

## **Nighthawk Energy plc**

### **Update on Commercialisation of Devon Project**

The directors of Nighthawk Energy plc (“Nighthawk” or “the Company”) (AIM: HAWK), the US focused hydrocarbon and production company, are pleased to announce an operational update on the commercialisation of the Devon Oilfield waterflood project, located in Bourbon County, Kansas. Nighthawk holds an 80 per cent. interest in the project which covers an area of 1,764 acres. Running Foxes Petroleum Inc. (“Running Foxes”) is the operator and holds the remaining 20 per cent.

The Devon Oilfield, one of Nighthawk’s six development and production projects located in the US mid-west, has seen strong progress during the last six months, including:

- Continuing drilling success
- The ongoing construction of production and sales off-take facilities at the Vogel, Graham and Cleaver locations
- Further construction of surface facilities
- Expansion of the water injection process throughout the project area
- Discovery of a new natural gas reservoir within the Graham area of the project

To date, Nighthawk has invested approximately US\$6 million net in the Devon Oilfield project. All the wells drilled have targeted the Bartlesville channel sandstones at shallow depths of between 350 and 500 feet. The current status of drilling is as follows:

- 34 oil wells on primary production awaiting waterflooding to take effect
- 29 wells awaiting completion for production and tie in to surface facilities
- 11 wells drilled, cased and cemented for production
- 6 wells shut in awaiting infrastructure
- 15 injector wells injecting water
- 6 test wells designed to define the edges of the Bartlesville reservoir plugged and abandoned
- 20 wells permitted for future drilling

The current drilling success rate for the Devon Oilfield is 94 per cent., an excellent rate for any development project.

The rate of primary production is increasing as more wells are brought on stream and is on target to be in excess of 100 barrels of oil per day equivalent (gross), by 31 March 2009. The Directors expect this rate to increase markedly as additional wells are brought on stream.

Primary oil production should be considered a bonus prior to the waterflood process taking effect and a major positive indication. The water injection process is ongoing and the full effect on production is only expected to be observed during Summer 2009. At this stage of development, it is not possible to accurately predict optimum production levels, however, expectations currently range from 500 to 1,500 barrels per day (gross) for the developed acreage at the Devon Oilfield.

In addition to the oil production, a new and positive development is the discovery of a primarily natural gas reservoir at the Devon project, as announced on 19 February 2009. The Graham 6-36D-3 well was tested from the Lower Bartlesville formation at a depth of 430 to 438 feet resulting in a stabilised open flow test of 627 MCFGPD (thousand cubic feet of gas per day) through a one inch choke.

The well has been hooked up to a local pipeline and gathering system and natural gas is now producing at a choked off rate of 210 MCFGPD per day, a significant increase on production last reported of 160 MCFGPD.

A further five wells have subsequently been drilled with similar results to the Graham 6-36D-3 well and have all been cased as producers from the same Bartlesville formation. These wells are expected to be hooked up to a pipeline and sale of product to commence within the next ten days.

David Bramhill, Managing Director, commented "Running Foxes is making excellent progress on the continuing development of the Devon Oilfield. We currently have six projects that are either in early production or at the development stage. It is interesting to note that our Buchanan Group waterflood projects located in neighbouring Missouri, and contiguous to the Devon Oilfield with similar geology, cover in excess of 40,000 acres, a multiple of 24 times that at the Devon Oilfield.

"With the ongoing and successful development of our core projects, namely Jolly Ranch, Buchanan Group and the Devon Oilfield, expectations remain high. The current financial environment does not allow the value being created to be reflected in the share price. However, with our project portfolio, we believe we have the opportunity to build Nighthawk into a successful mid-tier enterprise within a reasonable timeframe. When the eventual upturn in both general market confidence and oil and gas prices happens, Nighthawk will be well positioned to benefit."

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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