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Press Release

A STRONG AND STABLE GAS FLOW IN THE SHYRAK-1 EXPLORATION WELL, TOGETHER WITH THE CURRENT GEOPHYSICAL DATA, INDICATE A FIELD DISCOVERY.

PETROLINVEST S.A. (the "Company") announces that on 23 August 2011 the Company was informed by TOO OilTechnoGroup, a Kazakh law company controlled by the Company ("OTG"), that OTG is effectively terminating works aimed at restoring the pressure balance and stabilizing the Shyrak 1 exploration well after a strong and continuous flow of natural gas with condensate content. The flow occurred at a depth of 6,597.1 meters, i.e. at the final depth of the well, of which the Company informed in current report no. 77/2011 dated 16 August.

Gas flow in a situation when a well is filled with drilling mud of specific weight of 1.77 g/cm³ indicates the existence of a very large formation pressure, a significant parameter in terms of future production. Stable inflow of gas and condensate was so high that it had to be separated and combusted on the flare.

On 21 August, heavier drilling mud of 1.9 g/cm³ was inlaid to the well for stabilizing purposes, at a volume equal to the full capacity of the well, thus making a removal of the drilling mud with natural gas and condensate.

After completing a full cycle of mud circulation, pumping was stopped periodically and the blowout preventer was closed to enable the pressure check, which demonstrated a pressure of 104.3 atmospheres. On this basis, the formation pressure at the bottom of the well was estimated at about 1,360 atmospheres, and the required equivalent mud weight should be at least 2.05 g/cm³.

Currently, the well undergoes mud circulating by a separator and a degasser, combustion of natural gas along with condensate and increasing the weight of drilling mud to the required values specified above.

Strong inflow of gas to the well, which took place in the final phase of drilling, confirmed the discovery of gas-condensate field. Some of its parameters that are already known to us include a very intense thickness of layers saturated with hydrocarbons, and extremely high, almost unheard of in the North Caspian Basin, formation pressure. Based on logs, we assumed that sub-salt layers are very fractured and permeable, and this exceptionally strong gas flow confirms our presumptions — stated Michał Myśliwiec, Petrolinvest Chief Geologist.

Apart from gas, the drilling mud also contains traces of liquid hydrocarbons. Earlier, the Company informed the public that analyses showed the presence of heavy gases in the natural gas composition (n-butane, iso-butane and pentane), which are components of the condensate. Also, the nature of natural gas combustion indicates the presence of a large admixture of condensate or crude oil, and the results of additional physicochemical analyses are required to confirm the presence of the latter.

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So far, we cannot estimate the volume of gas and condensate in the field, and how efficient the first well will appear. More will be acknowledged after the results of well testing. As of today, we can say that both the several hundred meter thick saturation of 19 designated horizons, and the size of the structure estimated based on seismic surveys at approximately 100 square kilometres, allow optimistic forecasts — added Michał Myśliwiec.

The gas does not contain hydrogen sulphide, which, from the standpoint of ecology and size of investment needed for future development of the field, is extremely important and positive.

Currently, the Company and OTG carry out analyses and discussions on how to effectively examine the drilled lower part of gas-condensate field while maintaining all safety requirements regarding the well.

Gas of the Shyrak field probably contains a significant amount of condensate, whose presence is already visible during gas flaring. It is worth recalling that there is a number of deposits in the area, whose main commercial fluid is the condensate. The largest fields include Karachaganak field in Kazakhstan, or Orenburg field in Russia. The value of condensate in these deposits is enormous. Karachaganak field produces over 10 million tons of condensate per year, and over a half of its natural gas is injected back into the field only to sustain the pressure and enable the production of pure condensate. Stated the President of the Management Board of Petrolinvest, Bertrand Le Guern.

Condensate is, alike crude oil, a liquid form of hydrocarbons, and although different from crude oil as regards chemical composition and the gaseous form in the reservoir conditions, most statistics link its production with oil production. The price of condensate is usually higher than the price of crude oil.

The results of analyses, the previously observed shows, and especially those occurring now, indicate the discovery of a field. This must still be confirmed by testing, but nevertheless, after observing such a strong flow of gas with condensate, everything indicates our success. Large volume of the field structure, the lack of hydrogen sulphide in the gas, as well as high formation pressure, augur well for the economy of production — added President Le Guern.

In a press release of 7 March 2011, Petrolinvest described the similarities between geological structures of Shyrak and the neighbouring Karachaganak and Orenburg fields defined by experts as 'giants' in the area of deposits — (resources of over 1 billion bbl.) Both fields are currently being exploited.

Karachaganak oil field located in Kazakhstan was discovered in 1979. For years, it has been exploited by various companies, such as: AGIP (now ENI), BG (British Gas), Chevron, Lukoil. Its resources are estimated at 1.4 trillion m³ of gas, 5.2 billion barrels of condensate gas and 1.4 billion barrels of oil.

Condensate gas deposits of Orenburg field discovered in 1966 provide gas and condensate since 1971. The primary volume of gas in the field equals 1,780 billion m³.

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A detailed description of the risks associated with investing in securities of the Company can be found in the Company's annual report for 2010 published on the Internet at the Company's website at <http://www.petroinvest.pl/pl/raporty-okresowe.html>.

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