

## **Nighthawk Energy plc**

### **Jolly Ranch Group, Centurion and Xenia Project Updates**

The directors of Nighthawk Energy plc ("Nighthawk" or "the Company") (AIM: HAWK), the US focused hydrocarbon production and development company, are pleased to announce operational updates on the Jolly Ranch Group, Centurion and Xenia projects. Nighthawk holds a 50 per cent working interest in each of the projects which are operated by Running Foxes Petroleum Inc. ("Running Foxes"), which holds the remaining percentage interests.

#### **Jolly Ranch Group**

- Craig 15-32 well encountered hydrocarbons and production pipe run
- Hydrocarbons discovered in Marmaton B, Cherokee and Atoka shales and Morrow sandstones
- Test flow rate from Jolly 16-1 increases to 446 barrels of oil per day and over 1 million cubic feet of gas per day
- Rig moved to drill Craig 7-34

Further to the announcement on 2 October 2008, the operator has informed the Company that the Craig 15-32 well has reached total depth and production pipe has been run. Good oil shows were encountered in the Marmaton B, Cherokee and Atoka shales and a Morrow sandstone. Testing of this well will begin in the next 14 days. The Patterson-UTI Energy rig 103 is being moved to drill Craig 7-34, the fourth well of the current ten well programme. To date, six wells have been drilled, all encountering hydrocarbons in multiple formations that are being tested separately in selected wells.

The Jolly Ranch Group project is an emerging regional shale play targeting primarily the Atoka and Cherokee shales. In addition, there are conventional zones on the acreage, including the Marmaton B which is currently producing at the Jolly 2-1. The Marmaton B zone has been encountered in all wells drilled to date on the acreage block and is considered a regional conventional oil target.

The Jolly 16-1 flowed on a 24 hour test at 446 BOPD and over 1 MMCFGPD from the Lower Atoka shales and 100 per cent. oil cut. The flow rate is considerably higher than that reported on 2 October 2008. The well is awaiting delivery of a pump jack and oil storage tanks which are due to be installed within 10 days. The workover rig and frac tanks are being moved to the Jolly 4-13 for completion of the Lower Atoka shales.

As announced on 2 October 2008, in addition to four shallow wells planned to test the Codell formation, a further 13 wells are planned to be drilled and the operator is staking an additional 30 wells on the Jolly Ranch Group project.

#### **Centurion**

- Franklin 13-6 well encounters hydrocarbons in multiple zones

- Atoka-Nighthawk 13-11 well completed as a gas producer
- Rig moved to drill Atoka-Nighthawk 12-29

The Centurion project is located in Sumner County, Kansas, covering approximately 15,000 acres. The project lies within the prolific Sedgwick Basin which has produced from the Arbuckle, Simpson, Viola, Mississippian and Cherokee sandstones and carbonates at depths of less than 5,000 feet.

The Devonian Chattanooga or Woodford shale is the primary shale target and has produced hydrocarbons throughout most of the central and eastern US since the 1920s. The Simpson and Cherokee shales are also potential targets and produce in other parts of the US.

Two exploration wells have been drilled on the project area, the Franklin 13-6 and Atoka-Nighthawk 13-11.

The Franklin 13-6 well has reached total depth at 3,904 feet, 100 feet into the Arbuckle. The well has encountered excellent live oil shows and large mudlog gas kicks throughout a 60 foot zone from 3,391 to 3,451 in the Mississippian Chat, a carbonate reservoir and prolific production horizon in the area.

The well has cored the Chattanooga shale which is giving off a petroliferous odour from 3,705 to 3,746 feet. The core has been shipped to Omnilabs for testing. Immediately below the shale the Simpson sandstone at 3,746 to 3,750 feet encountered live oil shows, moderate porosity and a good gas kick on the mud log. The operator has run pipe to total depth in order to test these zones. The well is located on a defined structural high and several other conventional oil zones will be tested. The Excello, Summit and Chattanooga shales have all been cored.

The rig has been moved to drill the Atoka-Nighthawk 12-29 targeting the same conventional oil zones and Chattanooga shales on a structural high.

The Atoka-Nighthawk 13-11 has been completed at 4,000 feet and is dewatering the Excello, Summit and V shales. The well is making increasing amounts of gas and the operator is pursuing a tap facility to sell product.

Gas in place in respect of the Chattanooga shale is estimated to range between 8-12 billion cubic feet per 640 acres. The Cherokee shales typically recover 150 million cubic feet of gas per well on 80 acre spacing and conventional reservoirs vary from 5,000 to 500,000 barrels of oil per well on 40 acre spacing depending on reservoir characteristics.

## **Xenia**

- First two wells of an 18 well programme, the Stewart 5-34D and 6-34C encounter 22 and 28 feet of oil pay respectively in Bartlesville sandstone
- Additional coals or shales flowed gas in each well
- Production pipe run and gas pipeline under construction

The Xenia waterflood project is located 10 miles west of the Devon Oilfield in Kansas and covers an area of 1,959 acres. The Xenia field has eight shut in wells and produced gas historically for a local municipality.

The Bartlesville sandstone is the primary target at the project as at the Devon Oilfield and Buchanan Group projects. The sandstone is part of a regional tidal to near marine fluvial system that lies between layers of coals and shales.

Nighthawk has been informed by the operator that the first two wells of an 18 well programme, the Stewart 5-34D and Stewart 6-34C, have been drilled on the Xenia project.

The wells encountered 22 and 28 feet of Bartlesville sandstone respectively with good oil saturation at a depth of 620 feet. In addition, at least three coals or shales in each well flowed gas while drilling and production pipe has been run. A 12 mile pipeline is under construction for gas sales.

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.

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