

PRESIDENT PETROLEUM COMPANY PLC
("President Petroleum" or "the Company")

Acquisition of Production and Reserves in Louisiana, USA

Attractive bolt-on deal to strengthen and broaden US asset base

President Petroleum (AIM : PPC), the oil and gas exploration and production company with producing assets in the USA and exploration licences in Australia, announces the acquisition of a 25% working interest in East White Lake, a producing oil and gas field in Louisiana, USA.

Highlights

- Existing US reserves and production enhanced through the acquisition of a 25% working interest (net revenue interests (NRI) are in a range of 20.3% to 21.875%) in East White Lake with:-
 - 5 producing wells with additional behind pipe reserves*
 - 2 development wells for immediate drilling
 - 3 further proven undeveloped locations and a 13.6 bcf exploration prospect
- Initial cash consideration of US\$2.5 million to be funded from existing resources plus an additional sum of up to US\$1.4 million payable from cash-flow generated by successful development of the proved undeveloped reserves
- Acquisition cost of US\$8.26 per proved barrel of oil equivalent (boe)

East White Lake Field (EWL)

Net Reserves and Production (Based on NRI)

Proved reserves of 471,900 boe of which 60% is oil

- Possible reserves of 857,900 boe
- Production expected to add 120 boe per day in second half 2010 increasing the Company's total production to some 280 boe per day
- Production potential from EWL of over 250 boe per day by second half 2011

Net Reserves

	Oil '000 bbls	Natural Gas mmcf	Total Hydrocarbons '000 boe
Proved – Producing	12.1	26.7	16.5
Proved – Behind Pipe	126.4	241.6	166.7
Proved - Undeveloped	147.8	845.2	288.7
Total Proved	286.3	1113.5	471.9
Possible	132.5	4352.7	857.9
Total Proved & Possible	418.8	5466.2	1329.8

Background

The East White Lake oil and gas field is located in Vermilion Parish, Louisiana, some 80 miles west of the Company's existing production at East Lake Verret. The field has been in production for many years and the operator, Peak Energy LLC, has identified proved behind pipe and undeveloped reserves that could be quickly brought into production. The location of East White Lake in the Louisiana swamps and the geology of the field are very familiar to President Petroleum and the acquisition offers a low-risk opportunity to increase short-term production and cash-flow.

President Petroleum has acquired a 25% working interest from Peak Operating Company, Prep Assets LLC and Tenexco Inc. The acquisition is effective from 1 January 2010 and Peak Energy will remain the operator with a 41% working interest.

There are currently five producing wells in the field with two development wells firmly scheduled for Q1 2010 to bring on-stream proved, undeveloped reserves. Further development of the behind pipe and additional proved undeveloped reserves will follow. There is also a 13.6 bcf exploration target on which further work will be carried out.

The operating environment is very similar to East Lake Verret with well-maintained processing facilities and low operating costs. The State of Louisiana has introduced new tax incentives for drilling, and production from new wells will be exempt from severance taxes for a period of 5 years.

Stephen Gutteridge, Chairman of President Petroleum, said:

"This acquisition complements and enhances our existing US asset base adding production and cash-flow, proved reserves, the immediate attraction of a two-well drilling programme, and further incremental development and exploration opportunities.

When added to East Lake Verret, it diversifies our production across more wells, with a higher proportion of oil, and increases our US cash generation potential. The acquisition will be quickly integrated and wholly funded from our existing resources.

We remain fully focused on achieving our goal of transformational expansion through acquisition in 2010, together with the further development of our existing assets through drilling programmes in Australia and Louisiana."

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*Behind pipe reserves are reserves expected to be produced from additional zones in existing wells

Ed Childers, the Company's Chief Operating Officer, and Dr Michael Cochran, the Company's Exploration Director, who meet the criteria of qualified persons under the AIM guidance note for mining and oil and gas companies, have reviewed and approved the technical information contained in this announcement.

In approving the technical information, the Company has had access to information on the East White Lake Field prepared by independent petroleum consultants, including the reserve and production estimates reproduced in this announcement.

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