

ASX Announcement / Media Release – 30th June 2014

Uruguay Seismic Programme to Commence

- 580km of 2D seismic survey about to commence
- Seismic will give sense of scope and scale of unconventional potential and further define possible conventional targets and leads
- Substantial progress made on de-risking basin prospectivity with significantly more conventional upside already identified
- Corehole programme completed with outstanding results despite third corehole not reaching total depth and all target zones
- Farmout discussions continue in Spain with new companies in data room

Following the confirmation of an active petroleum system in the Company's Piedra Sola and potential Salto exploration blocks in Uruguay, a 580 kilometre 2D seismic programme will commence with the survey crews arriving around 7th July.

Schuepbach Energy International LLC (SEI), which is 51% owned by Petrel, has contracted UGA Seismic S.A. from Argentina to conduct the survey. The seismic data acquisition will take place primarily on existing roads, requiring minimal access to privately owned land and is expected to take up to 12 weeks to complete.

Data interpretation will begin almost immediately after acquisition commences. Resource and prospect definition will take place once a more complete picture of the acreage becomes available.

Petrel Energy's Managing Director, David Casey said, *"Although much of the seismic programme will principally be on existing roads we are nonetheless very encouraged by the level of community support with over 200 groups granting access to private land where required. While the seismic is an important next step we could not be happier with the corehole results to date which have exceeded our expectations by essentially confirming the existence of free oil in four coreholes across most of the Piedra Sola and consequently Salto block"*

He went on to say, *"that despite the extremely positive results of the corehole programme, after repeated operational problems and in light of the commencement of the seismic programme we have decided to notify our contractor that we are suspending official operations subject to a review of their operational capabilities. While our contractor has elected to continue operations it has been agreed that this is at his own cost"*

As this is a turnkey contract SEI's contractor has the option to continue to drill ahead to Target Depth or otherwise pay the JV the associated costs of same. Under the circumstances, as the problems to date are operational and not specifically drilling related, and given the corehole programme has exceeded its objectives, SEI has elected not to support further operations at this time.

David Casey said, "Although it would have been good to get further confirmation of the excellent conventional reservoir potential confirmed in the Cardozo Chico and Achar coreholes we are of the view, given we have achieved more than anticipated, and already have sufficient correlatable units in this and other coreholes, that our efforts are better focused on the upcoming seismic programme. We can of course come back to this corehole should that be necessary at the completion of the seismic survey"

While farmout discussions regarding Spain are continuing with several companies, we have not received an offer that we feel reflects the intrinsic value of an asset with a known and potentially significant gas accumulation and ready access to high priced European gas markets. We are however, encouraged by the recent entry of a number of new companies into the data room process and would envisage discussions with these and existing groups to continue for several more months.

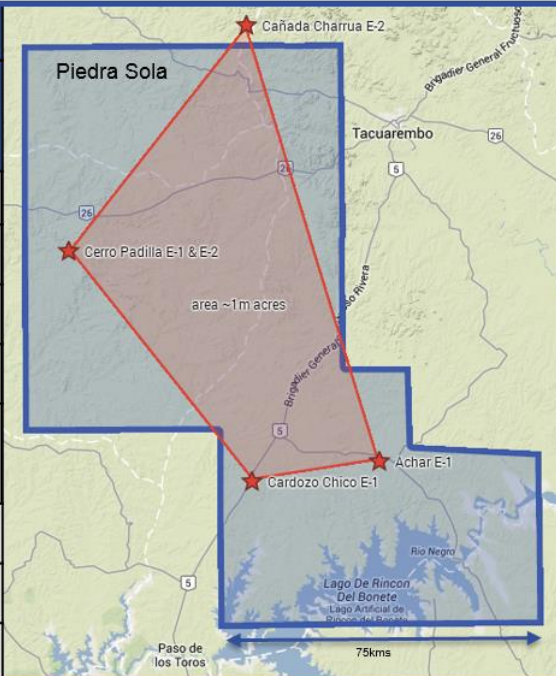
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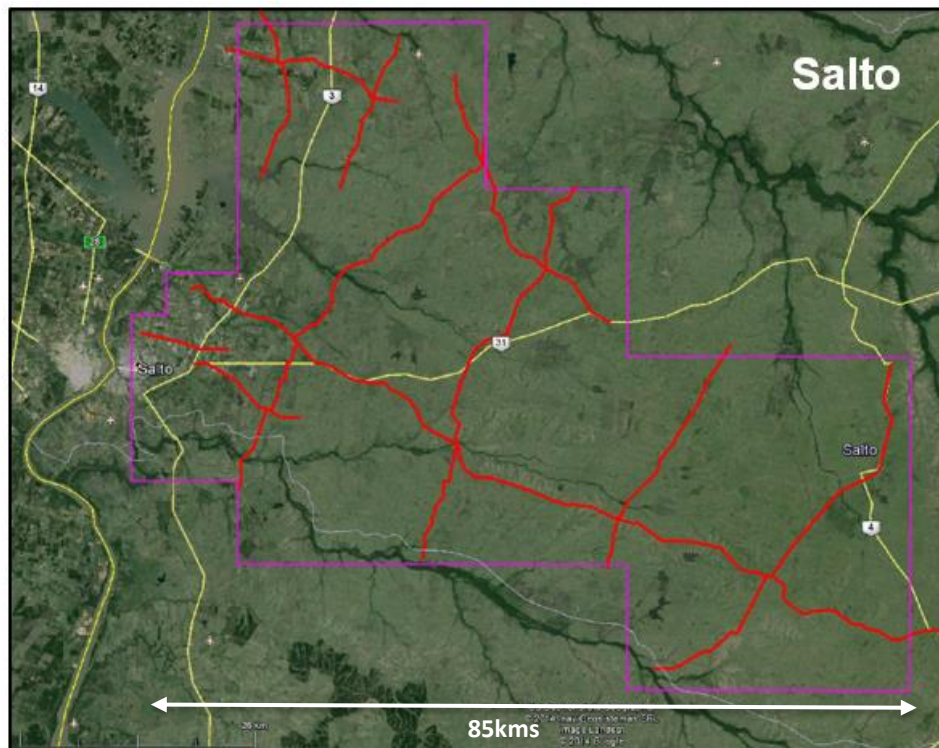
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Corehole Results					
Parameter	SEI Cerro Padilla E-1	SEI Cardozo Chico E-1	SEI Achar E-1	ANCAP Cañada Charrua E-2	
TOC Max.	4.5% *	11.60%	2.5%	9%	
TOC average	TBC	3.30%	1.5%	2.8%	
Amorphous kerogen	70%	40%-70%	95%	50% - 90%	
Vitrinite reflectance	0.74	0.76 to 0.78	0.65	0.75	
Reservoir permeability (max)	TBC	1,000 - 3,000md (30,000md)	1,000 - 2,000md (7,600md)	n/a	
Reservoir porosity	TBC	~20%	~20%	n/a	
Streaming UV	Yes	Yes	Yes	Yes	
Free oil	Yes	Yes	Yes	Yes	

* Preliminary results



Proposed seismic programme (red) ———
Roads (yellow) ———
Concessions (pink) ———

