

11 December 2012

## OPERATIONS UPDATE

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Sirocco Energy Limited, previously Agri Energy Limited (**Sirocco** or the **Company**) is pleased to advise that the Sudanese Ministry of Petroleum has extended the lodgement date for the US\$6,000,000 security bond for Block 14 Sudan, of which Sirocco is contributing approximately US\$2,500,000, to 31 December 2012. Further details with respect to the security bond are contained in the prospectus announced by the Company on 30 November 2012 (**Prospectus**).

As previously announced, Sirocco is acquiring a 37.4% beneficial share of Block 14 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 ongoing to the south and north of the permit.

In addition, Sirocco is pleased to advise that Joint Operating Agreement (**JOA**) and the Joint Operating Company Shareholders Agreement (**Shareholder Agreement**) with respect to Block 14 have been signed. These two documents form the basis of the ongoing relationship between the partners, being SAL's wholly owned subsidiary Statesman Resources BVI (75%), Express Petroleum (15%) and Sudapet (10%). Further details with respect to JOA and Shareholders Agreement are contained in the Prospectus. The JOA parties are in the process of incorporating the Joint Operating Company, appointing the key personnel and opening an office in Khartoum. The Joint Operating Company will be named the Baraka Petroleum Operating Company.

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