

25 September 2012

Australian Securities Exchange Limited  
2 The Esplanade  
PERTH WA 6000

## **SPRINT ACQUIRES A FURTHER PROJECT IN THE TOMSK REGION OF WEST SIBERIA**

### **Key points:**

- **Sprint Energy to acquire up to 75% interest in Terra Limited which holds 100% of the Block 95-3 oil and gas license in the prolific Nyuroi Basin, Tomsk Region, Russian Federation.**
- **Relationship strengthens with Tomsk operator Mikhail Malyarenko.**
- **Well No 1 on Block 95-3 has approximately 70/80 bpd of oil flow potential with likely upgrades.**
- **Block 95-3 license has three, seismically mapped structures with good near drill-ready prospects, including proposed Well No 5.**
- **Subject to review, Block 95-3 has potential of recoverable reserves from Jurassic zones.**
- **Sprint granted 60 day exclusivity period to complete Due Diligence.**
- **Sprint to pay US\$300,000 as option payment on signing a formal purchase agreement on or before the end of the 60 day exclusivity period.**
- **Sprint shall have six (6) months to spend US\$1.2M on during Stage 1, Sprint to earn 25% of Block 95-3 through funding drilling and access activities.**
- **Sprint shall have a further twelve (12) months to spend US\$10M on during Stage 2, Sprint to earn 55% of Block 95-3 through funding drilling and exploration activities.**
- **Sprint shall have an additional twelve (12) months to spend US\$10M on during Stage 3, Sprint to earn 75% of Block 95-3 through funding drilling and exploration activities.**

Australian based resource company Sprint Energy Limited (ASX: SPS) (“Sprint” or the “Company”) is pleased to announce it has have entered into an option agreement (“Option”) with Terra Ltd (“Terra”) to acquire up to 75% equity interest in Terra, who is the 100% holder of the highly prospective license Block 95-3 (the “Project”) in the prolific Nyurol Basin, Tomsk Region, Russian Federation.

The Company’s established relationship with Mr Mikhail Malyarenko who is a seasoned petroleum geologist from the Tomsk region, is further strengthen through the acquisition of Block 95-3.

The Option provides Sprint a sixty (60) day exclusivity period for Sprint to complete due diligence on the Project.

At the Company’s election to continue with the acquisition of the Project, Sprint is to pay a US\$300,000 option payment on signing a formal purchase agreement on or before the end of the sixty (60) day exclusivity period.

Sprint shall have six (6) months to spend US\$1.2M to earn 25% of Block 95-3 by funding drilling and access activities on the Project.

After the successfully completion of Stage 1, at Sprint’s election the Company shall have twelve (12) months to spend a further US\$10M funding drilling and exploration activities during Stage 2, to earn up to 55% of the Project.

Further, after completing Stage 2, at Sprint’s election can earn up to 75% of the Project over an additional twelve (12) month period, by spending another US\$10M during Stage 3 on drilling and exploration activities.

The Project has a combined areas of 360km<sup>2</sup> is located in the southern section of the Tomsk Basin and is within close proximity of established oil production centres.

The Project is well located as License Block 86, lies adjacent to the west and is owned by Imperial Energy, which produces in excess of 15,000boe p/day.<sup>1</sup>

Terra confirmed three (3) exploration wells were drilled on the Project starting in the Soviet period (1970’s). The first well (Well No 1) was drilled on the Parbigskaya structure and shows oil internals and flow from the Jurassic layers.

Subject to further confirmation under due diligence, the Company feels there is good potential to increase the current production potential from Well No 1, believed to be

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<sup>1</sup> Imperial Energy [www.imperialenergy.com/en/operations/ieatglance/](http://www.imperialenergy.com/en/operations/ieatglance/), 5 August 2012

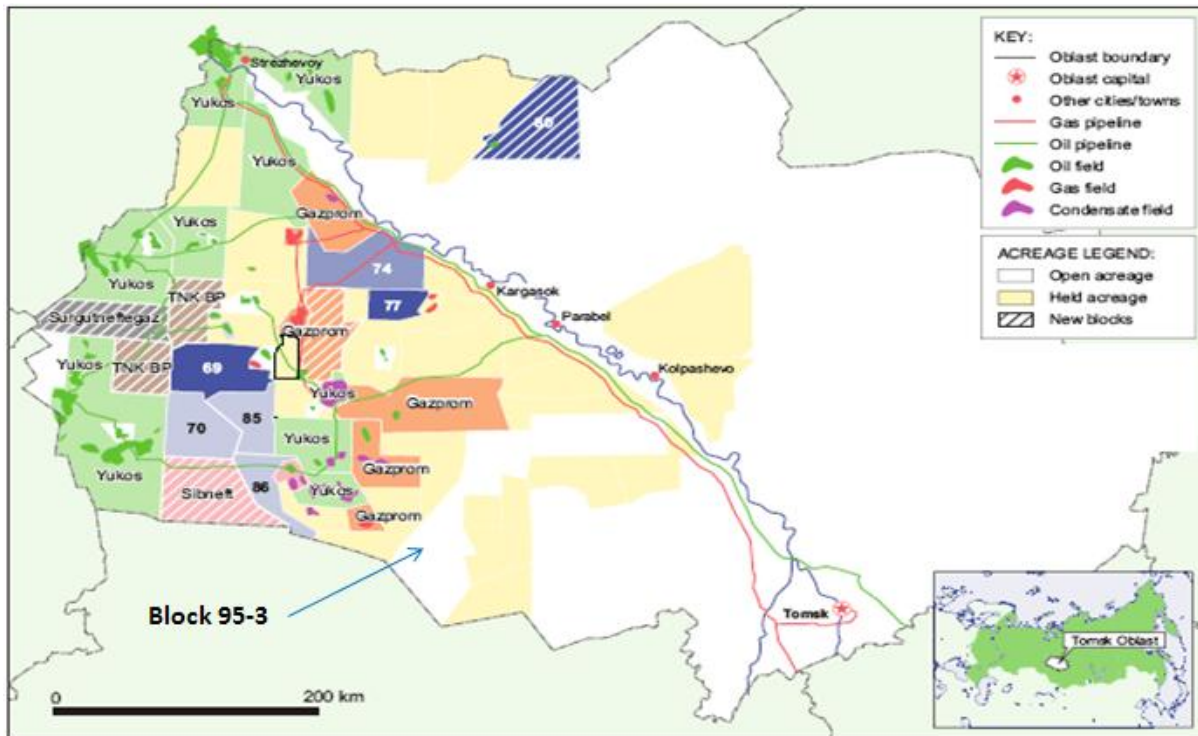
70/80 barrels per day, with minimal expenditure and to have the well in full production, estimated to be 150/200 barrels per day, by early 2013.

The Project is only 11 kms from the nearest all weather road and plans are underway to construct an access road to Well No 1, to allow all year access once production is established at the site.

Terra advise all three (3) wells were logged indicating a number of oil saturated zones from the Paleozoic horizons up to the Jurassic layers and are considered highly prospective for hydrocarbons and as such provide good upside potential for the Project.

Through seismic mapping Terra has identified three (3) distinct structures on the Project with near drill-ready prospects, including proposed Well No 5. The intent of Well No 5 is to increase production on the Project, whilst expanding and identifying further potential recoverable reserves from Jurassic zones.

**Managing Director** Brad Boyle stated: “The opportunity for us work with Mr Malyarenko again is an exciting time for the Company and this further acquisition opportunity strengthens our asset portfolio in Russia and will lead to future opportunities in the region. The Company aims to obtain a diversified portfolio of near term production assets to generate revenue and to expand established recoverable reserves which will assist in the future growth of the Sprint.”



**Diagram 1:** Approximate location of the Block 95-3, Tomsk Region, Russia (Image Sourced: Imperial Energy<sup>2</sup>)

## PROJECT UPDATE

Sprint advises the Company has established a direct working relationship with the owner and operator of Block 71-1, namely Mikhail Malyarenko, which has resulted in the current acquisition of Block 95-3 and the potential for other acquisition opportunities within the Tomsk region.

Consequently, during the negotiations with Mr Malyarenko on Block 95-3, the Parties identified the current term sheet executed between Sprint and Electrosecur Ltd in early August 2012, was no longer considered appropriate or meeting the operational requirements of the Parties.

Thus, the term sheet was rescinded with Electrosecur Ltd. Subsequently, Sprint and Mr Malyarenko are now actively renegotiating the acquisition terms for Block 71-1 under the provisions of an exclusive option period. The Company believes the new terms shall be more favourable for the Sprint and appropriate in demonstrating the Parties strong commitment to working together in the future.

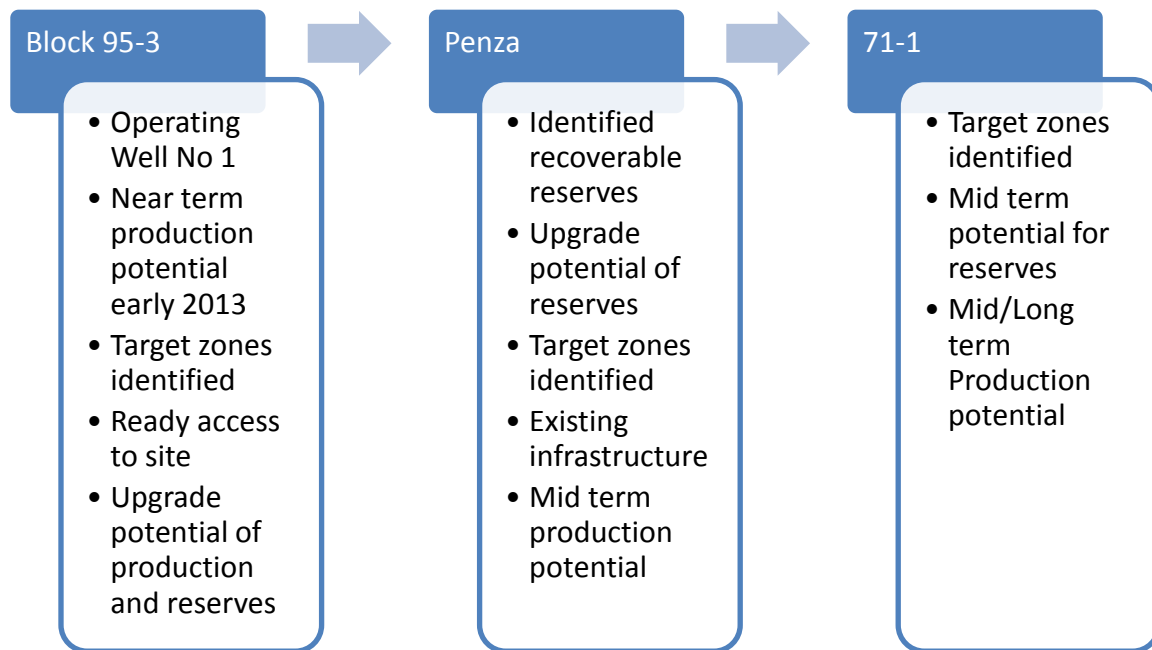
The Company shall provide an update to the market once more information becomes available.

<sup>2</sup> <http://www.imperialenergy.com/en/operations/ieatglance/>, 5 August 2012

## CORPORATE STRATEGY

The Company confirms now with the acquisition of the third Russian oil project, namely Block 95-3, the Company seeks to to utilise the near, mid and long term potential of the three projects to add real value to Sprint.

Subject to successful completion of due diligence and acquisition of the projects the Company intends to develop the projects in parallel with each other, but with a primary focus as outlined below in Diagram 2 below:



**Diagram 2:** Proposed Development Plan of Russian Projects (Subject to change due to operational requirements and due diligence results)

The Company believes the near term production ability of Block 95-3 will assist Sprint to fund future exploration activities.

Whilst, the combination of established reserves, production and revenue from the projects will help to position the Company to achieve its corporate objectives and strengthen its asset base ready for future growth.

**THIS ANNOUNCEMENT EFFECTIVELY CEASES THE TRADING HALT REQUESTED BY THE COMPANY ON 21 SEPTEMBER 2012. THE COMPANY IS NOT AWARE OF ANY REASON WHY THE ASX WOULD NOT ALLOW TRADING TO RECOMMENCE IMMEDIATELY.**

Yours sincerely  
**Sprint Energy Ltd**

A handwritten signature in blue ink, appearing to read "Brad Boyle".

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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 and Russia.

**Forward-Looking Statements:**

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Sprint Energy Limited's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Sprint Energy Limited believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.