



## Rialto Energy Limited

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**ASX Code and AIM Code: RIA**

### **Rialto Energy Ltd ("Rialto" or the "Company")**

#### **Rialto awards FEED for Gazelle Field Development Project & Secures Rig for 2013 Drilling Programme**

##### **Highlights**

- Award of Gazelle Field development FEED
- Drilling contract secured for 2013 CI-202 Block drilling programme which is expected to appraise existing liquids discoveries and target high impact exploration prospects

Rialto is pleased to announce execution of arrangements that will further progress the Gazelle Field development and also see the evaluation of additional liquids discoveries and exploration prospects in the greater CI-202 Block, offshore Côte d'Ivoire next year.

##### **Rialto awards Gazelle Field Development FEED**

Rialto has awarded the Front End Engineering Design (FEED) for the Gazelle Field Development to Petrofac. The work will be carried out in Petrofac's Woking, UK office and is expected to be completed in October 2012.

The Gazelle Field lies in Block CI-202 offshore Cote d'Ivoire and is being developed by Rialto, as operator, and Petroci (Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire). The field development plan and gas agreement has been approved by the Cote d'Ivoire authorities and the production facilities will consist of a fixed production platform at the Gazelle Field with separate oil and gas pipelines from the platform to shore. The pipelines will be designed with spare capacity for future production of up to 40,000 bopd and 230 mmscf/d.

Initial production from the platform is expected to be around 8,000 bopd and 100 mmscf/d ramping up in a phased approach to include other existing discoveries in the block. The facilities will process gas and oil to delivery specifications, with the gas being tied into the onshore gas system for use in electrical power generation. Production wells will be drilled by jack-up drilling rig with the first Gazelle Field production well (P-3 ST2) currently in progress.

Rialto expects to award further contracts for the project by year end in order to achieve a fast track programme to first hydrocarbons, which is expected in early 2014.

## Rialto Secures Rig for 2013 Drilling Programme

Rialto has signed an agreement with Vantage Drilling Company to use the Sapphire Driller Jack-up drilling rig for its proposed 2013 drilling programme on the CI-202 Block. The Sapphire Driller, which is currently on a long term contract in Cote d'Ivoire, is anticipated to be handed over to Rialto during the course of Q1, 2013.

Subject to Rialto's funding position, the Sapphire Driller will undertake a 3 firm well (plus 2 contingent well option) drilling programme, which will follow on from the current, fully funded, 3 well drilling campaign underway on the CI-202 Block.

Using information obtained by the drilling of the Gazelle-P3 ST well and recent 3D seismic acquisition over the entire CI-202 Block, the Company has identified a number of follow on liquids appraisal and exploration prospects. The 2013 CI-202 drilling programme would potentially involve:

- appraising existing liquids discoveries including Bubale (14.3 mmbbls + 73 bcf) and Addax (21.0 mmbbls + 11 bcf); and
- targeting high impact prospects such as Faucon (154 mmbbls + 77bcf), Impala (Updip and Deep) (21.3 mmbbls + 42.0 bcf) and Condor (15.0 mmbbls + 758 bcf).

Any commercial discovery from the 2013 drilling programme would likely be tied back to the planned Gazelle Field development hub as part of Rialto's phased hub development strategy.

Commenting on today's announcement, Jeff Schrull, Managing Director, said:

"The awarding of the FEED contract, together with the securing of a drill rig, represents yet another step forward for Rialto in its plans to fast track the development of the Gazelle Field and appraise the liquids potential across the entire CI-202 Block.

"In the last six months we have acquired and begun interpreting 3D seismic and commenced a 3 well drilling programme. Drilling results to date have been encouraging, including the de-risking of the Condor exploration prospect and encountering of a new potentially high impact exploration play. Rialto's follow-on 2013 drilling programme will continue to be firmed up as we finalise our seismic interpretation and obtain an enhanced understanding from the current three well programme."

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## About Rialto Energy Ltd

Rialto Energy Limited (ASX:RIA, AIM:RIA) is an oil and gas exploration and production company with offices in Perth (Australia), London (UK) and Abidjan (Côte d'Ivoire).

Rialto is the Operator (85% working interest) of the CI-202 block offshore Côte d'Ivoire. The CI-202 block contains the Gazelle Field, which is the current focus of development, with first production expected by the end of 2013/Q1 2014.

On 12 March, 2012, Rialto commenced a fully funded, 3 well drilling programme in CI-202 using the Transocean GSF Monitor drilling rig.

A Competent Person's Report completed in September 2011 by RPS Energy Services in relation to CI-202 certified Total Mean Contingent Resources of 50 MMbbls of liquids and 396 Bcf of gas, in addition to Total Mean Prospective Resources of 511 MMbbls of liquids and 1,785 Bcf of gas.

The Company has received approval for a Field Development Plan and Exclusive Exploitation Area over the Gazelle Field and has executed a Gas Sales MOU, which will be superseded by a final binding agreement at Final Investment Decision, with the Government of the Republic of Côte d'Ivoire.

Rialto also has an interest in the Apache operated WA-399-P block in the Carnarvon Basin, Western Australia and is currently in the process of working with joint venture parties and Ghanaian governmental authorities to achieve approvals for an assignment of a 20% paying interest in the Accra Block, offshore Ghana.

Rialto listed on the Australian Securities Exchange in July 2006 and listed on the Alternative Investment Market in April 2012.

