



January 24<sup>th</sup>, 2012

News Release

## **Completion of Morocco 2D Seismic Campaign**

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San Leon Energy is pleased to announce that it has completed the acquisition of more than 2,280 km of 2D seismic across its Tarfaya and Zag Licenses onshore Morocco. The data was acquired by San Leon Energy's wholly owned subsidiary, NovaSeis.

608 line km of high density 2D seismic data was acquired on the northern portion of the San Leon operated Tarfaya License across the J North prospect. This adds to the existing 2,289 line km of existing 2D seismic across the license. The Netherland, Sewell & Associates 2008 CPR placed 156 million barrels of recoverable prospective oil resources in the J North prospect with upside potential of more than half a billion barrels. In total San Leon currently has 12 leads and prospects across the Tarfaya license with net prospective resources of 711 million barrels of oil equivalent based on the Netherland, Sewell & Associates 2008 CPR. Several new adjacent leads have also been identified around J North as a result of the new 2D seismic data. The new seismic data quality is significantly improved compared to previous 2D seismic data in the area as a result of longer offsets and higher density acquisition. The new data is currently being processed and interpreted by the Company in its Warsaw office.

1,674 km of 2D seismic data was acquired across the San Leon operated Zag License in Morocco (>5 million acres). This is the first seismic data ever acquired across the Zag License. The combined Zag Basin aeromagnetic survey acquired in 2009 by San Leon and the adjacent license to the north was the basis for the layout of the 2D program. The Company is focusing on the Zag license for both conventional and unconventional oil and gas potential. The unconventional gas potential is primarily within the Silurian interval, whilst the conventional oil and gas potential is in the Ordovician and Devonian intervals.

The Company will continue integrating the new seismic results into its existing basin model in preparation for opening a data room to seek partners for the exploration drilling phase. Any future exploration activities in the Southern provinces will, as they have been to date, be in accordance with international law.

NovaSeis ("the Crew") was established by San Leon to acquire its onshore seismic data at lower cost with the flexibility to optimise acquisition parameters in difficult data areas. The Crew currently has 1,200 channels of Geospace Technologies (subsidiary of OYO Geospace) cableless GSRs with five Sercel NOMAD vibrators. The Company plans continued investment into NovaSeis to expand its capabilities to 3D acquisition this year as part of upcoming seismic acquisition programs in Poland. While NovaSeis was created to serve the needs of the San Leon Energy group, it is also available to acquire revenue-generating projects outside the Company.

**Oisin Fanning, Chairman of San Leon, commented:**

***"We view Morocco as a long term project for the Company with significant upside over a huge unexplored area. The excitement of the potential of Morocco is based upon the significant production in the same basin in Algeria as well as the huge potential for a Silurian shale gas play. The completion of our seismic program is the next step in bringing our projects closer to drilling."***

*I am also very pleased with our investment in NovaSeis which has helped us acquire high quality, low cost seismic and given us the flexibility to acquire more data per line km than we could have using a more conventional cable acquisition system. The next step for NovaSeis is to return to Poland where the wireless system will make a real impact by significantly reducing the surface impacts of seismic acquisition while giving us the flexibility to acquire data in areas that a traditional system would not be possible.”*

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Qualified person

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.