

21 June 2012

ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## REACQUISITION OF PADRE ISLAND LEASES UNDERWAY

Sprint Energy Ltd ("SPRINT") (ASX Code: SPS) is pleased to announce that the process to reacquire some of the lapsed leases on Padre Island has commenced by engaging Producers Energy in Houston.

Post a recent trip to the US by your Managing Director; Brad Boyle, the Board of Sprint is pleased to update shareholders that application forms are being completed and lodged with the Texas General Land Office ("GLO") to start the process of reacquiring the leases, by nominating for South Sprint 1, 2 and 3 leases in advance of the October 2012 lease auctions. Subject to being the successful bidder in the public auction, Sprint can then evaluate the most appropriate action to move these assets forward.

Sprint also advises that as a result of the fore mentioned Houston visit, the Board will continue to assess options with the intention to re-establish a substantial portion of the asset write down, previously advised to the market (dated: 16/2/2011).

This action also includes determining the viability of trying to re-establish the previously announced (October 2010) resource estimates, of the Manzano Deep Prospect. The Sprint Board will review this exploration opportunity in the coming weeks to determine its prospectivity.

The Company also seeks ways to increase the carrying value of the substantial infrastructure that Sprint owns on Padre Island.

Further, subject to additional seismic data being obtained by Sprint, the Company seeks to obtain funds to evaluate with current joint venture partners, options to increase the limited current flow of hydrocarbons from the Padre Island properties to the Exxon pipeline. Due to the higher level of condensate in our gas, a more economic revenue outcome might be achievable.

The Company is encouraged by the options available to add value to the Padre Island assets. Subject to ongoing success, the Board is hopeful that after a lengthy transitional process, some of the assets on Padre Island may once again provide the building blocks for the Company moving forward. It is anticipated that with a reasonable minimal spend, final costs are yet to be determined, the Company could see a substantial increase in the asset value and income for Sprint shareholders in the not too distant future.

Subject to successful interpretation of the above mentioned seismic data and subject to determining entry costs and productions expectations, the Company is optimistic that South Sprint 2 may again be a focus for the Company in the medium term, especially if production can be re-established across the asset base on Padre Island.



(Diagram 1: Example of infrastructure held by Sprint on Padre Island)

Given the infrastructure Sprint already owns on Padre Island, coupled with the high environmental barriers to entry for other companies and subject to the completion of further analysis of the data which may lead to a better understanding of potential production increases, the Company is hopeful that a substantial improvement in the value of these assets may be achievable.

Yours sincerely  
**Sprint Energy Ltd**

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**About Sprint Energy Ltd:** Sprint Energy Ltd is an independent oil and gas exploration and production Company, listed on the Australian Stock Exchange (ASX Code: SPS). Its primary focus of operations is Gulf Coast, USA.