



**12<sup>th</sup> APRIL 2007**

**FORTUNE OIL PLC  
("Fortune Oil" or "the Company")**

**EP1 and EP2 Wells Commence Pilot Production**

Fortune Liulin Gas has commenced pilot production at the EP1 and EP2 coal bed methane wells in Liulin Block. Both wells have been hydraulically fracture stimulated to target coal seam number 8/9. They are now producing small controlled amounts of water; the dewatering phase for CBM wells is expected to last several months before gas production commences.

Coring sample results for EP1 and EP2 were positive. The total coal thickness for the three major coal seams was 11.4 metres for EP1 and 8.9 metres for EP2 and the gas content averaged 9 cubic metres per tonne, as measured by gas desorption testing. Injection/falloff testing of permeability, an indicator of potential gas recovery rate, also gave encouraging results.

In order to meet the PRC's latest regulations for certification of gas reserves, Fortune Liulin Gas is now planning to drill three CBM data wells for analysis of permeability and desorbed gas content in each major seam.

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