

Nighthawk Energy plc

Update on Buchanan Group Projects

Update on Devon Oilfield

Acquisition of Xenia Project

The directors of Nighthawk Energy plc (“Nighthawk” or “the Company”) (AIM: HAWK), the US focused hydrocarbon production and development company, are pleased to announce an operational update on the Company’s waterflood projects, namely the Buchanan Group projects (formerly known as the Buchanan and Worden projects), located in Vernon and Bates Counties, Missouri, the Devon Oilfield project, located in Bourbon County, Kansas, and the acquisition of the Xenia development project, also a waterflood project, located in Bourbon County, Kansas. Nighthawk holds 50, 80 and 50 per cent. working interests in the projects respectively which are operated by Running Foxes Petroleum Inc (“Running Foxes”) which holds the remaining percentage interests.

Buchanan Group Projects

As a result of a successful summer drilling campaign, Nighthawk and Running Foxes have embarked on a proactive land acquisition programme and the land base of the Buchanan Group projects has expanded from approximately 7,000 acres to approximately 40,000 acres. The project areas are located on the Missouri side of the prolific Cherokee basin, known for shallow oil saturated sandstones. For optimum recovery the Buchanan Group projects require waterflooding in order to drive the hydrocarbons from the reservoir into the production well bore. The water is introduced by a number of injector wells drilled within the project area on a “five spot pattern” with four production wells for each injector well.

The eastern side of the Cherokee Basin is estimated to contain between 1.8 and 8 billion barrels of oil in place based on published reports from the United States Geological Survey (“USGS”) and Missouri Department of Natural Resources survey estimates.

Following analysis of the drilling results and other data, Running Foxes and Nighthawk now have an increased understanding of the characteristics of the project acreage which has demonstrated that there are several unrelated reservoirs present. As a result, the Buchanan Group projects, which have previously been referred to as the Buchanan and Worden projects, have now been divided into six separate development entities, Buchanan, Celtic, Farragut, Porter, Roundtop and Worden.

To date, a total of 36 wells, including the 16 previously announced wells, have been drilled and cased for production on ten acre spacing. The wells all targeted the McClouth and Upper and Lower Bartlesville formations. Through petrophysical and core analysis, Running Foxes conservatively estimates the average oil in place to be 250,000 barrels for each ten acres with individual pay zone intervals ranging from 8 to 70 feet at depths of between 250 and 500 feet. The average oil in place per well will vary as wells are now being drilled to define the limits of each reservoir. The wells presently producing are estimated to have between 300,000 to over 650,000 bbls of oil in place each. Continuing core analysis indicates excellent porosity and permeability with an API oil gravity ranging from 28 to 33.

An average of three wells per week are currently being drilled to take advantage of good weather. To date, six wells have been perforated, put on pilot primary production (without water injection) and are flowing at rates of 1 to 2 barrels per day (BOPD) and approximately 30,000 cubic feet of gas per day in aggregate. The other wells drilled will be put on primary production in the near future. Once the waterflood process has been completed, production per well is expected to increase significantly, typically by between two and ten times over that seen under primary production.

A gas distribution line has been connected to a third party tap for the sale of gas. An extensive gathering system is planned to be constructed by Nighthawk and Running Foxes and will be designed to accommodate the wells within the Buchanan Group project areas.

Devon Oilfield

The Devon Oilfield covers an area of 1,764 acres and currently has 21 wells on primary production (without water injection). The field is presently producing at a combined total rate of between 6 and 15 barrels of oil per day. The field has produced approximately 660 barrels of oil and in excess of 180,000 cubic feet of gas to date. The waterflood injection process is ongoing and on completion, each well is expected to increase production by a factor of between two and ten times over that seen on primary production. Currently, each of the four current injector wells is injecting at a rate of 10 barrels of water per day and a further five injectors have been drilled and are expected to be operational during October 2008. An additional 15 injectors are in the process of being permitted.

Oil is being trucked and sold to a local refinery at a US\$12 discount to spot price and gas is being sold to a third party company via its pipeline at 70 per cent. of the Southern Star Index price for south-eastern Kansas.

A further drilling programme is underway, construction and expansion of gathering facilities is progressing to plan and further successful appraisal wells await hook up for primary production and waterflood.

Xenia Project

Nighthawk has purchased a 50 per cent. working interest in the Xenia project from Running Foxes.

Xenia is located approximately 10 miles west of the Devon Oilfield, located in Kansas and covers an area of 1,080 acres. The Xenia field has eight shut in wells, including tank batteries and pump jacks within its land base and produced associated gas historically for a local municipality. The project was abandoned by previous operators during the 1990s due to low product prices.

The Bartlesville sandstones are the primary target. Based on core analysis of the previously drilled wells, there is an average of 25 feet of primarily oil saturated net pay per well at depths of less than 700 feet. Secondary targets are the Riverton Coal and the Excello Shale which are significant gas producing zones on acreage adjacent to the Xenia project. Separate wells will be drilled on the same pad to produce these zones. Running Foxes, as part of the

planned development programme has staked 12 wells and a 12 mile pipeline is currently under construction for gas sales.

David Bramhill, Managing Director of Nighthawk, commented, “Our waterflood operations are now bearing fruit. Continuing drilling success at our Kansas and Missouri based projects should increase our reserve base considerably. Expectations are also high in respect of our recent acquisition, the Xenia project, where a development programme is now underway. US refining demand remains robust and we expect these projects to provide significant and growing long term cash flow for Nighthawk.”

David Racher B.Sc (Hons) Geology, who is a consultant to Nighthawk and has over 37 years of experience in the hydrocarbons industry and previously managed the Lasmo plc onshore US portfolio in Kansas, Louisiana, South Dakota, Texas and Wyoming, has approved the technical information contained in this announcement.

Enquiries:

Nighthawk Energy plc 01271 882160
David Bramhill davidbramhill@nighthawkenergy.net

Hanson Westhouse Limited 0113 246 2610
Tim Feather tim.feather@hansonwesthouse.com
Matthew Johnson matthew.johnson@hansonwesthouse.com

Bishopsgate Communications Limited 020 7562 3350
Nick Rome nick@bishopsgatecommunications.com