



THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO ACQUIRE OR DISPOSE OF ANY SECURITIES OR INVESTMENT ADVICE IN ANY JURISDICTION. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. SECURITIES MAY NOT BE SOLD IN THE UNITED STATES UNLESS THEY ARE REGISTERED OR ARE EXEMPT FROM REGISTRATION. MIDMAR DOES NOT INTEND CONDUCT A PUBLIC OFFERING IN THE UNITED STATES. ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WOULD BE MADE BY MEANS OF A PROSPECTUS THAT WILL CONTAIN DETAILED INFORMATION ABOUT MIDMAR AND ITS MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS. COPIES OF THIS ANNOUNCEMENT ARE NOT BEING, AND SHOULD NOT BE, DISTRIBUTED IN OR SENT INTO THE UNITED STATES.

IT MAY BE UNLAWFUL TO DISTRIBUTE THESE MATERIALS IN CERTAIN JURISDICTIONS. THESE MATERIALS ARE NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, SOUTH AFRICA, AUSTRALIA OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL. THE INFORMATION IN THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, CANADA, SOUTH AFRICA, AUSTRALIA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

23rd December 2009

Press Release

FOR IMMEDIATE RELEASE

Midmar Energy UK Limited Submit Planning Application to Drill Wells in Kent

Midmar Energy UK Ltd ("Midmar"), the oil and gas exploration and production company, today announces that it has applied to Kent County Council for planning permission to construct a temporary drilling site to the North of Bidborough, in the Borough of Tunbridge Wells.

This site is located within PEDL248 licence which Midmar obtained in 2008. Midmar's Geoscientists have spent a great deal of time assessing previous well records from the local area, as well as interpreting seismic data that has been gathered over the years and believe that it is an extremely attractive prospect. The proposed wells will test prospects identified during a drilling campaign by Conoco in 1981, which had oil shows.

Extensive studies have been undertaken by the company which have identified the most suitable location along with assessing any potential impacts in line with company policy. Other potential locations were discounted for some of the following reasons: location of reservoir, geological fault, visual intrusion, access and environmental considerations.

The application is for a temporary drilling and testing site and all of the proposed methods ensure the highest levels of environmental protection. The temporary development will require the site to be restored to its previous condition.

If this development is permitted there would be a range of economic benefits to local residents and the Borough Council. The proposed operations would increase services and supplies and necessitate the staff to seek local board and accommodation.



Midmar is committed to health and safety as well as the environment and at all times ensures best practice. Every effort has been made to ensure that the proposed activities do not intrude on local day to day activities. From an early stage Midmar has fully informed residents of the proposals and allowed them an opportunity to comment. We are pleased with the response and comments we have received from the residents.

Throughout the operation, we will always endeavour to ensure that residents are informed and able to communicate with the company. It is our aim to keep our activities unobtrusive and at all times we will ensure good working practices. The company has always operated oil fields in the UK in this way and will continue to do so.

It is hoped to receive a decision on the application in the second quarter of 2010. Midmar anticipate starting construction of the site later that year, with drilling possibly starting in early 2011.

Commenting on the announcement, Dr Thomas Redman, Managing Director of Midmar, said:

"Extensive discussions have been held with all interested parties, including local residents and the County Council throughout the planning process. We feel that these discussions have been useful to all parties and a good relationship has been built up with members of the Bidborough community. We want to work in partnership with the local communities and we encourage those with concerns to contact us so we can explain our plans or allow us to amend our activities to accommodate."

ENQUIRIES:

info@midmar.co.uk
Tel: +44 (0)1202 780333

NOTES TO EDITORS:

MIDMAR ENERGY

Founded in 1995, Midmar Energy, the entrepreneurial oil and gas exploration and production company, has to date, achieved its growth by acquisition of existing onshore oil fields and the enhancement of the reserve potential and recovery rates for these fields.

Midmar Energy is focused upon maximising existing reserves and developing new reserves through the application of its outstanding technical skills and experience. The Company currently has two UK onshore licences, which were awarded in the 13th UK Onshore Licensing Round.



**MIDMAR
ENERGY**

6 DEAN PARK CRESCENT - BOURNEMOUTH - BH1 1HL - UNITED KINGDOM
TEL +44 1202 780333 - FAX +44 1202 780444

Midmar has a strong management and technical team with extensive technical and industry expertise. The Company's management has extensive international oil and gas exploration and production experience gained over many years in the industry as well as outstanding technical skills.

Midmar intends to continue its expansion in oil and gas exploration and production in both the UK and internationally. Further information on Midmar can be found on the Company's website at <http://www.midmar.co.uk>