

Nighthawk Energy plc

Jolly Ranch Group Update

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 in respect of the Jolly Ranch Group project, located in Lincoln, Elbert and Washington Counties, Colorado. Nighthawk holds a 50 per cent. working interest in the project and the operator, Running Foxes Petroleum Inc. (“Running Foxes”), holds the remaining interest.

Highlights

- Nine commercial wells drilled at Jolly Ranch - 100 per cent. success rate
- Six wells now on production from various formations
- Production of 1,000 barrels of oil per day (gross) targeted to be reached during the first quarter of 2009
- High value Natural Gas Liquids to be recovered by the installation of two cryogenic plants at the Jolly Ranch and Craig production sites
- Aeromagnetic survey over key areas of Jolly Ranch, Middle Mist and Mustang Creek acreage
- Acquisition of Bluebird Oilfield within the Mustang Creek acreage via Colorado State Sale

The Jolly Ranch Group project is a major hydrocarbon production and development venture which now includes Jolly Ranch, currently the core area, Middle Mist and Mustang Creek, to the north and west of Jolly Ranch respectively. The total project area now comprises 370,578 gross acres (281,069 acres on a net basis).

Drilling results to date have established Jolly Ranch as a significant new oil and natural gas field, particularly in the Atoka and Cherokee Shales. These shales are laterally extensive and are believed to be continuous over the entire project area. Recent drilling by Nighthawk/Running Foxes has proved that the shales extend for a distance of 14 miles in a north-south direction and five miles in an east-west direction. Historic wells drilled by previous operators in the 1980s and 1990s also provide evidence that the shales cover the entire project area.

In addition, several oil bearing conventional zones have been penetrated during drilling, including the Marmaton, Codell, Morrow, Spergen and St Louis formations.

Operations

Nine successful development/discovery wells have been drilled to date on the project by Nighthawk/Running Foxes, namely Jolly 2-1, Jolly 16-1, Jolly 4-13, Craig 8-1, Craig 4-4, Craig 15-32, Craig 15-34, Craig 7-34 and Jolly 10-1. In addition, drilling

has commenced on the Jolly 10-5 and Target Depth is expected to be reached within five days. The Jolly 10-5 well is a twinning of a well drilled approximately 20 years ago which penetrated 18 feet of pay in the Marmaton zone.

Two Codell formation test wells will be drilled in December 2008 in addition to a well testing the J Sand formation in the Middle Mist area of the project.

The Jolly 16-1, Jolly 4-13 and Craig 8-1 are currently producing from the Lower Atoka Shales, the Jolly 2-1 from the Marmaton formation, the Craig 7-34 from the Warsaw/Spergen formation and the Craig 15-32 from the Tebo shale within the Cherokee Shales. Sale of product has commenced from all six wells.

Production is increasing as more wells are brought onstream and output from each well grows. Nighthawk and Running Foxes are targeting the achievement of production in excess of 1,000 barrels of oil per day (gross) during the first quarter of 2009.

The Jolly 10-1 well has reached Target Depth and encountered several hydrocarbon bearing formations. Taking in consideration the overall economics of the Jolly Ranch project, a water disposal well is required. The 10-1 is the optimal choice as it is in close proximity to the other Jolly wells. It is anticipated that with the water disposal well operational, water handling costs will drop from an average of US\$3.50 per barrel to below US\$0.25 impacting positively on the project economics. Conversion of the Jolly 10-1 well to a water disposal well is in the normal course of operations and the drilling of an offset well to the Jolly 10-1 well remains an option for the future. A water disposal well for the Craig area is in the planning stages and will be drilled in early 2009.

Cryogenic Processing for Natural Gas Liquids

As previously announced, significant amounts of commercial gas have been encountered in several wells.

The natural gas from the wellstream is methane with a mixture of other hydrocarbons, including ethane, butane and propane, together termed Natural Gas Liquids or NGLs. The NGLs encountered at Jolly Ranch have a very high calorific value per unit volume. Typical natural gas has a calorific value of approximately 1,030 BTU ("British Thermal Units") per cubic foot. The separated gas at Jolly Ranch is particularly rich in high value NGLs. The calorific values recorded in independent laboratory tests from samples from numerous wells range from 1,598 to 2,000 BTU per cubic foot.

Economic analysis has determined that onsite separation of the NGLs will realise significant additional value and improve the already robust economics at Jolly Ranch. The partners intend to install a cryogenic processing plant on each of the Jolly Ranch and Craig production areas during the first quarter of 2009. Following installation and commissioning of this equipment, the operator estimates that between 500 and 700 barrels of oil per day equivalent are expected to be recovered from the NGLs alone.

Aeromagnetic Survey

Fugro Airborne has completed a 126,939 mile line aeromagnetic survey over 3,060 square miles covering the Jolly Ranch, Middle Mist and Mustang Creek areas. Initial evaluation of the results is positive and has defined areas of intense fracturing which have the potential to generate increased production from the shales.

Acquisition of Land at Mustang Creek Including the Bluebird Oilfield

A further 640 acres of land have been purchased by Nighthawk and Running Foxes at the recent State of Colorado land sale. This acreage lies within the Mustang Creek section of the Jolly Ranch Group project.

Within the newly acquired acreage lies the Bluebird Oilfield, located in Section 36 Township 8 South, Range 57 West in Elbert County.

The Bluebird Oilfield was abandoned in the 1990s by the previous operator when oil prices fell to US\$12. The field was a prolific producer yielding approximately 1 million barrels of oil prior to its closure. The field produced from the J Sandstone of Cretaceous Age at approximately 5,000 feet. Following evaluation of historical records in respect of the Bluebird Oilfield, it is estimated that a further one to four million barrels of oil may be recoverable.

Running Foxes intends to stake four wells in this region within the next ten days with the intention of drilling and developing the new acreage during the first half of 2009.

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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