

Nighthawk Energy plc

Jolly Ranch Update

The directors of Nighthawk Energy plc (“Nighthawk” or “the Company”) (AIM: HAWK), the US focused hydrocarbon production and development company, are pleased to provide an operational update in respect of the Jolly Ranch and adjoining Middle Mist and Mustang Creek projects (“the Projects”) located in Lincoln, Elbert and Washington Counties, Colorado.

Nighthawk holds a 50 per cent. interest in each of the Projects, of which Middle Mist, located to the north, and Mustang Creek, located to the west, of Jolly Ranch are extensions of the original Jolly Ranch project which has expanded from 40,000 to 225,000 acres during the past twelve months. The operator, Running Foxes Petroleum Inc. (“Running Foxes”) holds the remaining 50 per cent. working interest in each project. Nighthawk and Running Foxes intend to continue to lease further land in the area of the Projects.

Three wells, the Jolly 2-1, Jolly 16-1 and Craig 8-1, have been drilled to date, casing has been set and the wells are considered to be producers.

The primary target of the initial three wells is the Marmaton B formation which is a known producer in the region. The Marmaton B was encountered in each of the three wells at depths ranging from approximately 6,000–6,500 feet. In addition and of major significance, drilling encountered several carbonaceous shales in the Atoka and Cherokee zones at depths ranging from approximately 6,500–7,600 feet from which hydrocarbons have been recovered from core analysis.

The Jolly 2-1 has commenced production from the Marmaton B formation. Oil has been recovered and will be trucked and sold to a local refinery. The reservoir appears to be part of an under pressured stratigraphic trap in which the oil cut increases dramatically over a period of time following dewatering. Since being placed on production these characteristics have been observed and Running Foxes has concluded that the Marmaton B formation has similar characteristics to the producing Hunton carbonate reservoirs in Oklahoma, which include the West Carney field.

The Craig 8-1 swab tested oil from the Atoka carbonaceous shales following acid treatment. After partial acid recovery, 100 per cent. oil was recovered over several swab runs. It is unusual for a shale reservoir to produce hydrocarbons on acidisation alone.

Omnilabs, a division of Weatherfield International Oilfields, has evaluated the Atoka and Cherokee shales in the Jolly 16-1. The results of this extensive and ongoing independent evaluation, including analysis of fluid recovery, porosity, permeability and geochemistry, have been positive in respect of future commercial production and indications are that the shales are similar to prolific producing shale plays such as the Barnett and Bakken, located in Texas and North Dakota respectively.

The Jolly 16-1 well is awaiting production equipment which is expected to be delivered to site in the near future. The testing of the Cherokee shales in Jolly 16-1 will be based on the results of Craig 8-1, Jolly 2-1 or even a later well. The Cherokee shales are currently exhibiting similar characteristics to the Atoka and it is prudent to wait for information in order to identify zones of highest priority in order to optimise production.

Running Foxes has advised Nighthawk that the Patterson-UTI Energy Inc. rig 103 has arrived on site and the first well of a planned ten well programme has been spudded. This well, the Jolly 4-13 is located on the northern part of the Jolly Ranch property and will test multiple objectives.

David Bramhill, Managing Director of Nighthawk commented “We are naturally pleased with the results to date from Jolly Ranch. There is still work to be done, however, indications are that Nighthawk has within its portfolio a project that if successfully developed will establish the Company and Running Foxes into significant producers and leaseholders in the region.”

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

Hanson Westhouse Limited 0113 246 2610
Tim Feather / Matthew Johnson

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