

23 January, 2012

PRESIDENT PETROLEUM COMPANY PLC

("President" or "the Company")

**New Gaffney Cline Report
Significant New Prospective Resources**

President announces the results of a new Gaffney Cline & Associates ("GC") Prospective Resources Statement, according to Society of Petroleum Engineers standards, on the Martinez Del Tineo Prospect ("MDT") at its Puesto Guardian Concession ("PG") in Argentina (President: 50% working interest).

Highlights

- MDT prospect identified, a play opening, significant gas-condensate prospect
- Gross Prospective Gas Resources at MDT assessed by GC at mid-case unrisked of 570 billion cubic feet with an additional 14.5 million barrels of condensate
- GC assesses gross unrisked NPV 10 of gas and condensate at MDT at US\$1.03 billion, or US\$ 515 million net to President, representing 289 pence per share
- GC assess a 26% geological chance of success at MDT, providing a gross risked NPV of US\$ 268 million, or US\$ 134 million net to President, representing 77 pence per share
- A number of additional gas/condensate leads exist on PG which bear similar characteristics to MDT and which will now be investigated during 2012
- Subject to rig availability, President anticipate drilling this target in 2012

The Gaffney Cline report

GC, the global petroleum consultant subsidiary of Baker Hughes Incorporated, was commissioned by President and its partner to consider the prospectivity of deep Paleozoic gas and condensate in the MDT field area. The prospect is a large anticlinal structure with 24 km² closure, defined by 3D, and is analogous to other producing fields in Argentina.

GC has had the benefit of good quality recent 3D and 2D seismic surveys covering the MDT area. The gas/condensate prospect is targeting the Paleozoic sedimentary section of MDT lying beneath the oil bearing younger and shallower Cretaceous section from which oil had historically been produced in the field. No previous exploration of the Paleozoic section either in MDT or in the whole of the PG area has been carried out.

The target is a potential play opener with several other leads for deeper gas and condensate on the PG concession. Other areas will now be considered as part of the 2012 geological work being conducted at PG.

GC attribute a 26% geological chance of success to the MDT prospect.

Prospect	Geologic C of S	Fluid	Unrisked recoverable Volume Estimates*		
			Low	Best	High
Martínez del Tineo	26 %	Gas (bcf)	300	570	1,090
		Condensate (Mbo)	7,600	14,500	27,600

Source: Gaffney Cline, January 2012

*President has a 50% working interest in the gross amounts in the table

Economics

GC highlight a NPV using a 10% discount rate of US\$1.03 billion for the MDT target on an unrisks basis, or US\$ 515 million net to President**. On a risks basis, this equates to US\$ 268 million, or US\$ 134 million net to President.

For President, these NPVs are equivalent to 289 pence per share on an unrisks basis and 77 pence per share on a risks basis.

Subject to rig availability, President and its partner anticipate drilling this prospect during 2012, likely as an extension of a well targeting the higher Cretaceous oil production at the MDT field.

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

"We are very pleased at the contents of the Gaffney Cline report relating to only one of several deep gas and condensate plays at Puesto Guardian.

"Whilst the prospective resources and values are indeed extremely significant, it is important to recognise that these are prospective resources and we are thus adopting a careful, prudent and measured step by step approach to development of the whole licence area.

'Notwithstanding the proper caution that must be exercised, the significant deep prospective resources so far identified coupled with the great potential of the higher oil bearing sections in the Cretaceous, which is increasingly becoming apparent, does suggest the scope for very material growth in shareholder value resulting from this recent acquisition'.

**US\$ 4.00/MMBtu gas price, US\$ 65.00/bbl condensate price, after state royalty at 12%, before applicable corporate taxes and minority interests

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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.