



TSX-V: “DOH”

3P INTERNATIONAL ENERGY CORP. ANNOUNCES PROPOSED STRUCTURE OF PREVIOUSLY ANNOUNCED TRANSACTION, PROVIDES UPDATED TECHNICAL DISCLOSURE

TORONTO, ONTARIO – November 21, 2011 – **3P INTERNATIONAL ENERGY CORP.** (“**3P**” or the “**Corporation**”) (TSX Venture Exchange: DOH) is pleased to announce that it has determined a definitive structure for the previously announced proposed transaction (the “**Proposed Transaction**”) whereby 3P intends to issue common shares of 3P (“**3P Shares**”) to acquire 30% interest in KUB-Gas LLC (“**KUB-Gas**”) held by Gastek LLC (“**Gastek**”). Pursuant to the Proposed Transaction, 3P will issue 123,806,858 3P Shares to Parma Limited, Gastek’s sole owner, to acquire all of the outstanding units of Gastek. 3P Shares to be issued are expected to be subject to TSX Venture Exchange escrow requirement.

3P is also pleased to update disclosure on the oil field interests of KUB-Gas provided in the press release dated November 3, 2011, to include information derived from a report dated February 9th, 2011 and authored by RPS Energy (the “**RPS Report**”), an engineering consulting company, on the properties held by KUB-Gas, as at January 1, 2011. The Reserves and Resources estimates contained within said Report have been prepared in accordance with NI 51-101 and the COGE Handbook definitions. RPS Energy has consented to the inclusion of data taken from the RPS Report in this news release and has confirmed those amounts of reserves attributed to Gastek’s 30% interest in KUB-Gas to be accurate. RPS Energy is in the process of producing a new report in respect of the properties held by KUB-Gas and of Gastek’s interest in KUB-Gas, at which point 3P will disclose the results such report. The updated technical disclosure is summarized below:

License Overview

<u>Production License</u>	<u>Issue Date</u>	<u>Prolongation Date</u>	<u>Expiry Date</u>
Vergunskoye Field	September 27, 2006	-	September 27, 2026
<u>Exploration Licenses</u>	<u>Issue Date</u>	<u>Prolongation Date</u>	<u>Expiry Date</u>
Makeevskoye Field	May 18, 2001	August 11, 2009	August 11, 2014
Krutogorovskoye Field	July 16, 2004	August 11, 2009	August 11, 2014
Olgovskoye Field	May 31, 2006	August 11, 2009	August 11, 2014
North Makeevskoye Field	December 29, 2010	-	December 29, 2015

Olgovskoye Field

The Olgovskoye exploration license, originally granted on May 31, 2006, was issued as a new license with additional acreage in 2009 and is set to expire on August 11, 2014, though it may be extended until 2019. An application has been submitted to convert this license from a five-year exploration license to a 20-year production license. This is currently the most productive of the licenses held by KUB-Gas and has experienced several excellent drilling results over the year. KUB-Gas has drilled five wells through 2011, with a sixth currently underway (an infill target with good permeability and porosity). The wells drilled over the course of the year have seen consistently better results. Logs on the O-9 well indicated multiple hydrocarbon bearing zones and a new discovery in the Lower Bashkirian reservoir (tested at 1.2 MMcf/d). The primary zone of this well, the Middle Bashkirian, tested at a maximum rate of 4.4 MMcf/d (stabilized at 2.9 MMcf/d). Most recently, the O-12 well tested at a rate of 8.1 MMcf/d, which is the best result seen to date. The results from this well are important as it was a step-out location that further defined the extent of the main producing structure. Plans for 2012 include one appraisal well (O-11) and one development well (O-15) to be drilled by the end of Q4, 2012. As of January 1, 2011 there was approximately 24.0 BcfGE (3,997.6 Mboe) [1.85 BcfGE PDP, 2.36 BcfGE PDNP & 19.78 BcfGE PUD] of net Proved Reserves (gas and condensate) and 35.9 BcfGE (5,991.4 Mboe) net Proved plus Probable Reserves attributed to this field on a 100% ownership basis (or, 7.20 BcfGE (1,119.3 Mboe) of net Proved Reserves and 10.8 BcfGE (1,797.4 Mboe) net Proved plus Probable Reserves attributed to this field on Gastek's 30% ownership basis). This exploration license is expected to be converted to a 20-year production license in the first quarter of 2012.

Makeevskoye Field

The Makeevskoye exploration license, originally granted on May 18, 2001, was issued as a new license with additional acreage in 2009 and is set to expire on August 11, 2014, though it may be extended until 2019. An application has been submitted to convert this license from five-year

exploration license to a 20-year production license. This license has experienced exciting exploration successes and as such as become a focus for KUB-Gas. Most recently, the M-19 exploration well, drilled in the second half of 2010 to a depth of 2,060 metres, recorded initial test results of 5.0 MMcf/d over 15 days. This was the first KUB-Gas well to use Western-style logging tools. Directly adjacent to the Olgovskoye Field, this license will be the focus of substantial activity in 2012. Current plans are for the M-21 well to be drilled in Q2, 2012 followed by another follow up in Q3, 2012. The M-21 well is seen as a low risk step-out location based on the success of the M-19 well and will be located 830 metres away. As of January 1, 2011, there was approximately 5.3 BcfGE (883.3 Mboe) [0.98 BcfGE PDP & 4.32 BcfGE PDNP] of net Proved Reserves (gas and condensate) and 8.4 BcfGE (1,393.3 Mboe) of net Proved plus Probable Reserves attributed to the field on a 100% ownership basis (or, 1.59 BcfGE (265.0 Mboe) of net Proved Reserves and 2.51 BcfGE (418.0 Mboe) net Proved plus Probable Reserves attributed to this field on Gastek's 30% ownership basis). This exploration license is expected to be converted to a 20 year production license in the first quarter of 2012.

Krutogorovskoye Field

The Krutogorovskoye exploration license, originally granted on July 16, 2004, was issued as a new license with additional acreage in 2009 and is set to expire on August 11, 2014, though it may be extended until 2019. This field is currently a nominal producer and remains an exploration project of KUB-Gas. 2D seismic has defined a four-way dip closure in the northeast corner of the license which the K-5 well will test in Q3, 2012. Targets include Muscovian and Bashkirian formations (several sands in the Bashkirian formation have produced gas in both the earlier K-1 and K-3 wells). Management's preliminary view is that trap and stratigraphy will be the main risk factors applicable to this the 2,800 metre well. As of January 1, 2011, there was approximately 1.4 BcfGE (238.3 Mboe) [0.88 BcfGE PDP & 0.55 BcfGE PUD] of net Proved Reserves (gas and condensate) and 2.4 BcfGE (402.8 Mboe) of net Proved plus Probable Reserves attributed to the field on a 100% ownership basis (or, 0.43 BcfGE (71.5 Mboe) of net Proved Reserves and 0.73 BcfGE (120.9 Mboe) net Proved plus Probable Reserves attributed to this field on Gastek's 30% ownership basis). This exploration license is expected to be converted to a 20-year production license prior to the first quarter of 2012.

Vergunskoye Field

The Vergunskoye production license was issued on September 27, 2006 and will expire on September 27, 2026. The field is approximately 1 kilometre x 2 kilometres and is not a substantial producer at this time, though historically the field has produced 13.8 Bcf from six wells. Three zones have been identified for multi-zone production or restart, but as of this time there are no plans to drill any wells in 2012 until available data has been analyzed in detail. As of January 1, 2011, there was approximately 1.3 Bcf of net Proved (PDP) Reserves (dry gas) and

2.6 Bcf of net Proved plus Probable Reserves attributed to the field on a 100% ownership basis (or, 0.40 Bcf of net Proved Reserves and 0.78 Bcf net Proved plus Probable Reserves attributed to this field on Gastek's 30% ownership basis).

North Makeevskoye License

The North Makeevskoye exploration license was granted on December 29, 2010 and is set to expire on December 29, 2015. Gross acreage position is approximately 47,073 acres. Similar to the Olgovskoye and Makeevskoye licenses, the license lies along the primary southeastern Dnieper-Donetsk Basin gas/condensate structural trend and is prospective for gas production from multiple zones within the Muscovian and Bashkirian sedimentary section. The license area is located only four kilometres from the recent M-19 gas discovery, which tested at 5 MMcf/d. To date, 2D seismic has provided the Northern Prospect, which management believes has significant resource potential. Plans include completing the 2D seismic program, currently underway, and drilling the first exploration well in the first quarter of 2012. 3D seismic is planned to commence in the fourth quarter of 2012.

Exploration License Legislation

Under the terms of exploration licences, KUB-Gas may produce gas and gas condensate on the exploration fields to a cap of 10% of total reserves estimated and approved by the licensor, the Ministry for Environmental Protection of Ukraine, and may not exceed the cap during the exploration status. Management of KUB-Gas closely monitors the compliance with terms of the licenses. Should KUB-Gas wish to produce more, it would need to convert the exploration licenses into production licenses. The production license allows unlimited production of gas and gas condensate over the terms of the license. Management expects that KUB-Gas will be able to convert the exploration licences into production licences once this is necessary and three applications are currently submitted for approval.

Reserves and Resources

RPS Energy, an engineering consulting company, has prepared the RPS Report which evaluated the natural gas and NGL Reserves and natural gas Contingent Resources associated with the Ukrainian licenses held by KUB-Gas effective as at January 1, 2011. RPS Energy is entirely independent of KUB-Gas, Kulczyk Oil Ventures, Gastek LLC and 3P International. Future growth in Reserves is expected to come from development of the Contingent Resources defined at Olgovskoye and Makeevskoye and by further development of all of the fields. There is also potential for additional volumes of Contingent Resources associated with the Vergunskoye and Krutogorovskoye fields. Additionally, the RPS Report does not take into account the application of new field operating practices used elsewhere in the world to improve overall well

productivity, such as hydraulic fracturing, dual completions and compression of gas, which KUB-Gas intends to apply to the fields. With regard to further update, the RPS Report specifically acknowledges that there are additional gas reservoirs located in conventional but relatively tight reservoirs which should produce commercially after fracturing, but which will not be categorized as Reserves until KUB-Gas demonstrates this procedure will work on the fields. The first two fracs were recently conducted on the O-6 and O-8 wells on the Olgovskoye Field. The O-8 well flowed gas at a rate of 1MMcf/d, from a previously non-commercial zone. The O-6 well flowed gas at a rate of 2.3MMcf/d, from a previously non-commercial zone. Both fracs were considered commercial successes and are expected to produce by year end. For more details please see the press releases of Kulczyk Oil Ventures Inc., the 70% owner of KUB-Gas, dated [November 2, 2011](#) and [November 14, 2011](#).

The work program for 2011-2012 will principally target a continuation of the exploitation of the Olgovskoye and Makeevskoye fields. This will involve the drilling of new wells, the completion of new zones in existing wells, dual completions, stimulation treatments using modern and technology advanced methods commonly used elsewhere in the world and the implementation of a compression strategy. So far to date this work program drilled five successful wells in 2011 and completed 160 kilometres of 2D and 3D seismic and four work-overs.

RPS has calculated the net present value ('NPV') as at 1st January 2011, at various annual discount rates, based on a gas price forecast as shown below. The NPVs are shown in the tables following the price assumptions.

Contingent Resources have also been estimated for Olgovskoye and Makeevskoye. These Resources are classified as such since they are not the subject of specifically planned wells and/or are situated in reservoirs which have yet to demonstrate commercial flow-rates. The recent success of frac'ing procedures may result in some of these Resources being targeted for development in the near future. However, at this time, there is no certainty that it will be commercially viable to produce any portion of the Resources.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS
as of January 1, 2011
FORECAST PRICES AND COSTS

Year	Brent	Partnership Condensate (excl. VAT)	Imported	Partnership Gas (excl. VAT)	US\$ Price Inflation Rate	US\$ Cost Inflation Rate	Ukrainian Hryvnia Inflation Rate	Exchange Rate Hryvnia per \$
			Russian Gas at Ukrainian border (excl. VAT)					

	\$ / bbl	\$ / bbl	\$ / Mcf	\$ / Mcf	% / Year	% / Year	% / Year	x.x
2011	83.33	56.60	7.51	7.01	2.0%	2.0%	10.2%	7.95
2012	85.29	57.93	7.84	7.15	2.0%	2.0%	9.5%	8.00
2013	86.24	58.58	8.08	7.29	2.0%	2.0%	8.9%	8.00
2014	88.78	61.84	8.48	7.62	2.0%	2.0%	8.2%	8.00
2015	90.45	63.01	8.80	7.77	2.0%	2.0%	7.6%	8.00
2016	92.13	64.18	9.13	7.91	2.0%	2.0%	6.9%	8.00
2017	93.80	65.34	9.46	8.06	2.0%	2.0%	6.3%	8.00
2018	95.48	66.51	9.80	8.20	2.0%	2.0%	5.6%	8.00
2019	97.15	67.68	10.15	8.34	2.0%	2.0%	5.0%	8.00
2020	98.83	68.84	10.50	8.49	2.0%	2.0%	4.3%	8.00
2021	100.50	70.01	10.86	8.63	2.0%	2.0%	3.7%	8.00
2022	102.18	71.18	11.23	8.78	2.0%	2.0%	3.0%	8.00
2023	103.85	72.34	11.60	8.92	2.0%	2.0%	3.0%	8.00
2024	105.53	73.51	11.98	9.06	2.0%	2.0%	3.0%	8.00
2025	107.20	74.68	12.36	9.21	2.0%	2.0%	3.0%	8.00
2026	108.88	75.84	12.75	9.35	2.0%	2.0%	3.0%	8.00
2027	110.55	77.01	13.14	9.50	2.0%	2.0%	3.0%	8.00
2028	112.23	78.18	13.55	9.64	2.0%	2.0%	3.0%	8.00
2029	113.90	79.35	13.95	9.78	2.0%	2.0%	3.0%	8.00
2030	115.58	80.51	14.37	9.93	2.0%	2.0%	3.0%	8.00
2031	117.25	81.68	14.79	10.07	2.0%	2.0%	3.0%	8.00
2032	118.93	82.85	15.21	10.21	2.0%	2.0%	3.0%	8.00
2033	120.60	84.01	15.64	10.36	2.0%	2.0%	3.0%	8.00
2034	122.28	85.18	16.08	10.50	2.0%	2.0%	3.0%	8.00
2035	123.95	86.35	16.52	10.65	2.0%	2.0%	3.0%	8.00

Notes:

(1) Forecasts are from RPS Energy

(2) All "\$" values are presented in inflated United States dollars

RPS Net Present Value (100% Kub-Gas)

	Before Income Taxes Discounted at (% per year)					After Income Taxes Discounted at (% per year)					Unit Value Before Income Tax Discounted at 10% per Year
	0	5	10	15	20	0	5	10	15	20	
Reserves Category	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	\$/McfGE

PROVED											
Developed Producing	21.0	19.2	17.8	16.5	15.4	18.4	16.8	15.4	14.3	13.4	3.52
Developed Non-Producing	37.3	31.2	26.8	23.5	21.0	30.9	25.6	21.8	19.0	16.9	4.01
Undeveloped	100.6	77.9	61.2	48.5	38.8	81.7	62.3	48.0	37.3	29.1	3.01
TOTAL PROVED	158.9	128.3	105.7	88.6	75.3	131.1	104.7	85.3	70.7	59.4	3.30
PROBABLE	113.4	86.2	68.6	56.4	47.5	95.3	71.9	56.9	46.5	39.0	3.97
TOTAL PROVED + PROBABLE	272.3	214.5	174.3	144.9	122.8	226.4	176.7	142.2	117.2	98.4	3.53
POSSIBLE	123.3	90.4	70.5	57.3	47.9	102.5	74.8	58.1	47.1	39.3	4.01
TOTAL PROVED + PROBABLE + POSSIBLE	395.6	304.9	244.8	202.2	170.8	328.9	251.4	200.3	164.3	137.7	3.66

Notes:

- (1) The unit values are based on the net Reserve volumes
- (2) All values are presented in United States dollars
- (3) All values are presented on a 100% working interest basis
- (4) All NPV values are based on forecast pricing as above

RPS Net Present Value (30% Gastek Interest)

	Before Income Taxes Discounted at (% per year)					After Income Taxes Discounted at (% per year)					Unit Value Before Income Tax Discounted at 10% per Year
	0	5	10	15	20	0	5	10	15	20	
Reserves Category	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	\$/McfGE
PROVED											
Developed Producing	6.3	5.8	5.3	5.0	4.6	5.5	5.0	4.6	4.3	4.0	3.52
Developed Non-Producing	11.2	9.4	8.0	7.1	6.3	9.3	7.7	6.5	5.7	5.1	4.01
Undeveloped	30.2	23.4	18.4	14.6	11.6	24.5	18.7	14.4	11.2	8.7	3.01
TOTAL PROVED	47.7	38.5	31.7	26.6	22.6	39.3	31.4	25.6	21.2	17.8	3.30
PROBABLE	34.0	25.9	20.6	16.9	14.3	28.6	21.6	17.1	14.0	11.7	3.97
TOTAL PROVED + PROBABLE	81.7	64.4	52.3	43.5	36.8	67.9	53.0	42.7	35.2	29.5	3.53
POSSIBLE	37.0	27.1	21.2	17.2	14.4	30.8	22.4	17.4	14.1	11.8	4.01
TOTAL PROVED + PROBABLE + POSSIBLE	118.7	91.5	73.4	60.7	51.2	98.7	75.4	60.1	49.3	41.3	3.66

Notes:

- (1) The unit values are based on the net Reserve volumes
- (2) All values are presented in United States dollars
- (3) All values are presented on a 30% working interest basis
- (4) All NPV values are based on forecast pricing as above

Note: At KUB-Gas / Kulczyk's request, RPS used in the economic model the depreciation rates in force prior to 1 January 2011. A new fiscal code was introduced in the Ukraine in early 2011 involving changes to the rules governing depreciation for corporate profits tax purposes but these had not been finalised at the time the RPS Report was published. As depreciation impacts the level of taxable profit, RPS cautions that the new depreciation rates could prove to have a material – though as at the date of the RPS Report, unquantifiable – impact on the net present values presented in the RPS Report. In addition, the after-tax calculations have been made at the

gross sales point and do not include any corporate tax considerations that might be advantageous or deleterious to the individual company cash-flow.

RPS Contingent Resource Summary (30% Gastek)

Contingent Resources⁽¹⁾ (Unrisked)				
Field	Resource Category	Low Estimate⁽²⁾	Best Estimate⁽³⁾	High Estimate⁽⁴⁾
Olgovskoye	Gas (Bcf)	2.8	11.1	26.7
Makeevskoye	Gas (Bcf)	4.5	22.3	63.9

Notes:

- (1) “Contingent Resources” are those qualities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not yet considered mature enough for commercial development because of one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. Contingent resources are further categorized into “Low estimate” and “Best estimate” according to the level of certainty associated with the estimates and may be sub-classified based on economic viability.
- (2) “Low estimate” is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities recovered will equal or exceed the low estimate.
- (3) “Best estimate” is considered to be the best estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities recovered will equal or exceed the best estimate.
- (4) “High estimate” is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities recovered will equal or exceed the high estimate.

Selected Financial Information for Gastek

The following table sets forth certain unaudited financial information for Gastek. This information was prepared by management for Gastek and has not been audited.

	Gastek (unaudited)
Total Assets as at September 30, 2011	\$23,757,592 ¹
Current Liabilities as at September 30, 2011	\$7,700
Long-Term Liabilities as at September 30, 2011	Nil
Net Income (January 1, 2011 – September 30, 2011)	(\$315,536)
Total Expenses (January 1, 2011 – September 30, 2011)	\$355,059

Note: Of the \$23,757,592 of Total Assets listed, the majority of the amount represents undistributed cash from the sale of 70% of KUB-Gas that will be paid out to Parma as a dividend prior to closing. The remainder represents the book value of the company's 30% interest in KUB-Gas.

Corporate Secretary

Upon the completion of the Proposed Transaction, Mr. Wally Rudensky will continue to act as Corporate Secretary for the Corporation.

Gastek and KUB-Gas Information

All information provided in this news release related to Gastek and KUB-Gas has been provided by management of Gastek and has not been independently verified by management of 3P.

About 3P International Energy Corp.

3P International Energy Corp. is a Canadian-based company focused on the exploration and development of oil and gas reserves in Eastern Europe. In the Transcarpathian basin of Ukraine, 3P is the 100% owner and operator of a 20-year production licence with a gas producing asset, as well as three exploration licences with exploration targets and a further development opportunity on a total of 300 square kilometres. The Corporation's strategy is to use proven technology, capital, and expertise to grow the reserves base and build a portfolio of low cost gas production assets in Eastern Europe to capitalize on high regional gas prices. 3P shares are traded on the TSX Venture Exchange under the stock symbol DOH.

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Reader Advisory

This press release should not be considered a comprehensive summary of the Proposed Transaction. Additional information required by the TSX-V will be disseminated at a future date following a satisfactory review by the TSX-V.

Investors are cautioned that, except as disclosed in the Management Information Circular or Filing Statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of 3P should be considered highly speculative.

Trading of the 3P Shares will remain halted pending receipt and review by the TSX-V of acceptable documentation regarding the combined entity following completion of the Proposed Transaction. The Proposed Transaction has not been approved by the TSX-V and remains subject to TSX-V approval.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to TSX-V acceptance and shareholder approval. The Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. In particular, forward-looking information in this press release includes, but is not limited to, statements with respect to, the entering into of the transaction and the satisfaction of the conditions precedent to the Proposed Transaction (including receipt of TSX-V approval, natural gas reserves and future revenues. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in the Ukraine and globally; industry conditions, including fluctuations in the prices of natural gas; governmental regulation of the natural gas industry, including environmental regulation; unanticipated operating events or performance which can reduce production or cause production to be shut in or delayed; failure to obtain industry partner and other third party consents and approvals, if and when required; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for natural gas; liabilities inherent in natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled

personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, drilling, processing and transportation problems; changes in tax laws and incentive programs relating to the natural gas industry; failure to realize the anticipated benefits of acquisitions and dispositions; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

This cautionary statement expressly qualifies the forward-looking information contained in this news release. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Production volumes and reserve information are commonly expressed on a barrel of oil equivalent ("BOE") basis. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Production volumes and reserve information can also be expressed on a thousands of cubic feet of gas equivalent ("McfGE") basis. McfGE's may be misleading, particularly if used in isolation. A McfGE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Estimated net present values do not represent fair market value.

The TSX Venture Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.