

## **COSSACK ISSUES A CLARIFICATION STATEMENT ON RESOURCES CONTAINED IN THE BIESZCZADY PROJECT IN POLAND**

### **Highlights:**

- **Cossack Energy clarifies the Bieszczady Project Resource estimates contained in its June ASX Announcement in order to be fully compliant with ASX listing Rules 5.27 & 5.28**

### **Issue of Clarification Statement**

Cossack Energy Limited ("Cossack" or "the Company"), the oil and gas explorer with assets in the world class North Carpathian oil and gas province in Ukraine and Poland, issues the following clarification statement to its 5<sup>th</sup> June 2014 ASX Announcement concerning the Company's Prospective and Contingent Resources contained in the Bieszczady Project ("Project") in Poland.

### **Bieszczady Project Contingent & Prospective Resources**

As announced on 5<sup>th</sup> June and 9<sup>th</sup> July 2014 Cossack is final stages of acquiring a 24% working interest in the Bieszczady Project which is made up of eight (8) contiguous licences covering an extensive area of 3,546 km<sup>2</sup> in the far south-east of Poland bordering on Ukraine and Slovakia in the foothills of the Carpathian Mountains. Please also see ASX Announcement and presentation released on 5<sup>th</sup> June for more background information on the Bieszczady Project.

Tarnawa Central, one of five prospective fields identified in the Project area, has been initially flow tested by means of the Niebieszczydy-1 ("Nieb-1") discovery well and will be the subject of an extended production test in the upcoming half year with the intention of converting the Contingent Resources into Reserves and is estimated by RPS Canada in their Report with an Evaluation Date of 15 November 2012 to contain the following Contingent Resources:-

	<b>Cossack 24% Working Interest</b>		
<b>TARNAWA CENTRAL</b>	Contingent Gas Resource [Bscf]		
	1C	2C	3C
<b>Stochastic Total <sup>(1)</sup></b>	<b>4.3</b>	<b>6.4</b>	<b>9.3</b>
	Contingent Liquid Resource [MMstb]		
	1C	2C	3C
<b>Stochastic Total <sup>(1)</sup></b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>

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The Bieszczady Project also contains five prospective fields identified in the Project area, and is estimated by RPS Canada in their Report with an Evaluation Date of 15 November 2012 to contain the following Prospective Resources:-

	<b>Cossack 24% Working Interest</b>			
<b>BIESZCZADY</b>	Prospective Gas Resource [Bscf]			GCoS
	Low Estimate (P <sub>90</sub> )	Best Estimate (P <sub>50</sub> )	High Estimate (P <sub>10</sub> )	(%)
Tarnawa Central	15	26	48	95%
Tarnawa East	28	50	87	39%
Zarzyn East	5	11	25	32%
Zarzyn West	5	16	41	27%
Rudawaka	48	107	224	27%
<b>Stochastic Total <sup>(2)</sup></b>	<b>153</b>	<b>229</b>	<b>354</b>	-
	Prospective Liquid Resource [MMstb]			GCoS
	Low Estimate (P <sub>90</sub> )	Best Estimate (P <sub>50</sub> )	High Estimate (P <sub>10</sub> )	(%)
Tarnawa Central	1.3	2.4	4.2	95%
Tarnawa East	2.5	4.5	7.8	39%
Zarzyn East	0.4	1.0	2.2	32%
Zarzyn West	0.5	1.4	3.7	27%
Rudawaka	4.3	10	20	27%
<b>Stochastic Total <sup>(2)</sup></b>	<b>14</b>	<b>20</b>	<b>31</b>	-

The above Contingent and Prospective Resource evaluations have been conducted by RPS using probabilistic methods, where probability distributions of all input parameters are estimated, and the resulting resource volume distribution determined using Monte Carlo simulation methodology.

**Notes:-**

- (1) Statistical aggregation.
- (2) Statistical aggregation assuming that all intervals in all prospects are successful. The probability of this occurring is the product of all risks and is extremely small.
- (3) The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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**About Cossack Energy Limited:**

Cossack Energy listed on the ASX in October 2013. The Company is an oil and gas exploration and development company focussed on advancing highly prospective assets within the world class oil and gas provinces of the Ukraine and Eastern Europe.

Cossack has 100% ownership of the Limnytska Licence, a large onshore oil and gas project spanning some 172km<sup>2</sup> in Western Ukraine. The license is located adjacent to known discoveries and near to existing large producing oil and gas fields, Limnytska is considered a relatively low risk appraisal opportunity with significant upside.

Cossack has also entered into an agreement to acquire a 24% Working Interest ("WI") in the Bieszczady Project located in Poland.

The Bieszczady Project is made up of eight (8) contiguous licences and covers an extensive area of 3,546 km<sup>2</sup> in the far south-east of Poland bordering on Ukraine and Slovakia in the foothills of the Carpathian Mountains.

Tarnawa Central, one of five prospective fields identified in the Project area, has been flow tested by means of the Nieb-1 discovery well.

Polskie Górnictwo Naftowe i Gazownictwo ("PGNiG"), who is the largest oil & gas exploration and production company in Poland, is the 51% JV owner and Operator of the Project with LSE AIM listed San Leon Energy plc as the other 25% JV Partner.

Through its established in-country relationships and management expertise, the Company intends to expand its portfolio throughout the Ukraine and Eastern Europe to develop a diversified exploration and production oil and gas company.