

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 announce an operational update in respect of the Jolly Ranch Group project, located in Elbert, Lincoln 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

- Co-mingling of Atoka, Cherokee and Marmaton reservoirs from single wells underway, minimising costs, increasing rate of return per well and reducing the need for multiple wells on a single location
- Codell wells Jolly 9C-1 and Jolly 16C-1 reach total depth, encounter hydrocarbons and have been cased for production
- Rig moved to the Fisher 14-20 location in the Middle Mist area to test prolific J Sand formation
- Ongoing independent evaluation of newly acquired Bluebird Oilfield exceeding original expectations
- Current average Jolly Ranch operating profit threshold indicated to be US\$25.00 per barrel

The Jolly Ranch Group project is a major hydrocarbon production and development venture which 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 comprises 370,578 gross acres (281,069 acres on a net basis).

Drilling results from the initial ten wells drilled have established Jolly Ranch as a significant new oil and natural gas field, particularly in the Atoka and Cherokee shales, which are laterally extensive and are believed to be continuous over the entire project area. In addition, several conventional oil bearing zones, in particular the Marmaton, have been penetrated during drilling.

Co-mingling of production

Under the rules and regulations of the Colorado Oil and Gas Commission, co-mingling of production from the Atoka, Cherokee and Marmaton reservoirs is permitted at Jolly Ranch. The reservoir characteristics in terms of age of rock and pressure data imply similarity and

are therefore not expected to result in production problems. This means that the requirement for multiple wells on one location to produce from separate formations is reduced as production is permitted from multiple reservoirs simultaneously from one well, minimising costs and increasing the rate of return on a per well basis.

The previously drilled wells, the Craig 15-34 and the Craig 4-4, have been placed on production following perforation and acidisation in the Tebo and Lower Atoka shales. Both wells swabbed between 90 and 100 per cent. oil prior to being placed on production. These wells are now awaiting further completion in the Upper Atoka, V and Excello shales and the conventional Marmaton zone.

The Craig 8-1 well, which initially produced from the Lower Atoka shales, has also been completed in the Tebo shales and is now producing from both formations.

All of the ten initial wells, with the exception of the Jolly 10-1 which will be used as a water disposal well, have been or will be subjected to slickwater and sand fracking in the Cherokee zones. This process has proved to be successful based on the results from the Craig 15-32, Craig 8-1, Jolly 16-1 and Jolly 4-13 wells.

The Craig 15-32, Jolly 2-1 and Jolly 16-1 wells continue to produce at previously reported rates. Production of 1,000 barrels of oil per day (gross) at Jolly Ranch is targeted to be reached during Q1 2009.

Codell and J Sand drilling programme

As announced on 19 December 2008 a drilling programme has commenced to test the shallow Codell and J Sand formations, which are of Cretaceous age located at depths of between 3,000 and 4,000 feet and are both prolific producing zones in the region.

Two wells testing the Codell formation, the Jolly 9C-1 and the Jolly 16C-1, have reached total depth, encountered hydrocarbons based on petrophysical log evaluation and have been cased for production.

Black Gold Inc., a local drilling company, has moved the rig to the Fisher 14-20 which is located in the Middle Mist area of the project. The well is designed to test the J Sand formation at less than 6,000 feet. The well is an offset to a historical well that encountered significant hydrocarbons which, based on log analysis, had 17.5 feet of pay in the J Sand with 374,566 barrels of oil in place.

Bluebird Oilfield

The Bluebird Oilfield was acquired in December 2008 as part of a land package offered at a State of Colorado land sale. The acreage lies within the Mustang Creek section of the Jolly Ranch Group project.

Independent evaluation of historical data is ongoing, however indications are that the original estimates of between one to four million barrels of recoverable oil are understated.

Evaluation of the Bluebird continues with drilling and development expected to commence during Q2 2009.

Jolly Ranch profitability threshold

The directors estimate that the current operating breakeven threshold at Jolly Ranch is an oil price of approximately US\$25.00 per barrel. However, vendor prices are falling substantially, in some cases by as much as 30 to 40 per cent. This reduction in costs is being reflected in the operational expenditure on the project and, if this trend continues, the directors expect that the operating breakeven oil price could fall to US\$15.00 per barrel.

Many hydrocarbon projects in the US are being suspended or cancelled due to operating costs of between US\$30 to US\$60 per barrel. Nighthawk's current profitability threshold demonstrates the financial robustness of the Jolly Ranch project.

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 07801 540358
David Bramhill davidbramhill@nighthawkenergy.net

Hanson Westhouse Limited 020 7601 6100
Tim Feather tim.feather@hansonwesthouse.com
Matthew Johnson matthew.johnson@hansonwesthouse.com

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