



Level 21, Allendale Square
77 St Georges Tce
Perth WA 6000

Tel: +61 8 9389 2000
Fax: +61 8 9389 2099
Email: info@tamaska.com.au
www.tamaska.com.au



ASX Release

Date: 13 December 2011

Tamaska signs first Canadian asset deal

Tamaska to receive immediate cash injection whilst retaining significant exposure to one of the world's petroleum exploration hotspots

Key Points:

- *Tamaska and its Alberta Joint Venture (AJV) partners have signed a letter of intent for a sale and farm-in agreement covering over 19,200 acres of their Duvernay Shale and Rock Creek acreage in Alberta, Canada*
- *Canadian petroleum company to acquire 80% interest in 30 sections for C\$20m cash (Tamaska's share: ~C\$1.6m/\$1.7m)*
- *The AJV partners to be carried for the first two Duvernay wells*
- *AJV retains full interest in 111 gross sections of its Rock Creek and Duvernay Shale acreage, from 141 sections originally held (79% acreage retained)*
- *Transaction demonstrates value in retained acreage position*

Tamaska Energy (ASX: TMK) is pleased to advise it is set to realise an immediate cash injection following the execution of a letter of intent (LOI) for a sale and farm-in agreement on the Alberta Joint Venture's Duvernay Shale and Rock Creek acreage. The LOI has been signed with a well-credentialed Calgary petroleum exploration and production company, which provides the AJV with industry experienced partner with strong capital support to develop the Duvernay and Rock Creek projects.

The transaction is anticipated to settle in early January 2012 on completion of land and title due diligence, which is substantially complete, and definitive agreements. This transaction demonstrates a significant increase in value for the Joint Venture partners on their retained acreage in the Duvernay Shale, whilst providing an upfront cash injection.

Under the LOI, the investor will acquire an 80% interest in 30 sections (19,200 acres) in the Duvernay and Rock Creek fairway for a total of **C\$20 million in cash**. Tamaska's share of this will be ~C\$1.6 m (\$1.7m). Tamaska holds an 8% interest in the Duvernay Shale project and a 16% interest in the Rock Creek project.

The Joint Venture partners will also be free-carried through the first two wells drilled on the Duvernay. The first is a vertical well to be drilled in 2012 at an estimated cost of C\$5 million. The second well, an optional horizontal well, is to be drilled during the 2013 drilling season with the AJV carried for the first C\$15 million of expenditure. The Joint Venture's total exposure to drilling costs above C\$15m on the horizontal well is capped at \$1m.

In addition, the investor has agreed to fund its pro rata 80% share of a Rock Creek horizontal well within 2 years of execution of the LOI, or return the Rock Creek rights in the lands to the AJV.

Following completion of the transaction, the AJV will retain a 20% interest in the 30 sections (19,200 acres) to be acquired the investor and 100 % of the remaining 111 sections (70,300 acres). The AJV partners will continue to evaluate proposals received on their other acreage through the process undertaken with Macquarie Tristone.

Tamaska Executive Director Brett Mitchell said "This transaction demonstrates the real inherent value in our lead assets, improves the Company's immediate cash position and provides a strong foundation to underpin the Company's ongoing activities in the oil and gas sector."

Core Laboratories Initiative

The parties have also agreed to share any results of a select investigative initiative on Duvernay wells to be coordinated by Core Laboratories (a leading Houston based reservoir consultant), should any of the parties choose to participate. This initiative has already attracted participants such as Talisman Energy, ConocoPhillips, Husky and Daylight Energy, all major Duvernay 'players'.

Core Laboratories is a leading provider of proprietary and patented Reservoir Description, Production Enhancement, and Reservoir Management services. The primary objective of this project is to provide operators with measured geological, petrophysical, geomechanical, geochemical, and production properties of the Duvernay Shale in order to improve their formation evaluation and to optimize stimulation and production. Understanding the similarities and differences in the section on a regional basis is the key to successful exploration and exploitation. The resultant database will be an invaluable tool to operators in evaluating, comparing, and designing completion and stimulation methods for the Duvernay Shale.

In order to properly evaluate and explore the Duvernay Shale, appropriate types of rock property data need to be measured and integrated with log data, stimulation techniques, and production test information. These integrated data sets and case histories will provide operators with the critical parameters to optimize their exploitation of the Duvernay Shale and reduce finding and development costs.

Each company joining the project will be required to contribute core material from 2 wells for analysis, evaluation and inclusion into the database. The cores must be through the Duvernay Shale. It is anticipated that conventional cores from a minimum of 20 wells will be included in the project. In addition, the conventionally cored wells (key wells) will be supplemented by 10-20 reconnaissance wells represented by legacy public domain cores. Information gained from the initiative will be maintained confidential to the initiative participants for a period of one year.

Transaction Background

Macquarie Tristone Canada was engaged in September by the AJV partners to evaluate the market and undertake a potential sale/farm-out process of the Duvernay Shale and Rock Creek petroleum rights held within the AJV. Macquarie Tristone fielded significant interest in the strategic Duvernay Shale acreage and the AJV partners will continue to consider and evaluate interest received on both the Duvernay and Rock Creek projects.

Prior to the transaction, the AJV had a total land holding within the Duvernay Shale and Rock Creek fairway of 141.53 gross sections (36,231 hectares or 90,579 acres). The Duvernay has hosted several liquids-rich shale gas discoveries in the region in recent months, resulting in a significantly increased level of activity and interest in the region.

For and on behalf of the Board