

NIGHTHAWK ENERGY PLC

INDEPENDENT TECHNICAL REVIEW OF THE BUCHANAN GROUP PROJECT

INTEGRATION OF WATERFLOOD PROJECTS INTO REVERE, A SINGLE MAJOR DEVELOPMENT AND PRODUCTION ENTITY

The directors of Nighthawk Energy plc (“Nighthawk” or “the Company”) (AIM: HAWK), the US focused hydrocarbon production and development company, are pleased to announce the results of an independent technical review of the Buchanan Group project conducted by Oilfield Production Consultants Limited (“OPC”). The report includes a calculation of the stock tank oil originally in place (“STOOIP”) using probabilistic methods, including Monte Carlo, for which the most likely case is 184.26 million barrels (gross).

In addition, the Company announces today details of the integration of the Devon Oilfield, Buchanan and Xenia projects into a single major development to be known as the Revere project.

Independent Technical Review of Buchanan Group Project

Nighthawk has a 50% interest in the Buchanan Group waterflood project, located in Vernon and Bates Counties, Missouri and Linn and Crawford Counties, Kansas covering an area of approximately 33,000 acres. Running Foxes Petroleum Inc. (“Running Foxes”) is the operator and holds the remaining 50% of the project. The Buchanan Group project is located within the Cherokee Basin, a very extensive and prolific shallow oil and gas producing area.

The main study area, where most of the wells have been drilled to date, consists of 1,098 acres. A detailed 3-D geological model was built by OPC on this study area using Schlumberger’s Petrel software, the market leading geological modelling package. Monte Carlo probabilistic calculations were then made using the range of porosity, oil saturation and gross rock volume parameters derived from the 3-D Petrel model.

The oil in place in 28,112 acres within the offset Celtic and Roundtop lease areas, was also calculated. The remainder of the acreage, approximately 3,800 acres, was not included in the OPC review.

Set out below are the key points from the OPC report:

Highlights:

- The most likely (P50) calculation of stock tank oil originally in place over the evaluated project area covering 29,210 acres is 184.26 million barrels of oil
- As additional wells are drilled in the offset acreage the hydrocarbon volumes are expected to rise
- Both oil and gas are currently being produced and sold from the Buchanan Group projects. Calculation of the gas reserves is not included in the OPC review
- Water injection has commenced at the Buchanan Group project, and the effects of the injection will be evident in due course. Wells are drilled in a “five spot” pattern of injectors and producers with a tight well spacing of 10 acres. Once the production response from the water injection is

apparent at the production wells, a forecast of field production can be estimated and waterflood reserves assigned to the field. Scoping simulation runs completed by OPC suggest that rates of 5-20 barrels of oil per day are possible from each individual production well

- There are currently 46 production wells, 23 wells awaiting completion, 10 injection wells and 27 permitted wells
- The shallow reservoir depth of less than 500 feet results in very low drilling cost per well (less than US\$50,000). Thus, a large number of wells are being drilled to thoroughly define the geology of the field and efficiently drain the reservoir. The shallow depth and low reservoir pressure also allows for the use of inexpensive and simple surface facilities. No expensive high pressure equipment or pipelines are required
- The reservoir pressure is low (less than 200 psia) and the oil contains very little solution gas. Thus, there is little natural energy to help produce the oil from the reservoir. In this type of low pressure reservoir, water injection is commonly used to displace oil to the production wells. This is a simple, straightforward process which has been applied successfully for decades on similar fields in the US and elsewhere in the world. Typical recovery factors in this type of waterflood project would be expected to range between 15-25% with careful design and implementation of the waterflood
- Significant infrastructure is already in place at the Buchanan Group project. A water injection plant has been installed, fluid storage sites constructed and surface flowlines put in place to transport the produced oil and gas
- There is also significant potential for gas production at the Buchanan Group project

STOOIP Range for Evaluated Area (29,210 acres)

	STOOIP, MMstb Study Area (1,098 acres)	STOOIP, MMstb Additional Acreage (28,112 acres)	STOOIP, MMstb Total (29,210 acres)
Downside case	30.01	27.52	57.53
Most likely case	37.99	146.27	184.26
Upside case	48.02	368.84	416.86

Study Background

The Buchanan Group project is located on both the Missouri and Kansas sides of the prolific Cherokee Basin, known for shallow oil saturated sandstones. Production is from Pennsylvanian, Mississippian, and Ordovician reservoirs from less than 4,000 feet.

The oldest strata are the Cambrian sandstones and carbonates that lie directly on the Pre-Cambrian rocks. Overlying the Cambrian sediments is the Arbuckle Group of Ordovician age which consists of interbedded dolomites and limestones with minor shales. Overlying the Arbuckle Group are the Mississippi limestones which can be a significant hydrocarbon producer. The Cherokee Group of Pennsylvanian age overlies the Mississippian strata and is composed of predominantly shales and sandstones with minor limestones and coals. The Cherokee Group also represents a deltaic sequence that extends across all of the Cherokee Basin. There are several sandstones that are found within the

group, however the Bartlesville Sandstone reservoir has produced the majority of hydrocarbons in the basin.

Integration of Devon, Buchanan and Xenia into a Single Major Development Project

During the past two years Nighthawk and Running Foxes have seen excellent drilling and development success at their waterflood projects, namely the Devon Oilfield (“Devon”), Buchanan Group (“Buchanan”) and Xenia, which together cover approximately 40,000 acres. Each of these projects is located around the Kansas/Missouri State border.

The amount of development work undertaken and completed has substantially derisked a major portion of the developed project areas.

The OPC independent reports on Devon and Buchanan result in an aggregate most likely STOOIP of 210.51 million barrels (gross).

OPC are currently conducting a review of the Xenia acreage, the results of which are expected to add significantly to the Devon and Buchanan STOOIP figures. Oil is currently being sold from Xenia and gas production is expected to commence from this project area during Q4 2009.

There are currently 111 production wells, 81 wells cased for production or awaiting completion and 31 water injection wells in place on the combined project areas. In addition, a further 71 wells are currently permitted and will be drilled on an ongoing basis at an approximate rate of two wells per week.

Development of all three areas is progressing and primary oil production is occurring, which is an excellent precursor ahead of the impact of the water injection process.

An additional positive is the growing gas potential of the projects where gas distribution lines have been connected to a third party tap at Devon and Buchanan and gas is being sold. An extensive gathering system is planned to be constructed by Nighthawk and Running Foxes and will be designed to accommodate the increased gas production from further wells at Devon, Buchanan and Xenia.

Following the excellent independent review and STOOIP calculations from OPC in respect of Nighthawk’s ongoing waterflood operations, a decision has been made to integrate the Devon, Buchanan and Xenia projects into a single major development and production entity to be known as the Revere project. Nighthawk’s interest in the project areas will remain at 80%, 50%, and 50% for Devon, Buchanan and Xenia respectively.

Tim Heeley B.Eng (Hons) a member of the Society of Petroleum Engineers, Fellow of the Geological Society of London and Chartered Energy Engineer, who is Commercial Director of Nighthawk and has over 12 years of experience in the hydrocarbons industry has approved the technical information contained in this announcement.

Enquiries:

Nighthawk Energy plc

David Bramhill, Managing Director

01271 882160

07914 050512

Tim Heeley, Commercial Director

07956 525433

020 7887 1454

Hanson Westhouse Limited
Tim Feather
Matthew Johnson

020 7601 6100
tim.feather@hansonwesthouse.com
matthew.johnson@hansonwesthouse.com

Bishopsgate Communications Limited
Nick Rome

020 7562 3395
nick@bishopsgatecommunications.com

Appendix I

Oilfield Productions Consultants Ltd

OPC is a consultancy founded in 1987 to provide professional services to the energy industry world wide. Its clients are both large and small operators, non-operators and large service companies. OPC works with its clients for the long term, retaining the knowledge gained on each project so that it can be utilised for a more efficient working relationship.

OPC has offices in London, Houston, Aberdeen and Qatar, with consultants working in offices of clients and on rigs and installations in the UK and various overseas locations. OPC maintains ISO 9001-2000 Certification, guaranteeing a quality product. OPC is registered with the UK supplier database First Point Assessment Limited (supplier number 10043049) with a higher than average capability profile.

OPC's services range from well-testing supervision and analysis, through subsurface studies, field modelling and optimisation, to asset evaluation. Reserves evaluation for flotation, capital fundraising and for acquisition and divestment are also carried out. Managing Director, Piers Johnson, and other staff, as well as OPC the company, are recognised by the London Stock Exchange as a "competent entity" under section 19 of the Listing Rules.

Appendix II

Glossary

"3-D"	three dimensional
"barrel of oil"	42 US gallons, 158.9873 litres or 34.9723 Imperial gallons
"boepd"	barrels of oil equivalent per day
"carbonates"	deposits of calcite, including limestones and dolomites, forming a layer of rock
"deltaic"	a geological deposit formed by the action of an ancient delta
"dolomites"	a sedimentary rock composed of calcium magnesium carbonate
"interbedded"	occurs when a layer of rock of one type lie between or alternate with layers of rock of another type
"hydrocarbon"	a compound containing only the elements hydrogen and carbon which may exist as a solid, liquid or a gas. The term is mainly used in a catch-all sense for oil, gas and condensate.

“MMstb”	millions of stock tank barrels
“Monte Carlo”	a statistical method of quantifying the uncertainty of hydrocarbons in place, reserves and net present value. The uncertainty in the factors on which the desired output quantity depends is described by probability distributions, which are sampled and combined many times over to generate a distribution of output values versus probability
“porosity”	the percentage of void in a porous rock compared to the solid formation
“probabilistic”	derived from a range of estimates based on probabilities applied to known data
“psia”	pounds per square inch absolute
“P50”	indicates at least a 50% probability that the quantity of oil in place will equal or exceed the estimate
“reservoir”	a porous and permeable formation containing significant quantities of hydrocarbons, commonly composed of sandstone or limestone
“sediments”	particulate matter, transported by fluid flow (often water) and then deposited
“shales”	fine grained sedimentary rock whose original constituents were clay materials or muds
“STOOIP”	Stock Tank Oil Originally In Place
“stb”	stock tank barrel(s) measured at 14.7 psia and 60° Fahrenheit
“strata”	a layer of rock with internally consistent characteristics which distinguishes it from contiguous layers