

## **Baltic Basin Exploration Program Underway – Lewino 1G-2 Drilled**

San Leon is pleased to announce the successful completion of its first shale gas exploration well in the Baltic Basin. The Talisman Energy operated Lewino 1G-2 well, on the Gdansk W Concession in Poland, has been drilled to 3,600 meters. During drilling continuous gas shows were encountered over more than 1,000 meters in the middle and lower Silurian shales, Ordovician, and upper Cambrian. Gas shows consist of methane (C1) with a small percentage of ethane, propane, butane, and pentane (C2-C5+).

Over 310 meters of core were taken in the well to evaluate the rock properties and an extensive open hole logging program was also performed to further evaluate the potential of the area. Evaluation and interpretation of the core and logs is expected to take 3-4 months in preparation for continued operations later in 2012.

Following completion of the well for potential future operations Talisman will move the rig to the Braniewo Concession to start drilling the Rogity-1 well, which will be immediately followed by a well in the Szczawno concession. Future operations are expected to include a long offset horizontal and multistage frac.

The company will release further information pending technical results and evaluation.

### **OisinFanning, Chairman of San Leon commented:**

*"The successful drilling and data gathering at the Lewino 1G-2 well is a significant milestone for San Leon and our partnership with Talisman Energy. Our systematic approach over the last three years of acquiring high potential acreage in Poland, finding an experienced partner in Talisman and acquiring a significant 2D seismic database has lead to our first successful well in the Baltic Basin.*

*The next step is to evaluate the geological data in preparation for the next phase of our project; to prove the viability of commercially producing the huge quantity of gas from the Baltic Basin.*

*The upcoming wells in the Braniewo and Szczawno concessions will further bring San Leon towards its goal of becoming one of the leading unconventional gas producers in Europe."*

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*John Buggenhagen, who has reviewed this update, has over 15 years experience in the oil & gas industry. He has a Ph.D. and M.Sc. in Geophysics from the University of Wyoming and a B.Sc. in Geophysics from the University of Arizona. He is currently the Director of Exploration for the San Leon Energy Group and based in San Leon's Warsaw office in Poland.*

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