

November 21, 2011

ASX Release

ASX Codes: TNP, VIL, KOG, GGE

Lyons Point Well – Drilling Update#11

- **Pruitt et al #1 Well drilled to extended Target Depth (TD) of 16,500ft, with electric logs to be run**
- **Lyons Point is a high impact prospect targeting 3 MMBC & 60 BCFG (up to 4 MMBC & 80 BCFG)**
- **Adjacent to Leleux Field which produced 5 MMBC and 300 BCFG from target reservoir**

Pruitt et al #1 Well, Lyons Prospect, Acadia Parish, Louisiana, USA- Non Operators

The Pruitt et al #1, the initial test well for the Lyons Point Prospect was spudded on 13 September 2011 and reached TD of 16,500ft on 21 November 2011.

The operator is preparing to run electric logs over the target reservoir section to determine the hydrocarbon potential.

The well was drilling through what is expected to be the Marg Tex 3 Sands at 16,300ft and accordingly the project partners agreed to extend the well a further 200ft. The Marg Tex 3 is highly productive in analogue fields immediately to the south of the Lyons Prospect. Precision Drilling agreed to complete the extra 200ft under an extension of the drilling Turnkey contract.

The well is being operated by Clayton Williams Energy Inc. under a turnkey fixed cost drilling contract with Precision Drilling. The prospect has a closure of circa 400 acres with a most likely resource potential of 3 MMBC (Million Barrels Condensate) and 60 BCFG (Billion Cubic Feet Gas) with upside potential of 4 MMBC and 80 BCFG.



The Lyons Point Prospect is a seismically defined, upthrown fault bounded structural closure. The objective section is provided by the prolific Oligocene Marginulina Texana (MT) 1, 2, and 3 Sands. The MT sands are productive in several fields in the immediate surrounding area and include the nearby Leleux Field, which has cumulative production of 5 MMBC and 300 BCFG from the MT interval.

The ASX participants in the Lyons Point Prospect are as below:

	Paying Interest % Initial Well	Working Interest % Initial & Subsequent Wells	Net Revenue Interest %
Tango Petroleum Ltd (TNP)	23.00	17.25	12.95
Verus Investments Ltd (VIL)	20.00	15.00	11.25
Kilgore Oil & Gas Ltd (KOG)	13.33	10.00	7.50
Grand Gulf Energy Ltd (GGE)	6.67	5.00	3.75
Other	37.00	52.75	64.55
	100.00	100.00	100.00

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.