News Release

26 June 2012

San Leon Energy provides Siciny-2 update

San Leon Energy is pleased to announce the results of its technical evaluation of the Siciny-2 well in the SW Carboniferous Basin of Poland. Following the announcement on February 14, 2012 regarding the Company's successful drilling of the Siciny-2 well to 3,520 meters, the initial evaluation phase of the core and petrophysical data gathered is now complete. More than 265 meters of continuous core were collected across three prospective intervals in the Siciny-2 well which were previously identified in the Siciny-IG1 well (drilled by the Polish Geological Institute in 1972). Siciny-2 had continuous gas shows throughout the Carboniferous interval. Several previously undrilled high potential Carboniferous fractured, tight gas sandstone intervals were encountered below 2,870 meters and will be the focus of initial testing of the well. The well was cased for future operations including pressure testing of the prospective zones, a dynamic formation integrity test (DFIT) and possible vertical fracture stimulation and production testing across several intervals.

Based on the results of petrophysical analysis of the geophysical logs and tight rock analysis of the core performed between January and May 2012, San Leon has been able to evaluate quality of five prospective zones for unconventional gas accumulations.

The Company, through its subsidiary NovaSeis, is currently acquiring a 220 km2 3D seismic survey over the Siciny-2 well location and surrounding prospective area. The survey is expected to take two months to acquire and should be finished by August.

Zone 1 (3,20-3,520 meters): Carboniferous Tight Sandstone ("A" Sand)

From 3,200 to 3,520 meters (TD) an extremely thick (>320 meters), highly gas saturated sandstone interval was encountered. Over the 320 meter gross interval more than 151 meters have been identified as potential net pay. Petrophysical analysis of the calculated pay indicates porosities between 3-7% with an average effective porosity of 3.86%, and permeability ranging between 20-200 nD with an average of more than 100 nD. The "A" sandstone has low water saturation with an average of 74% free gas saturation. The interval's mineralogical composition suggests that it is well suited for hydraulic fracturing with average clay content less than 33%. Petrophysical analysis indicates that the sandstone contains potentially extensive natural fracturing which will further enhance the existing porosity and permeability of the interval. The Company believes the primary source of the gas is from deeper Carboniferous shales with some input for organic matter in the interval. Calculated free gas in place for the interval is estimated to be 163 BCF/sq. mi. with total gas estimated at 193 BCF/sq. mi. Based upon gas samples and mud log shows the gas is estimated to be primarily dry gas.

The Company is planning to perform pressure tests, a DFIT, along with possible vertical fracture stimulation and production testing across the lower 100 meters of this interval in Q3/Q4 of 2012.

Zone 2 (2,870-3,110m): Carboniferous Tight Sandstone ("B" Sand)

Between 2,870 and 3,110 meters a thick tight gas saturated interval was encountered in sandstones and interbedded shales. Over the 240 meter gross interval more than 32 meters have been identified as net pay with potential net pay of 188 meters. Petrophysical analysis of the calculated pay indicates porosities between 3-9% with an average effective porosity of 3.58% and permeability ranging between 20-300 nD with an average of more than 115 nD. The "B" sandstone has low water saturation with an average of 62% free gas saturation. The intervals' mineralogical composition suggests that it is well suited for hydraulic fracturing with average clay content less than 37%. Petrophysical analysis indicates that the sandstone contains potentially extensive natural fracturing which will further enhance the existing porosity and permeability of the interval. The interval does contain dispersed organic material with estimated average TOC of 1.48-2.14% within the shales over the gross interval. The Company believes the primary source of the gas is from within the interval and potentially deeper Carboniferous shales. Calculated free gas in place for the interval is estimated to be 64 BCF/sq. mi. with a total 97 BCF/sq. mi. Based upon gas samples and mud log shows the gas is estimated to be primarily dry gas.

Zones 3-5 - Upper Shale Gas Zones:

In addition to the two deeper tight gas intervals the well encountered three potential prospective, highly fractured organic rich shale intervals with a total gross thickness of 430 meters between 2,065 and 2,610 meters. 250 meters of whole core was taken over three of the intervals. Tight Rock Analysis on the core, integrated with petrophysical analysis of the logs indicates total porosity of the intervals range between 1.4-8.5%, and average permeability between 80-100 nD. TOC values range between 1.2 to 3.25%, and maturity (Ro) values between 1.2-1.5. Analysis of the TOC data suggests the shales are gas prone Type III source rocks that are in the dry gas window. Gas saturations range between 30-80%. Based upon gas samples and mud log shows the gas is primarily methane with a small fraction of ethane and propane.

Given the highly fractured nature of the shales, the Company is looking at additional analysis of the core and petrophysics to fully understand the reservoir properties, particularly the porosity and permeability, and long term production potential of these zones. Future testing and potential fracing of these intervals is pending testing of the deeper tight gas zones which are believed to have significantly higher potential for commercial production.

The following table contains summary of results of core and integrated petrophysical analysis of the three potential shale gas intervals in the Siciny-2 well:

Depth (m)	Gross Thickness (m)	Total porosity (%)	Permeability (nD)	Silica (%)	TOC (%)	Clay content (%)
2,065 - 2,260	195	1.72 - 4.05	55 - 109 (av. 83)	29 - 59 (avg. 44)	1.38 - 1.85 (avg. 1.59)	25 - 66
2,295 - 2,400	105	1.50 - 8.10	~100	28 - 67	1.21 - 1.6 (avg. 1.38)	35 - 66
2,480 - 2,610	130	1.36 - 3.77	68 - 116 (av. 89)	28 - 63 (avg. 47)	1.32 - 1.86 (avg. 1.6)	45 - 54

Oisin Fanning, Chairman of San Leon, commented:

"We are more than encouraged by the potential of the Carboniferous to be a significant gas producer in Poland. The initial results of the Siciny-2 well are very exciting and we plan to move forward in testing several of the prospective intervals in the well in the near future. This was the first modern well to test the Carboniferous potential of the basin. It is a proven source rock interval that has generated a lot of gas with significant upside in thick tight sands in the basin. The Siciny-2 well has proven that there is very real potential in the play. We plan flow testing in 2012 with continued drilling in 2013 across our extensive position in this play, including the new Concessions we recently acquired as part of our joint venture with Hutton Energy."

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