



Yilgarn Expands International Operations

Yilgarn is pleased to announce that it has entered into an Area of Mutual Interest (“AMI”) Agreement with Alp Energy gmbh, an Austrian based private oil and gas company, to acquire oil and gas opportunities in Romania and Tunisia.

These AMI’s allow the Parties to pool their respective resources in the search, evaluation and acquisition of high value projects in these countries. A variety of projects including production, rejuvenation, development, near field exploration and frontier exploration are to be considered by the Parties.

The participating and paying interests in the AMI’s are as follows:

		Tunisia	Romania
Yilgarn	- paying interest	75%	100%
	- participating interest	75%	66.67%
Alp Energy	- paying interest	25%	0%
	- participating interest	25%	33.33%

Once the parties have incurred expenditures in aggregate 1 million euros (A\$1.6 million) on the Romanian AMI, Yilgarn’s paying interest reduces to 66.67%, i.e. its participating interest.

Yilgarn’s Managing Director Paul Fry said

“This relationship with Alp allows Yilgarn to jointly acquire a range of projects of a magnitude that would otherwise have not been possible acting alone. For smaller companies, such as ours, this represents a unique opportunity to significantly increase the size of deals in which we participate, delivers a reduction in our overall risk levels and enables a pooling of complementary resources whilst ensuring the most efficient use of each company’s financial and human resources”.

Laurie Brown, Yilgarn’s Exploration Director stated that both Tunisia and Romania have close proximity to important markets and over recent years have both experienced an influx of foreign investment from major companies as well as a number of independents.

“As part of our evaluation and search for suitable international exploration opportunities we identified these countries as highly prospective with emerging profile; key basic elements underpinning Yilgarn’s exploration philosophy and strategy.



Further, being part of a larger international joint venture, with the calibre and experience of Alp's management, provides obvious advantages and synergies. Most notably, Alp will establish on-the-ground operating capabilities in both countries and develop Government relationships which are critical pre-requisites to successful exploration in any foreign new venture operation.

On that basis this alliance will provide an ideal entry point for Yilgarn into these emerging and exciting hydrocarbon provinces and may also lead to other growth opportunities in North Africa which we are currently reviewing."

Wolfgang Zimmer, the Managing Director of Alp Energy, has over 27 years experience in the oil and gas industry. Mr Zimmer worked for Mobil for 11 years primarily in central Europe and OMV, the Austrian national oil company, for over 14 years fulfilling a variety of management roles. Mr Zimmer was also formerly the CEO of Grove Energy, a Canadian and UK listed oil and gas company. Mr Zimmer has significant experience in Tunisia having been a director of OMV's operations in Tunis and Sfax for over 3 years and Grove Energy had significant operations in the country. Mr Zimmer has assembled a team which has particular expertise and experience in both Romania and Tunisia and Yilgarn looks forward to leveraging Mr Zimmers contacts.

Tunisia's state energy company, ETAP, is one of the most progressive in Africa. At present, Tunisia has over 300 million barrels in proven oil reserves and proven natural gas reserves of approximately 2.8 tcf. As a net importer of both oil and gas, ETAP has developed attractive production sharing agreements (PSAs) to encourage foreign investment in Tunisia, especially in the offshore and smaller onshore fields.

Romania is one of the oldest hydrocarbon producing countries in the world with initial production recorded in 1858. At one time it was the largest petroleum producer in Eastern Europe. Romania's petroleum industry has benefited from foreign investment and the utilisation of modern exploration technology during recent years. The Romanian fiscal regime is attractive and there are ready markets and infrastructure onshore.

For further information please contact:

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