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FOR: BIG BEAR EXPLORATION LTD.

TSE SYMBOL: BDX

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Big Bear Exploration Ltd. - Operations Update

CALGARY, ALBERTA--

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In a conference call with investors and analysts today, Big Bear Exploration Ltd. disclosed the following information relating to its acquisition of Blue Range Resource Corporation:

1. Big Bear estimates average production for 1999 will be approximately 10,500 boe/day consisting of 74 mmcf per day of gas, 1,000 boe/day of NGL's and 2,100 boe/day of oil. Big Bear estimates that its resulting 1999 cash flow will be approximately \$23 million, assuming \$2.25 per mcf at the plant gate and \$13.25 WTI.

2. Total debt obligations at December 31, 1998 were approximately \$182 million, consisting of \$127 million of bank debt, \$21.5 million of working capital deficiency and \$33.5 million of facilities lease obligations. The working capital deficiency takes into account the \$8.5 million of equity, which was raised by Blue Range from flow-through shares in December of 1998.

Blue Range's debt obligations increased by \$37.8 million from \$125.7 million at September 30, 1998 to \$163.5 million at December 31, 1998. The increase in debt of \$37.8 million consists of \$17 million of debt and recognition of \$20.8 million of additional facilities lease obligations.

3. Big Bear has been in discussions with Blue Range's Bank Syndicate consisting of The National Bank of Canada, Royal Bank of Canada and the First National Bank of Chicago with respect to extending the repayment requirements of the credit facilities. The Bank Syndicate has indicated that it wishes to exit its loan position with Blue Range. Big Bear has requested that the repayment be extended until June 1, 1999 to permit Big Bear to complete its re-capitalization plans. Big Bear and the Bank Syndicate are working together to agree on a reasonable period of time to repay the Syndicate's indebtedness.

4. Based on the updated independent engineering reserve report which Blue Range has just received, Blue Range's total proven reserves have declined from 37.7 million BOE at April 1, 1998 to 27.9 million BOE at December 31, 1999. This reduction (net of production) is made up of 44 bcf of gas, 1 million barrels of NGL's and 1.8 million barrels of oil. Probable reserves have declined from 23.4 million BOE as stated by Blue Range on April 1,

1998 to 8.8 million BOE as of December 31, 1998. The probable reserve reduction is 14.6 million BOE and is comprised of 110 bcf of gas, 1.7 million barrels of NGL's and 2.0 million barrels of oil.

Total proven reserves for the combined Big Bear and Blue Range entities is now 33 million BOE and total proven plus probable reserves are 43 million BOE.

5. Using a 12 percent discount rate, based on proven plus 1/2 probable reserves, Big Bear has a net asset value of \$128 or \$3.05 per share based on gas pricing at \$2.20 at the plant gate and oil at \$15 WTI.

6. Blue Range's present gas deliverability is 25 percent less than its gas sales commitments thereby making it necessary to purchase gas for resale -- some of the gas is purchased at a loss and some gas is presently being purchased and resold at a profit.

7. Big Bear is taking action to implement a re-capitalization plan of which would reduce the debt/equity and debt/cash flow ratios.

Big Bear's primary goal is to merge with another entity, on an accretive basis to Big Bear shareholders, which would allow equity to be raised in conjunction with the transaction. Big Bear has been discussing a potential merger with a number of companies. Certain shareholders of Big Bear have indicated they would provide equity to support such a transaction.

In order to provide maximum flexibility to address the need for re-capitalization, Big Bear has arranged with Waterous Securities to list for sale all of its significant properties, in order to determine what bid values can be obtained for its properties. Decisions with respect to individual sales would not be made until the bids have been received and reviewed in late May.

8. Big Bear expects to take a significant ceiling test write down which could be in the order of \$100 million but the precise amount is not yet determinable.

9. Planned capital expenditures for 1999 are \$23 million split into \$9 million exploration and \$14 million development.

10. Bruno Geremia has been appointed Chief Financial Officer effective February 22, 1999.

Big Bear Exploration Ltd. is a Calgary based oil and gas company listed on The Toronto Stock Exchange under the symbol "BDX".

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