



6 June 2012

Rialto Energy Limited

ACN 117 227 086
Level 1
34 Colin Street
West Perth WA 6005

Tel: +61 8 9211 5000
Fax: +61 8 9486 9362
admin@rialtoenergy.com
www.rialtoenergy.com

To: Company Announcements Office
ASX Limited, Exchange Centre
20 Bridge Street
Sydney NSW 2000



ASX Code and AIM Code: RIA

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

Weekly Drilling Progress Report - Gazelle-P3 ST2 well

Rialto Energy Limited (ASX: RIA and AIM: RIA) provides a weekly update on drilling operations at the Gazelle-P3 ST2 Well, Offshore Côte D'Ivoire as at 06:00hrs, 5 June 2012 (GMT).

The Gazelle-P3 well was spudded on 12 March 2012 using the Transocean GSF Monitor jack-up drilling rig. The well is the first of an overall three well drilling programme on permit CI-202.

Since the last report the well has been plugged back to the 13 3/8" casing and Gazelle-P3 ST2 was kicked-off from 1578m MD (1404m TVDSS). The well is currently drilling ahead under directional control at 1691m MD (1457m TVDSS). The top of the Upper Cenomanian reservoir is expected at 2570mMD and 2352mTVD. Drilling to this depth is expected to take 7 days.

In accordance with its policy of releasing weekly drilling progress reports, the company expects to issue a further drilling report on 13 June 2012, subject to any material events occurring in the meantime.

Enquiries to:

Buchanan
(Financial PR London)

Tim Thompson, Ben Romney or Helen Chan

Telephone: +44 (0)20 7466 5000

Email: rialtoenergy@buchanan.uk.com

RBC Capital Markets
(NOMAD)

Matthew Coakes or Daniel Conti

Telephone: +44 (0)20 7653 4000

PPR
(Financial PR Australia)

Colin Hay

Telephone: +61 8 9388 0944 or +61 404 68 3355

Email: colin.hay@ppr.com.au

Rialto Energy Limited

Jade Hockie

Telephone: +44 (0)20 7042 8500

Email: admin@rialtoenergy.com

DRILLING PROGRESS REPORT



Gazelle-P3 ST2

REPORT DATE	5 June 2012	
COUNTRY	Offshore Côte D'Ivoire	
PERMIT	CI-202	
WELL LOCATION: GEOGRAPHICAL (WGS84)	Latitude	5° 6' 28.79"N
	Longitude	3° 42' 29.92"W
GRID (UTM ZONE 30 N)	Easting	564645.37
	Northing	421491.60
PERMIT INTERESTS	C&L Natural Resources (100% RIA owned)	85%
	PETROCI	15%
PROPOSED TOTAL DEPTH	2980 metres MDRT (2700 metres TVDSS).	
DEPTH AT 0600 HRS (GMT)	1691 metres MDRT (1457 metres TVDSS).	
ORIGINAL PROGNOSSED DRILLING DAYS	45	
CURRENT PROGNOSSED DRILLING DAYS	95	
METRES DRILLED SINCE LAST REPORT	225 metres.	
SPUD DATE	12 March 2012.	
DAYS SINCE SPUD	84 days.	
TARGET FORMATION	Cenomanian sands.	
OPERATIONS SINCE LAST PROGRESS REPORT	Plugged back to 13 3/8" casing. Drilled out cement plug from 1466m. Kicked-off sidetrack from 1578m. Drilled to 1691m.	
HYDROCARBONS INDICATIONS	Nil.	
FORWARD OPERATIONS	Drill ahead under directional control.	

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.

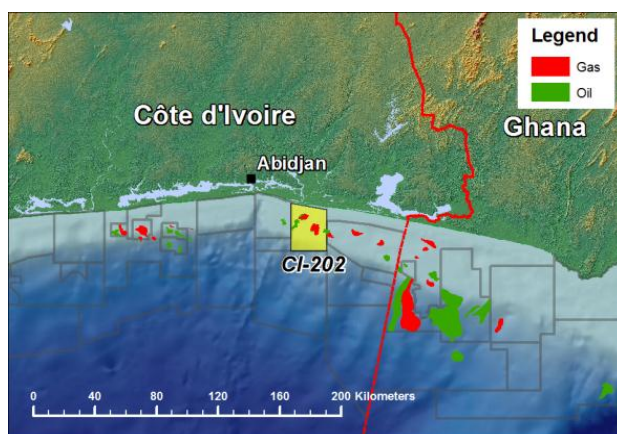
On 12 March, 2012, Rialto commenced a fully funded, 3 well drilling programme in CI-202 using the Transocean GSF Monitor drilling rig.

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.

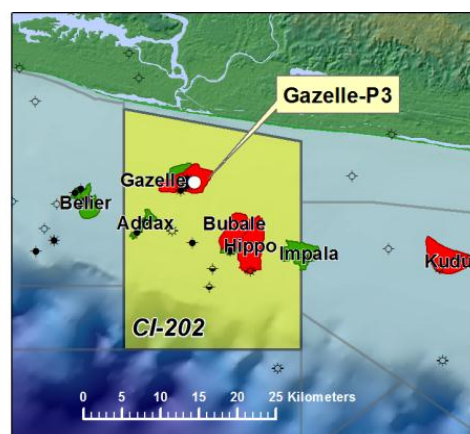
The Company has received approval for a Field Development Plan and Exclusive Exploitation Area over the Gazelle Field and has executed a Gas Sales MOU, which will be superseded by a final binding agreement at Final Investment Decision, with the Government of the Republic of Côte d'Ivoire.

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.



Ivorian Basin Location Map



Gazelle-P3 Location Map