

30 April 2014

ASX Announcement

Atzam #5 Well Successfully Drilled To TD –Testing Program Set To Commence

- **Atzam #5 well has been successfully drilled to its planned total depth of 4,025 feet, intersecting the lower C18, C19 and Coban D reservoir sections on structure**
- **Material oil and gas shows continually generated at surface from drilling final carbonate sections (see below), despite heavy mud weight used (9.5lbs) to maintain good hole condition**
- **Atzam #5 well is confirmed at TD structurally high to Atzam #4 (~66 feet) and Atzam #2 (~320 feet)**
- **Atzam #2 recorded initial flow rates in excess of 1,000 bopd from the primary C18, C19 and Coban D carbonate sections**
- **Electric logging suite to be run from 3,600 feet to 4,025 feet to evaluate primary carbonate reservoir sections - due to commence within 24 hours**
- **Flow testing program to start immediately following Schlumberger analysis on full suite of electric logs across all carbonate reservoir sections identified in Atzam #5**
- **Results of Schlumberger detailed logging evaluation expected within 7 days**
- **Interpretation by the Operator of initial logs run down to upper C18 carbonate sections at 3,600 feet indicated multiple potential pay zones starting from the C13 carbonates**
- **Logging indicates highly fractured potential reservoir sections- fracturing in carbonates normally provides assistance to flow rates**

Atzam Oil Project –Atzam #5 Successfully Drilled to TD

Citation Resources Ltd (ASX: CTR) (**Company** or **Citation**) is pleased to advise the Atzam #5 well at the Company's Atzam Oil Project in Guatemala has been drilled to its planned total depth of 4,025 feet in the Coban D carbonates. The well has successfully intersected the primary reservoir target sections of the upper C18 and C19 carbonates since recommencing drilling operations after setting intermediate casing at 3,600 feet. The well has produced significant oil shows to surface and fluorescence in the cuttings from drilling these sections, as shown below.



Oil at surface whilst drilling primary C19 carbonate section



The Atzam #5 well bore is in good condition and the rig is circulating in hole to maintain the well integrity in preparation for a full suite of electric logs to be run in the next 24 hours over the primary reservoir sections down to TD at 4,025 feet.

The previous indications of the Atzam #5 well being drilled closed to the structural high of the Atzam Oil Field have been confirmed with the drilling through the primary reservoir sections over the past few days. On completion of the Atzam #5 well at its TD is running approximately 66 feet high on structure to the Atzam #4 well and approximately 320 feet high to the Atzam #2 well. The Atzam #4 well was previously expected to be sitting on the crest of the Atzam structure and the Atzam #2 well recorded initial flow rates of in excess of 1,000 bopd from the primary C18/19 carbonate sections.

This revised reservoir structure depth profile for Atzam #5 potentially has very significant implications for the commercial prospectivity of Atzam #5 and the in place oil resource estimate for the Atzam Oil Field. The true structural extent and volumetrics of the Atzam Oil Field will only be clearly defined through a 3D seismic survey that is planned for 2014 as one of the key projects to follow the drilling of Atzam #5. Atzam #5 is a step out well located approximately 1.2 kilometres from the Atzam #4 well.

Electric Logging and Flow Testing Primary Zones

Following completion of the drilling operations of the Atzam #5 well, the Operator is currently preparing the full suite of electric logs to be run from the last casing point at 3,600 feet down to the well's total depth of 4,025 feet. This electric logging run will complete the detailed well data across the primary and secondary carbonate reservoir target sections intersected by the well, and determine the scope of operations for the initial flow testing program.

The flow testing program will commence on the primary reservoir sections immediately following independent evaluation and analysis of the full suite of the Atzam #5 electric logs by Schlumberger, and other external consultants as required. The evaluation of the electric logging data will determine the optimal flow testing program for the well on the priority carbonate reservoir sections.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Brett Mitchell', written over a horizontal line.

Brett Mitchell
Executive Director