

30 September 2013

ASX Announcement

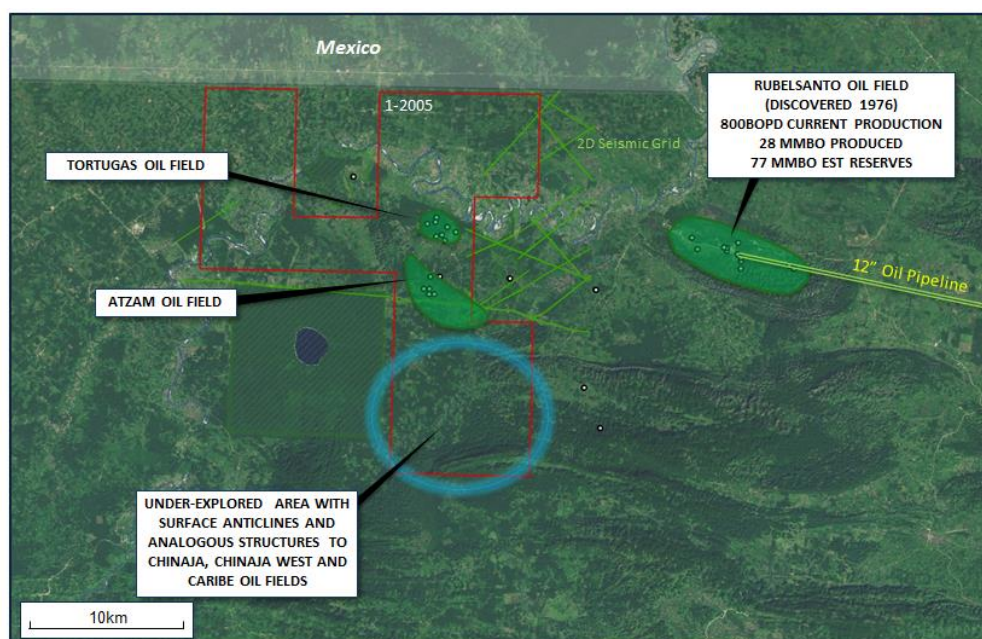
Atzam Oil Project Update- Second Oil Sales Contract Completed

- Latin American Resources recently completed its second oil sale contract and delivery of over 3,500 barrels to Perenco Guatemala
- Total sales exceeding of 9,000 barrels completed during August and September
- Net revenue received approximately \$65/ barrel
- Atzam #4 on continuous production throughout September – strong well head pressure maintained +300 psi on highly restricted choke (12/64 inch), still no water production
- Atzam #5 drilling to commence in October- unseasonal heavy rainfall in September has delayed drilling pad construction and spudding of well
- 20mmbbl 2C contingent resource estimate under review following Atzam #4 success
- Significant exploration upside at Atzam - unexplored salt dome and anticline structures to be evaluated and tested in 2014

Atzam Oil Project

The Company is pleased to advise that the Atzam #4 production well at the Atzam Oil Project in Guatemala (CTR 60% interest) has been operating on continuous production throughout September. Significantly, the well is still being produced on a highly restricted choke (12/64 inch), whilst maintaining a constant well head pressure in excess of 300 psi and no water production to date.

The Operator (Latin American Resources Ltd) has completed the Project's second oil sales contract this week, with the sale and delivery of a further 3,500 barrels of oil to Perenco Guatemala, on the same terms as the first oil sales as previously advised. These sales have generated netbacks of approximately \$65 per barrel, confirming the economic credentials of the Atzam Oil Project and good fiscal terms for oil producers in Guatemala.



Project Location and Exploration Potential

The Operator is continuing to produce the Atzam #4 well on a highly restricted choke, with plans to increase the choke over time to in order to maintain the reservoir integrity during this initial production phase. The Operator will increase the choke to establish the optimal production rate for this producing C17 carbonate section once the associated gas being produced from this zone naturally depletes and the upgrade on the Atzam oil storage facilities is completed in the next month. Independent reservoir engineers Ralph Davis have recommended that the well be produced at an optimal production rate of 466 bopd, whilst maintaining the reservoir's structure and integrity.

The Operator estimates the producing 6 foot C17 carbonate section (2846-2852ft) would produce in excess of 1,000 bopd on an open choke based on the flow rates recorded to date on various choke sizes up to 32/64ths, together with the downhole and well head pressures data from this zone. Importantly the ongoing production from the C17 carbonate section has continued from natural reservoir pressures and without assistance from a submersible pump, which is normally used for producing these carbonate sections.

Atzam #5 Drilling Set To Commence

The Operator has confirmed that the Atzam #5 development well operations are rapidly advancing towards a commencement of drilling in October, with the construction of the drilling location underway and long lead items secured. The spudding of the well has been delayed due to heavy unseasonal rainfall during September, delaying the construction of the drilling pad and location.

The Atzam #5 well will be drilled to target the same oil bearing carbonate structures that were encountered and are currently producing in the Atzam #4 well, including the primary target C17 and C18 carbonate sections that generated significant oil shows during drilling but which were unable to be flow tested in Atzam #4.

For and on behalf of the Board



Brett Mitchell
Executive Director

Competent Person Statement

The information included in this Announcement that relates to resources was prepared by Mr Allen L. Kelley, who is an executive with Ralph E. Davis Associates, Inc. based in Houston, Texas. Mr Kelley has over 30 years of oil and gas experience and is a Certified Petroleum Geologist (Certificate Number 6092). Mr Kelley is a member of the American Association of Petroleum Geologists, Houston Geological Society, and the Society of Petroleum Engineers. In addition Mr Kelley has been a contributing member of the Potential Gas Committee for over 20 years holding positions of Eastern Region Vice President, Chairman of the Gulf Coast and Atlantic Committees and currently is on the Editorial Committee and Chairman of the Alaska Committee. Estimates as to recoverable hydrocarbon volumes contained in this Announcement are based upon certain assumptions. Accordingly, actual results will differ, and may differ significantly and materially, from those presented.