

5 November 2012

## BLOCK 14 SUDAN ACTIVITY UPDATE

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### HIGHLIGHTS:

- **Management team strengthened with appointment of Dr Michael Earle**
  - **Negotiations on Joint Operating Agreement advancing**
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Agri Energy Limited, to be renamed Sirocco Energy Limited (the “Company”) is pleased to provide an update to shareholders on recent activity with respect to its operations in Sudan.

### Management Team

The Company is pleased to report that Dr Michael Earle has accepted the role of President, Africa Region for Statesman Africa Limited (“SAL”), based in Khartoum Sudan. Dr Earle initially joins SAL on a three-month contract as he works to establish the Block 14 Joint Operating Company (“JOC”). The Company has formally proposed that Dr Earle assume the role as President of the JOC once it is formed.

Dr Earle is a petroleum geologist with 28 years experience. He holds a PhD in geology from the University of London. He has worked for private companies, listed E&P independents, and majors including BP, Hess and OMV. Over his career he has worked in North Africa (including Sudan, Libya and Egypt), Middle East, SE Asia and Europe.

Mr Gregory Channon, Managing Director, said “The Company welcomes Dr Earle to the group. His experience and qualifications will be a great benefit to our team. In particular, Michael’s experience from working in the Murzurq Basin during its discovery phase in the 1980’s, and his time spent in Libya and Egypt will bring unique insights to our exploration program”

### Operations

SAL is in the process of finalising and implementing the detailed terms of the Exploration Production Sharing Agreement, including the negotiating the terms of the Joint Operating Agreement with its partners Express Petroleum and Sudapet and establishing the JOC.

As part of this process, SAL is advancing negotiations over the terms of the US\$5 million security bond to be posted on Block 14. SAL is working with the Sudanese Ministry of Petroleum to extend the date for posting of the security bond, beyond the initial payment date

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of November 3, to coincide with the establishment of the JOC and no later than 1 January 2013. The Company regards this as a positive development and will announce the new terms of the security bond in due course.

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**Competent Persons Statement**

*Information in this report relating to Hydrocarbons Reserves / Resources is based on information compiled by Mr Gregory Channon, Managing Director of Agri Energy Limited who has consented to the inclusion of that information in the form and context in which it appears. Mr Channon is a qualified geoscientist and has over 20 years of experience in the petroleum industry, both in Australia and internationally.*

**About Agri Energy Limited**

***Agri Energy Limited is acquiring a 37.4% beneficial share of Block 14 in Sudan through a 49.9% ownership of Statesman Africa Limited ("SAL"). Block 14 is a large, un-explored block in the heart of the North East African oil producing belt. The Block contains two large and under-explored basins where a large, multi billion barrel inventory of leads is being developed. SAL will be one of the first to apply modern exploration techniques to these two basins within Block 14 to unlock their exploration potential. Additionally, exploration activity in the region is increasing, with drilling activity immediately adjacent to the south, and having recently commenced to the north.***