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FORTUNE OIL PLC
(“Fortune Oil” or “the Company”)

Fortune Completes Second Pilot Well

Fortune Oil is pleased to announce that the Fortune Liulin Gas subsidiary has completed the drilling of its first two pilot production wells for coal bed methane (“CBM”) in the Liulin block, Shanxi Province. Exploration production well EP2 was drilled to a total depth of 1,166 metres and EP1 to 615 metres, both located in the north-central sector of the block. The drilling has confirmed the presence of thick coal seams, totalling 19 metres. The target seam for CBM production, the adjoining seams 8/9, has a large thickness of 7.4 metres at EP2 and 5.4 metres at EP1, which indicates that this target seam could have a significant production potential.

During the drilling process core samples were taken of the major coal seams, the results of which should be available by end March. The next step is to test the coal seams for permeability and to fracture seams 8/9 to commence pilot production testing. We will continue to inform shareholders of the results from these pilot wells.

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