

October 24, 2011

ASX Release

ASX Codes: TNP, VIL, KOG, GGE

Lyons Point Well – Drilling Update#7

- Lyons Point is a high impact prospect targeting 3 MMBC & 60 BCFG (up to 4 MMBC & 80 BCFG)
- Adjacent to Leleux Field which produced 5 MMBC and 300 BCFG from target reservoir
- Currently drilling ahead at 13,973ft, approximately 24 days to reach first reservoir target at 15,500ft

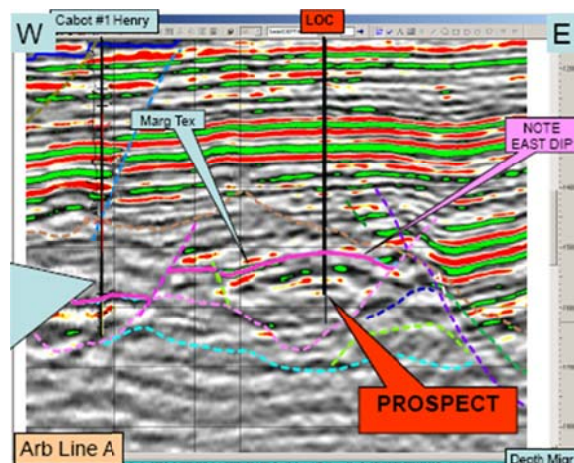
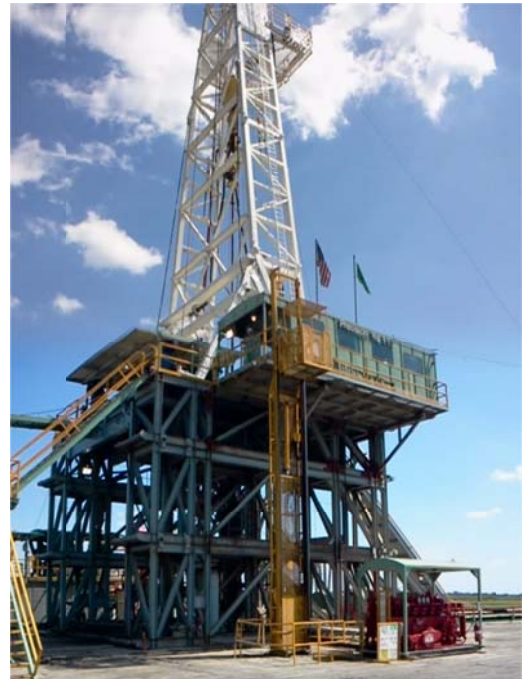
Pruitt et al #1 Well, Lyons Prospect, Acadia Parish, Louisiana, USA- Non Operators

The Pruitt et al #1, the initial test well for the Lyons Point Prospect was spudded on 13 September 2011 and is presently drilling ahead at 13,973ft. The well is being operated by Clayton Williams Energy Inc. under a turnkey fixed cost drilling contract with Precision Drilling.

The expected drilling time to reach the first target objective at 15,500ft is 24 days.

The Lyons Point Prospect will be drilled to a total depth of 16,300 feet. The prospect has a closure of circa 400 acres with a most likely resource potential of 3 MMBC (Million Barrels Condensate) and 60 BCFG (Billion Cubic Feet Gas) with upside potential of 4 MMBC and 80 BCFG.

The Lyons Point Prospect is a seismically defined, upthrown fault bounded structural closure. The objective section is provided by the prolific Oligocene Marginulina Texana (MT) 1, 2, and 3 Sands, which are projected to be together 700 feet thick. The MT sands are productive in several fields in the immediate surrounding area and include the nearby Leleux Field, which has cumulative production of 5 MMBC and 300 BCFG from the MT interval.



The ASX participants in the Lyons Point Prospect are as below:

	Paying Interest % Initial Well	Working Interest % Initial & Subsequent Wells	Net Revenue Interest %
Tango Petroleum Ltd (TNP)	23.00	17.25	12.95
Verus Investments Ltd (VIL)	20.00	15.00	11.25
Kilgore Oil & Gas Ltd (KOG)	13.33	10.00	7.50
Grand Gulf Energy Ltd (GGE)	6.67	5.00	3.75
Other	37.00	52.75	64.55
	100.00	100.00	100.00

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed by Mark Kramer (Registered Geologist, Texas USA), who has over 36 years experience within oil and gas sector. Mark Kramer consents to the inclusion in this report of the information in the form and context in which it appears. Mark Kramer is not a full time employee of the Company.

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.