

Company [Xtract Energy plc](#)
TIDM XTR
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**XTRACT ENERGY PLC
("Xtract" or the "Company")**

Operational Update

Xtract Energy PLC is pleased to announce the following operational update.

Denmark

The Maersk Resolve drilling rig has arrived at the Luna location, jacked up out of the water and made ready for drilling operations. Noreco has advised that the well was spudded on Sunday 12th February.

The Luna well will be drilled to a depth of 2,250 metres with a reservoir sandstone thickness prognosis of c. 90m. The Luna prospect is targeting between 35mmbbls - 153mmbbls net resources to Xtract. The Luna drilling program is expected to take approximately one month.

The Luna prospect is located in a small half graben with the pinch out edge to the south east of the structure. The Rotliegendes reservoir is thought to have a high probability of being present at this location based on the seismic interpretation. Uncertainty still exists however on which seismic event represents the top reservoir and where the pinch out occurs. In addition to the uncertainty on the pinch out position, there is a possibility that the Rotliegendes does not, in fact, pinch out but continues up dip into Lead A. It is therefore possible that Luna and Lead A are connected and represent one feature. The current well location which targets the Luna prospect was picked in order to maximize the information gathered by the well and is designed to address this uncertainty. The Luna well intends to test the overall Rotliegendes play concept.

A full description of the prospectivity of the Danish licenses 1/11 and 2/05 can be found within the Xtract Energy plc AIM Admission Document dated 26th August 2011 which can be located on the Xtract website www.xtractenergy.co.uk.

Oil Shale

Xtract previously announced that it had contracted Worley Parsons to provide a technical study on the various technologies which are being used or developed around the world to extract hydrocarbons from oil shale, as applicable for the exploitation of the Julia Creek tenements in Queensland, Australia and other oil shale resources. Worley Parsons is an Australian based company and is a leading provider of professional services to resource and energy sector companies and complex process industries

Xtract is now in receipt of the study and is reviewing the results. The study will assist Xtract to review the commercial options available for the exploitation of its oil shale resources, to make such developments attractive to potential commercial partners, as well as creating a bankable project.

Peter Moir, Chief Executive of Xtract Energy, commented:

"We are pleased that the Maersk Resolve is now on location and it is exciting that drilling has commenced at Luna. We look forward to updating shareholders on progress in due course."

Qualified Person

In accordance with AIM Guidelines, Peter Moir, B.Sc. Civil Engineering, M.Eng. Petroleum Engineering, UK Chartered Engineer and CEO of Xtract Energy plc is the qualified person as defined in the Guidance Notes for Mining, Oil and Gas Companies, February 2010, of the London Stock Exchange, that has reviewed the technical information contained in this press release. Mr Moir has more than 30 years experience in technical, operational and commercial aspects of the E&P business.

Enquiries please contact:

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About Xtract Energy

Xtract identifies and invests in a portfolio of early stage oil and gas assets and business interests with significant growth potential. The Company aims to work closely with the associated management teams to achieve critical project milestones, to finance early stage asset and business development activity, and then to finance the asset development phase, or if appropriate to crystallise value for all shareholders at a suitable exit point. Xtract aims to achieve returns for our shareholders through access to the significant upside rewards associated with our investments.

For further information on Xtract please visit www.xtractenergy.co.uk

A short description of the principal assets of Xtract is set out below. These assets are either held directly or through wholly owned subsidiaries of the Company.

Extrem Energy AS ("Extrem Energy")

Xtract holds a royalty interest over the license portfolio currently owned by Extrem Energy, onshore and offshore Turkey.

Elko Energy Inc. ("Elko")

Xtract's wholly owned subsidiary, Elko has interests in exploration and production licences in the Danish and Dutch North Sea. Its major asset in the Danish North Sea is a 33% working interest in an exploration and production licence 02/05 and a 33% working interest in an adjoining exploration and production licence 01/11, close to the prolific Central Graben oil kitchen. Technical work indicates the potential for significant resources on these combined licenses. Elko also holds a royalty interest in gas-bearing license blocks P1 and P2 in the Dutch North Sea.

Zhibek Resources Ltd ("Zhibek Resources")

Zhibek Resources is an oil and gas exploration and production company which has a 72% interest in the Tash Kumyr exploration licence in the Kyrgyz Republic. Xtract has entered a farm-out agreement to fund a seismic and drilling programme for 2008-2011. Xtract owns 25.0% of the issued share capital of Zhibek Resources.

Xtract Oil Ltd ("XOL")

Xtract's wholly owned subsidiary, XOL, is focused on the development of the Company's oil shale resources in Australia and the technology for oil extraction from oil shale resources. Xtract has oil shale exploration rights over mining tenements in the Julia Creek area of Queensland. In addition to evaluating third party technologies, XOL has been developing proprietary technology for the commercial extraction of liquid hydrocarbon products from oil shale.

Xtract Energy (Oil Shale) Morocco SA ("XOSM")

XOSM is a joint venture with Alraed Limited Investment Holding Company WLL, a company controlled by His Highness, Prince Bandar Bin Mohd. Bin Abdulrahman Al-Saud of Saudi Arabia. XOSM has signed a Memorandum of Understanding with the Office National des Hydrocarbures et des Mines for the purposes of evaluation and possible development of an oil shale deposit near Tarfaya, in the south west part of Morocco. Xtract currently holds 70% of the joint venture.

This information is provided by RNS
The company news service from the London Stock Exchange

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