



San Leon Energy Plc

("San Leon" or the "Company")

Commercial Natural Gas Discovery

- Commercial natural gas discovery at Palo Pinto Gas Field Texas
- Estimated 1.2 BCF discovery in 3 producing zones
- Test production at 1.3mmcf per day
- 3 more wells to be drilled on field
- Targeted total reserves of 5bcf

San Leon Energy, the AiM listed international oil and gas company with assets in Morocco, Italy, Poland, the Netherlands and the USA is pleased to announce a significant discovery of natural gas in the Palo Pinto County, Regular (Gas) Field, District 07B, Texas, which will produce at commercial rates.

San Leon holds a 25% interest in the first well, Nichols # 1, which is operated by McCown Engineering and will have an 80% interest in the remaining three wells to be drilled in this field. Mr. Larry McCown will hold the remaining 20%.

The Nichols # 1 well has been drilled to a depth (TD) of 3,386 feet with additional pay zones at 3104 feet and 3126 feet. The well was flowed and volumetric calculations indicate it will produce 1.2bcf at up to 1.3 mmcf per day.

A gas purchase contract has been agreed and a 3 inch pipeline will be installed in the coming weeks. This will require installation of a sales line 2000 metres long at no additional cost to San Leon.

The Nichols # 1 is the first of a four well programme in the field. Following geological investigation, McCown Engineering calculate that each well-site is expected to produce reserves of 1.2bcf or a total field size of 5bcf of natural gas at a completion cost of \$230,000 per well.

A full update of operations, reserves, production and income in respect of the Nichols Gas field will be issued once the field is completed.

Philip Thompson, CEO of San Leon commented

"San Leon can now join the very short list of producing AiM listed oil and gas companies. Whilst the initial discovery in itself is not massive, the outcome of the further three wells will make it more interesting, nevertheless it will provide both welcome positive cashflow into the Company and also valuable experience in running a producing field."

San Leon has had a very successful early period. In just over a eighteen months, we have created and improved a diverse and attractive portfolio of assets, listed on public markets, completed an international acquisition and now proved that we can successfully explore for and produce hydrocarbons.

We now move forward to our next stage of development with confidence."

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Qualified person

Philip Thompson has over twenty five years experience in the oil & gas industry. He has an M.Sc. in Geophysics from Southern Methodist University and a B.Sc. in Geophysics from Texas A&M University.