

**Company** [Xtract Energy plc](#)  
**TIDM** XTR  
**Headline** Operational Update  
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**11<sup>th</sup> January 2012**

**AIM: XTR**

**XTRACT ENERGY PLC**  
**("Xtract" or the "Company")**

**Operational Update**

Xtract Energy PLC is pleased to announce the following operational update ahead of drilling in the Netherlands and Denmark.

**Netherlands**

Xtract has recently been advised by Chevron that the Noble Byron Welliver is now on site at the P2-10 drilling location and the well has spudded. The rig move was delayed due to the weather conditions that prevailed throughout December 2011. The well program is expected to take up to 100 days.

The P2-10 appraisal well targets an existing gas discovery on the P2 block and one of the main objectives is to evaluate commercial hydrocarbon flow rates from an extended reach horizontal well within the Rotliegendes sandstone reservoir. Xtract has an overriding royalty arrangement of up to 5 per cent of sales value from Chevron and TAQA's share of gas delivered into the Dutch National Transmission System and condensate delivered onshore.

**Denmark**

As previously announced by Xtract, the Maersk Resolve is currently drilling on contract to Maersk Oil and Gas in Denmark. The Maersk Resolve has experienced similar weather conditions as the Byron Welliver over the last few weeks which has impacted their well activities. Noreco has advised that the revised release date by Maersk Oil and Gas of the Maersk Resolve drilling rig is 26<sup>th</sup> January 2012.

The rig move will require a suitable weather window to undertake the short tow to the Luna location and subsequent positioning for drilling operations. The move is therefore dependent on weather conditions prevailing at the time of the rig release by Maersk. Xtract will provide a further update once it has been advised by Noreco that the well has spudded. The Luna drilling program is expected to take approximately one month in duration.

Peter Moir, Chief Executive of Xtract Energy, commented:

"Despite the bad weather conditions in the North Sea over the last few weeks it is pleasing to know that the Noble Byron Welliver is now safely jacked up at the P2-10 well location and that drilling operations have commenced. 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](http://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  
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