JOINT NEWS RELEASE

Iteration Energy Ltd. and Storm Ventures International Inc. Complete Strategic Business Combination to Create Chinook Energy Inc.

CALGARY, Alberta, (June 29, 2010) Iteration Energy Ltd. ("**Iteration**") (TSX-ITX) and Storm Ventures International Inc. ("**SVI**"), a private Alberta-based oil and gas exploration and production company, are pleased to announce that the business combination between Iteration and SVI pursuant to an arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**") was completed today. The Arrangement created a new, growth oriented company named Chinook Energy Inc. ("**Chinook**") with current production of approximately 16,700 boe/d (including the production associated with the West Central Acquisition (as defined below)) and a deep inventory of repeatable drilling opportunities in both Western Canada and Tunisia. It is anticipated that the common shares of Chinook will commence trading on the Toronto Stock Exchange under the trading symbol "CKE" three to four business days after the day hereof and that the common shares of Iteration will be delisted at this time.

Pursuant to the Arrangement, Iteration shareholders received approximately $1.05 of cash and 0.2400 of a common share of SVI for each Iteration share held. SVI issued approximately 52.1 million common shares and paid $225 million to acquire all of the issued and outstanding common shares of Iteration. After giving effect to the Arrangement, Chinook has approximately 213.8 million common shares outstanding on a non-diluted basis.

Chinook will be led by the SVI management team and Board with the addition of Donald Archibald, the former Chairman of Iteration, to the new Board of Chinook.

Post-Arrangement Key Attributes of Chinook

Chinook combines high quality gas-weighted assets in Western Canada with an exciting high growth oil business in North Africa which includes high impact exploration, field development opportunities and production in Tunisia. Chinook has an extensive inventory of drilling and field development opportunities in both Western Canada and North Africa with approximately 580,000 net undeveloped acres in Canada and approximately 1.4 million net acres in Tunisia. On June 30, 2010, Chinook expects to close a property acquisition that will increase Chinook's focus in the Gilby area for gross cost of $46.25 million (the "**West Central Acquisition**"). The assets to be acquired currently produce approximately 1,200 boe/d and will add 4.4 Mmboe of proved plus probable reserves. The remaining $40 million due at closing will be financed with a portion of the $25 million of non-core asset sales (current production of approximately 300 boe/d) and debt available on the existing Chinook credit facility.

Chinook also has the following key attributes following completion of the Arrangement, the repayment of $150 million of the Bridge Loan (as defined below) and after giving effect to the West Central Acquisition:

- Initial total company production of approximately 16,700 boe/d consisting of 16,000 boe/d in Canada (33% liquids) and 700 bbl/d of light oil in Tunisia.

- Chinook's business plan is to target a minimum 10% annual growth in the assets and production levels in Canada initially relying on the footprint and scale of the existing opportunities and asset base as a competitive edge.
- Chinook's international business targets 25% plus annual growth and is initially focused on oil assets in Tunisia. Chinook expects its Tunisian business to be self-funding within 18 months.
- 69.1 Mmboe of National Instrument 51-101 ("**NI 51-101**") Proved plus Probable reserves (80% in Canada) with significant future reserve growth potential identified through increased recoveries, field extensions and exploration.(1)(2)(3)(4)(5)
- Proved plus Probable reserve life index of approximately 10 years.
- Canadian tax pools in excess of $545 million.

Notes:
(1) Before any potential dispositions.
(2) Iteration reserves evaluated as at December 31, 2009 by GLJ Petroleum Consultants Ltd. and McDaniel & Associates Consultants Ltd. in accordance with NI 51-101.
(3) SVI reserves evaluated as at December 31, 2009 by Paddock Lindstrom & Associates Ltd. and Sproule International Limited in accordance with NI 51-101.
(4) Includes interim period asset acquisition completed by SVI on March 1, 2010 and effective October 1, 2009. Reserves for acquired assets evaluated as at December 31, 2009 by McDaniel & Associates Consultants Ltd. in accordance with NI 51-101.
(5) Includes West Central Acquisition anticipated to be completed by Chinook on June 30, 2010. Reserves for assets to be acquired pursuant to the West Central Acquisition evaluated as at December 31, 2009 by GLJ Petroleum Consultants Ltd. in accordance with NI 51-101.

Outlook

Management of Chinook anticipates that it will drill 30 to 35 wells over the balance of the year and will focus on the following domestic and international opportunities:

2010 Focus on Western Canadian Oil Opportunities

- An initial focus on waterflood performance at Manyberries (Sunburst) and Spirit River/Grovedale (Doe Creek).
- Test Triassic oil prospects in the Grande Prairie and Peace River Area (Montney, Doig, Halfway, Charlie Lake).
- Complete four well Bakken exploration project to earn 40% in 50,000 net acres.
- An active 2011 winter program in the Keg River at Rainbow Lake.

Big Play Light Oil Exposure in Tunisia

- Second half 2010 exploration activity including the drilling of a 4,400 metre Ordovician test at Jenein, Tunisia (65% working interest), two appraisals wells to the company's Remada oil discovery and one or two additional wells at Borj El Khadra or Remada Sud.
- Plan of Development and request for the designation of a concession are under discussion with ETAP for the Remada Sud permit (86% working interest) onshore in the Ghadames Basin. Chinook would like to commence development in 2011.
- In excess of 15 drillable exploratory prospects and three undeveloped discoveries on seven blocks.

Priority Development of Gas Resource Opportunities

- Confirm the extent of high quality resource opportunities in the Montney at Knopcik, Gordondale and Monias.
- Prove up the potential of the large scale exposure to resource opportunities to the Nikanassin and Notikewin at Gold Creek, Knopcik, Gilby and Brazeau.
- Maintain a development bias towards projects with liquid yield in excess of 15 bbls/mmcf.

Repayment of $150 Million Bridge Loan with Assets of Iteration

In connection with the completion of the Arrangement, SVI received a bridge loan of $167.8 million from the Alberta Investment Management Corporation, on behalf of certain of its clients (the "**Bridge Loan**"). Immediately following completion of the Arrangement, Chinook repaid $150 million of the Bridge Loan in full by transferring to nominees of the lender all of the limited partnership units of a limited partnership which holds an undivided approximate 25% working interest in all of the assets of Iteration as at the date of the completion of the Arrangement. Pursuant to a management and administration agreement with the general partner of the limited partnership, Chinook will administer the transferred Iteration assets held by the limited partnership on behalf of the general partner of the limited partnership. Chinook intends to repay the remaining $17.8 million owing on the Bridge Loan before the end of July 2010 with the balance of the proceeds from the $25 million of non-core asset sales.

Credit Facilities

At closing of the Arrangement, a new $240 million bank facility was put in place to replace SVI's and Iteration's prior bank facilities. Chinook has current aggregate debt of approximately $197.8 million comprised of approximately $180 million owing under the new bank facility (after repayment of $150 million of the Bridge Loan and after giving effect to the West Central Acquisition) and $17.8 million owing under the Bridge Loan. Management of Chinook believes that, with its intent to keep capital commitments at or below cash flow for the foreseeable future, combined with a focussed hedging strategy, the new bank facility will accommodate Chinook's ongoing business plan allowing for organic growth.

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Forward-Looking Statements

In the interest of providing shareholders and potential investors with information regarding Chinook, including management's assessment of the future plans and operations of Chinook, certain statements contained in this joint new release constitute forward-looking statements or information (collectively "**forward-looking statements**") within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. In particular, this joint news release contains, without limitation, forward-looking statements pertaining to the following: potential synergies resulting from the Arrangement and the West Central Acquisition; the effect of the Arrangement and the West Central Acquisition on Chinook's production, reserves, undeveloped land position, reserve life index and tax pools, Chinook's operational and business plans.

With respect to forward-looking statements contained in this joint news release, Chinook has made assumptions regarding, among other things: that Chinook will complete the West Central Acquisition on the terms agreed on June 30, 2010, future capital expenditure levels; future oil and natural gas prices and differentials between light, medium and heavy oil prices; Chinook's future oil and natural gas production levels; future exchange rates and interest rates; Chinook's ability to obtain equipment in a timely manner to carry out development activities; Chinook's ability to market oil and natural gas successfully to current and new customers; the impact of increasing competition; the ability of Chinook to obtain financing on acceptable terms; and the ability of Chinook to add production and reserves through development and exploitation activities. Although Chinook believes that the expectations reflected in the forward looking statements contained in this joint news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this joint news release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Chinook's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the following: that the West Central Acquisition may not be completed on the terms agreed or at all, volatility in market prices for oil and natural gas; failure to complete planned operational activities; incorrect assessment of the value of the Arrangement and the West Central Acquisition; failure to realize the anticipated benefits and synergies of the Arrangement and the West Central Acquisition; general economic conditions in Canada, the U.S. and globally; and the other factors described under "Risk Factors" in Appendix "F" to Iteration's management information circular and proxy statement dated May 29, 2010 available in Canada at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this joint news release speak only as of the date hereof. Except as expressly required by applicable securities laws, Chinook does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Barrels of Oil Equivalent

Barrels of oil equivalent (boe) is calculated using the conversion factor of 6 Mcf (thousand cubic feet) of natural gas being equivalent to one barrel of oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.