

January 19, 2012

PRESIDENT PETROLEUM COMPANY PLC

("President" or "the Company")

**Argentina Operational Update
Success at Well PEE-1001
Significant additional oil in place identified in Pozo Escondido ("PE")**

President announces an operational update relating to its various fields within the Puesto Guardian Concession ("PG") in Argentina.

- Well PEE-1001 at the Pozo Escondido Field successfully identified 32 metre gross oil column, with 28 metres of expected net pay
- Next well DP-1001 at the Dos Puntitas Field due to spud following a short intra field move
- An ongoing petrophysical review of the Pozo Escondido Field area has identified scope for a previously unidentified 50 million barrels of additional oil in place
- Major new work-over, re-entry and frac programme scheduled for H1 2012 to start February
- On-track for estimated group production of 1300-1500 boepd for Summer 2012

Commenting on today's announcement, Peter Levine, Chairman of President Petroleum Company Holdings BV said:

"Having achieved success at President's first well in Argentina, we now move on applying the learnings to subsequent wells. The newly identified potential for greater reserves and production, including re-entry of existing wells on Pozo Escondido, is a great bonus to what is already turning out to be a very promising acquisition indeed. We look forward to the implementation of all our future programmes with confidence."

Well PEE-1001

The drilling of President's first well in Argentina, PEE-1001 at the Pozo Escondido Field, has now been completed. The well successfully encountered a 32 meters gross oil column at a depth of some 3,420 metres, predominantly in limestones, which currently produce in an offset well. Based on logs and data from the offset well, President estimates that there is 28 metres of net pay.

The hole has been cased and will be suspended pending fracing as part of an extensive frac programme to be carried out at PG in the Spring.

Following this successful first well, the rig will now be moved to the nearby location for the second well, DP-1001 at the Dos Puntitas Field, which is expected to spud following a short intra field move.

Significant additional oil in place identified at Pozo Escondido

After several months of petrophysical review of many old wells drilled some 30 years ago at the Pozo Escondido ("PE") Field, President estimates that there is scope for some additional 50 million barrels of Cretaceous stacked oil in place which has not been considered in any previous reserves estimates (current Oil in Place numbers for PE are 20 million barrels). Even applying prudent recovery factors, this could have the effect of materially increasing President's reserves.

A 3D reservoir model is currently being developed by the UK specialist geoscience company TRACS International, due to be completed during Q1 2012.

Similar petrophysical studies will be carried out this year for other fields on the licence

Ongoing Work Programme

Applying the learnings from the petrophysical work completed to date and the PEE 1001 well, President and its partners are encouraged that use of horizontal wells at PE could greatly enhance productive capacity. Horizontal wells and other modern completion techniques have not been used to date at PG. The partners are taking steps to source a new powerful rig which will enable wells 4 and 5 in the existing programme to be drilled horizontally, and also be capable of drilling deeper wells.

A fracking programme for a number of old shut-in wells is due to commence in Spring 2012. President believes that this work could generate meaningful production in wells which had been previously shut in.

In parallel with the drilling of new wells and the fracking programme at PG, President with its partner have expedited a work-over programme on shut in production wells which will include testing electric submersible pumps for the first time. If successful, a number of shut-in wells would be switched from beam pumps to electrical pumps. This programme, together with the additional work-over activity on shut in production wells, which have suffered through lack of capital expenditure, is expected to increase and thereafter maintain production from these wells.

President approaches this work with some confidence in the near term potential of not only giving an uplift to production but also scope to materially increase President's reserves at PG during 2012.

President reaffirms its group estimate of production levels in Summer 2012 of 1300 – 1500 boepd net to the Company with production increasing thereafter.

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Dr Jonathan M Cohen, FGS, C Geol, Executive Vice President Exploration, meets the criteria of qualified persons under the AIM guidance note for mining and oil and gas companies, has reviewed And approved the technical information contained in this announcement.