



PRESS RELEASE

26 March 2008

**MIDMAR ENERGY COMMENCES UK ONSHORE PRODUCTION
AT THE LIDSEY FIELD**

Midmar Energy Ltd (“Midmar”), the UK entrepreneurial oil and gas exploration and production company, today announces that it has commenced oil production at its Lidsey Field (Production Licence PL241) in West Sussex. The Field is currently producing 40 barrels per day and is being sold into the local supply network. The Field is 100% owned and operated by Midmar.

The Lidsey Field is located on the southern flank of the Weald Basin, and is analogous to the nearby Storrington, Singleton and Horndean Fields. Midmar’s field development plan was approved by the Dti (BERR) in 2006 with planning permission granted in late 2007. Midmar has recently completed the construction of its onsite processing facility. In addition to the existing Lidsey-1 producing well, the Company plans to drill two further producing wells within the next two to three years to fully develop the reserves.

The Lidsey Field (“Lidsey”) was originally discovered by Carless Exploration in 1987 when the Lidsey-1 discovery well successfully flowed oil. Lidsey-1 encountered good oil shows in three cores taken in the Great Oolite reservoir indicating a gross oil column of 176 ft. Good oil saturations were confirmed as being present towards the top of the reservoir. It is the only well drilled to date on the Lidsey field. Several production tests were subsequently carried out by Carless Exploration in 1987 and 1989 and then more recently in 2000 when Edinburgh Oil and Gas completed a 90-day EWT that produced a total of 4721 bbls of oil. Midmar increased its equity interest to 100% interest in the field buying from Noble Energy and Star Energy in 2005.

In addition to the Lidsey Field, Midmar also operates the 100% owned producing Brockham oilfield, also on the Weald Basin in South East England. The Company is also anticipating the award of further UK onshore licences in the 13th Landward Oil and Gas Licensing Round. Midmar is also actively pursuing international opportunities.

**Commenting on the Company’s commencement of production, Dr Thomas Redman,
Managing Director of Midmar, stated:**

“We are delighted to have followed up our success at Brockham with production from Lidsey. This further demonstrates the application of our strategy to develop discoveries previously deemed uneconomic at the oil price prevalent at that time, into commercial discoveries at current oil prices. We intend to continue to apply this strategy to additional UK onshore opportunities, whilst actively pursuing international prospects.”

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