



ASX Announcement / Media Release - 16 December 2013

Petrel Increases Stake in Uruguay & Spain

- First US\$5.5m SEI option exercised taking Petrel to 51%
- Second option extended from 30 April 2014 to 30 Sept 2014.
- Interest in Norte Basin Uruguay Project increased from 25% to 51%
- Interest in Tesorillo Project increased from ~22% to 43.35%

Petrel Energy Limited (ASX:PRL) has exercised its first option with Schuepbach Energy International LLC (SEI) for US\$5.5m increasing its interests in the Norte Basin Uruguay project from 25% to 51% and its interest in the Tesorillo Spain project from ~22% to 43.35%.

The funds will primarily be used to fund a seismic acquisition programme in the second quarter of 2014. Added to the very encouraging corehole results to date, the seismic will allow SEI to develop a better sense of the potential scope and scale of the project areas.

Petrel and SEI have also agreed, following delays to the Uruguay drilling programme, to extend the expiry date of the second option to 30 September 2013. The exercise of the second option would increase Petrel's interest in SEI from 51% to 60% at a cost of US\$6m.

Managing Director, Mr David Casey, said *"The results and progress in both Uruguay and Spain have been highly encouraging and the prospect of increasing our interest in these two key projects is exciting. Given the additional value created during the year in both these assets we see this as a logical next step and we are grateful to SEI for resetting the second option date to allow acquisition and analysis of next years seismic programme in Uruguay."*

Corehole Update

Corehole 1: Cardozo Chico E-1

The Cardozo Chico E-1 corehole reached a total depth (TD) of 694m in mid-October. Detailed analysis is being undertaken on the bulk of core samples shipped to the US in late October. Results are anticipated in January and are expected to confirm among other things the findings from the three initial samples, reported in October, which indicated Total Organic Carbon content (TOC) averaging 3.3% with a maximum value of 6% and amorphous kerogen averaging 53% with a maximum value of 70%. Maturation, based on vitrinite reflectance measured 0.76 to 0.78, which is within the peak oil window. Significantly strong streaming cut fluorescence was observed in two of the three samples confirming oil generation.

Corehole 3A: Cerro Padilla E-1

Following some initial setbacks the Cerro Padilla E-1 corehole, with a 1,250m prognosed total depth, is currently coring at 860m in the San Gregorio Formation.

David Casey said *“Despite the delays to the deeper Cerro Padilla well we are very encouraged by recent results which we hope to have confirmed by preliminary lab testing on airfreighted samples before Xmas if not early in the new year. Importantly the corehole delays are unlikely to impact scheduling of next year’s seismic programme with the permitting and approvals processes already underway.”*

For further information contact:

David Casey - Managing Director
Phone +61 2 9254 9000

Stephen Mitchell - Chairman
Phone +61 3 9642 2899

