Lodgepole formations on our Kirkella properties in southwest Manitoba. Two wells were Bakken development wells offsetting our discovery well and are currently undergoing completion operations.
- The drilling of our first Lodgepole well has added an additional play type to our drilling plans
- Growth in the landbase to a total of 68,636 net acres, with a further 22,588 acres under option.
- Acquired a quarter section of land offsetting our discovery well which immediately added reserves and four drilling locations for the Company.
- Established a drilling inventory of 11 exploration prospects and 15 development locations
- At the Company's Annual General Meeting, shareholders approved a change of name from Ceres to Reliable Energy Ltd. The new trading symbol will be REL and will take effect on August 31, 2009.

The second quarter was significant for the Company as we commenced a four well drilling program in the Kirkella area of Manitoba. The Company undertook the drilling of two exploration and two development wells. The exploration wells resulted in one well being put on production in July while one well was abandoned. The two development wells were cased and are being completed in August.

## OUTLOOK

The Company is well positioned for significant growth following the successful completion of its summer drilling program.

The focus for the balance of the year is to acquire sufficient seismic data to delineate the existing discovery pool and provide the necessary data to assist in directing the exploration program. The Company has a nine well exploration program planned for the balance of the year and hopes to prove the existence of additional Bakken pools to complement its discovery pool.

The Company is encouraged by the additional opportunities that exist in other geological formations in the area and plans on targeting some of these opportunities in its exploration program. With the majority of land now tied up on our discovery pool, the Company will also drill a minimum of two more development wells with additional wells planned subject to availability of capital. This development program will provide additional cashflow and proven reserves to the Company.

We remain committed to cost control in such areas as G&A and drilling and completion activities and have recently initiated steps to reduce costs in these areas. Our goal is to become a significant low cost, high netback oil explorer and producer in our focus area of Saskatchewan and Manitoba.

Ceres's remaining obligations from its 2008 flow-through share financing at June 30, was approximately \$6.3 million and the Company has a solid plan in place that includes an exploratory drilling program and a number of 2-D and 3-D seismic acquisition programs to satisfy these requirements.

In the Trochu Basin in south central Alberta, the Company holds 18,720 acres (gross), 9,600 acres (net) of prospective lands on a Nisku oil play. For the balance of 2009, the Company is not planning any drilling activity on this play however this position could change with sustained higher oil prices or substantial revisions to the Alberta royalty regime.

At the Company's Annual General Meeting on June 23, 2009, the Company received shareholder approval to change the name of Ceres to that of Reliable Energy Ltd. This is planned to be changed on August 31, 2009.

## FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended		
	June 30, 2009	Mar. 31, 2009	June 30, 2008
<b>Financial</b>			
Gross Revenue	\$ 411,581	\$ 201,562	\$ 93,533
Net Income (Loss)	(745,528)	2,071,903	(508,665)
Per share - basic	(0.006)	0.016	(0.013)
Cash flow used in operations	626,856	402,559	380,572
Capital expenditures	3,245,674	2,566,914	159,374
Total assets	12,245,979	11,647,294	1,876,609
Weighted average shares - basic	126,855,872	126,855,872	38,019,756
<b>Operational</b>			
Production (boe)	7,779	4,410	2,226
Lands			
Undeveloped land (net acres)	68,636	42,858	13,322
Lands under option (net acres)	22,588	19,294	-
Wells drilled			
Gross	4.0	1.0	-
Net	3.9	1.0	-

## SELECTED QUARTERLY INFORMATION

	3 months ended June 30		6 months ended June 30	
	2009	2008	2009	2008
<b>Production</b>				
Natural gas - mcf	10,844	13,356	22,990	27,922
Crude oil – bbls	5,971	-	8,356	-
Total production - boe (6:1)	7,779	2,226	12,189	4,654
Gross sales revenue	411,581	\$ 93,533	\$ 613,143	\$ 184,937
Royalties	53,189	23,070	85,539	41,246
Operating expenses	69,629	53,110	141,233	122,293
<b>Net operating revenue</b>	<b>288,763</b>	17,353	<b>386,371</b>	21,398
Average price - \$/boe	52.91	42.02	50.30	39.74
Operating costs - \$/boe	8.95	23.86	11.59	26.28
Netback - \$/boe	37.12	7.80	31.70	4.60

**Note:** A barrel of oil equivalent (boe), derived by converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil, may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

### About Ceres and Reliable

Ceres is an Alberta based public company listed on the TSX Venture Exchange and conducts its operations through Reliable Energy Ltd, a wholly owned subsidiary. The Company is currently focused on two core areas in the Western Canadian Sedimentary Basin. The first core area consists of an unconventional resource play in the Bakken/Three Forks formation situated on the Saskatchewan – Manitoba border. The second is a Devonian reef play in central Alberta.

### FOR FURTHER INFORMATION, CONTACT:

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