

Company [Xtract Energy plc](#)
TIDM XTR
Headline Update on Kyrgyz Republic assets
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XTRACT ENERGY PLC
("Xtract" or the "Company")

Update on Kyrgyz Republic assets

Xtract today announces that it has signed agreements in relation to the Farmin Subscription Agreement executed amongst Santos International Holdings Pty Ltd ("SIHPL"), Xtract International Ltd ("Company") and Xtract Energy Plc on 17th November 2008 in relation to Zhibek Resources Ltd, which holds a majority interest in the Kyrgyz company KNG Hydrocarbons. The signing of these agreements provides the basis for Santos and Xtract to pursue an exit from their jointly owned Zhibek Resources Ltd and their indirect interest in KNG Hydrocarbons.

Highlights

- Xtract has received a 10.5% (approximately) holding in ASX-listed Caspian Oil & Gas Ltd from Santos
- Allows previously committed funds to be diverted to other investment opportunities
- Continuing to deliver on strategy of simplifying the portfolio base whilst providing an attractive investment proposition

During the three and a half years since Santos acquired its interest in Zhibek Resources Ltd, KNG Hydrocarbons has acquired and processed approximately 100km of new 2D seismic data and a new prospect has been identified.

However given the lack of material prospects identified in the exploration licences held by KNG Hydrocarbons and the decision by Santos to exit the Kyrgyz Republic, Xtract has also made the decision to pursue a withdrawal from the Kyrgyz Republic.

Pursuant to the agreements, Xtract International Ltd has acquired 140,000,000 ordinary shares in Caspian Oil & Gas, an oil producer and explorer listed on the Australian Securities Exchange (ASX:CIG). The consideration for that transfer is a release by Xtract of Santos and its related parties from certain funding obligations under the Farmin Subscription Agreement. Xtract holds no other shares in CIG, and the holding represents approximately 10.5 per cent of the shares in issue. The market capitalisation of CIG is currently AU\$5.32 million. Further information can be found at <http://www.caspianogl.com/>.

Commenting on this transaction Peter Moir, CEO, stated:

"The relationship with Santos in the Kyrgyz Republic during the past three years has been productive. Good progress was made on seismic interpretation on the licence area but political instability and resultant delays has served to make this one well programme less attractive to both parties.

"I am happy that this transaction has been executed such that any future funding of operational activities by Xtract has been terminated and, secondly, we become the beneficial owners of a substantial percentage of Caspian Oil & Gas Ltd, a company with operating assets and licences in the Kyrgyz Republic and elsewhere."

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.

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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.

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.

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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