

LNG Energy Ltd.

TSX VENTURE : [LNG](#)



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LNG Energy Completes 2D Seismic on Papua New Guinea PPL 319 Licence and Identifies Tuyuwopi Prospect

VANCOUVER, BRITISH COLUMBIA--(Marketwire - March 29, 2012) - LNG Energy Ltd. (TSX VENTURE:LNG) ("LNG") is pleased to announce the successful completion of the 2011 "Sling" 2D seismic program on its 100% held PPL 319 licence, onshore Papua New Guinea.

PPL 319 is in the lowland area of the Papuan fold and thrust belt between several substantial oil and gas fields and is on-trend with Oil Search's Kutubu and Gobe producing oil fields. 148 km of 2D data was acquired during the periods April-June and October-December 2011, with interpretation in early 2012. The survey comprised 67 km of alluvial river flats around the Kikori River, 59 km of karst limestone and 22 km of volcanic terrain.

PPL 319 contains proven, mature Late Jurassic (Kimmeridgian) Lower Imburu Fm. source rocks that are presently generating hydrocarbons from local kitchen areas. It is believed that PPL 319 contains clastic reservoirs of Lower Cretaceous-Upper Jurassic age (Toro-Hedinia-Iagifu sandstones), particularly in the western part and the Kikori Bend area of the PPL 319 Licence. The company believes the presence of source, seal, reservoir and structural traps on PPL 319 are extremely prospective in this proven hydrocarbon trend.

There has been little exploration activity in PPL 319 over the 20 years prior to its acquisition by LNG, despite the prospective location of the licence. In 2010, LNG undertook a HRAM/AIRGrav survey, flown by Sander Geophysics Ltd that, among other structures, identified a large structure between PPL 319 and InterOil's PPL 237. This structure was subsequently confirmed by the 2010 2D Poroman seismic survey on the eastern boundary of PPL 319.

This aeromagnetic/gravity survey and the reprocessed Base Resources 1988 Victory Junction seismic data identified another prospective area referred to by LNG as the "Kikori Bend" area near the western part of PPL 319, on trend with the Gobe oil field. The 2011 Sling seismic survey was undertaken over the entire western section of PPL 319 including the Kikori bend area and clearly identified the Tuyuwopi prospect.

The extensional fault related prospects identified at Kikori Bend are early rift-related structures that exhibit little late stage structural movement. These preserved extensional traps have increased longevity and the proven Jurassic source rocks are in the oil window in this area. The

traps are believed to have been charged early as oil was generated, have good top seals and are less likely to be affected by late stage uplift or subsequent gas charge. LNG believes the reservoir will be oil charged and is undertaking a detailed analysis of the traps identified. As with many PNG discoveries, LNG anticipates multiple pay zones in the sandstone reservoirs of Lower Cretaceous-Upper Jurassic age.

Logistically, PPL 319's Kikori Bend area is strategically placed in the lowlands with river, road and helicopter access. It is in close proximity to Oil Search's existing crude export pipeline and the Exxon LNG Gas line (www.pnglng.com) which traverse part of PPL 319. Also within PPL 319 is Kopi base, a hub for Exxon and Oil Search's oil and gas development activities. In a country where logistics often define economics, PPL 319 and specifically the Tuyuwopi prospect are favorably situated.

"The Sling seismic program has identified the very attractive Tuyuwopi prospect. Given the location and surrounding hydrocarbon production trends, we are very encouraged by this target and are developing our work program around it," said Dave Afseth, President and CEO. "Additional leads have also been identified that will be further investigated."

LNG is a Canadian exploration and development company focused on developing oil and gas reserves in Papua New Guinea, Poland and Bulgaria. LNG holds a 100% interest in approximately 5.5 million acres of prospective oil and gas properties in Papua New Guinea. LNG is operator and has a 50% net interest in approximately 360,000 gross acres of prospective shales in Poland together with San Leon Energy. LNG also has a 20% net interest in approximately 734,000 gross acres of prospective shales in Poland together with BNK Petroleum Inc., Sorgenia E&P S.p.A., and Rohol-Aufsuchungs Aktiengesellschaft. LNG has also entered into a farm in agreement relating to 405,080 acres of prospective argillite formation in Bulgaria with Direct Petroleum Bulgaria EOOD, a subsidiary of TransAtlantic Petroleum Ltd. LNG shares trade on the TSX Venture Exchange under the symbol "LNG".

LNG ENERGY LTD.

Dave Afseth, President & CEO

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this news release constitute "forward-looking information" as such term is used in applicable Canadian securities laws, including information on LNG's current results and expectations regarding the Sling seismic program, including any prospects or leads identified. Forward-looking information is based on plans and estimates of management at the date the information is provided and certain factors and assumptions of management. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risks related to unsatisfactory results of due diligence, international operations and doing business in foreign jurisdictions, risks associated with the oil and gas industry and exploratory and development activities generally (e.g., operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, risks associated with equipment procurement and equipment failure), the risk of commodity price and foreign exchange rate fluctuations, risks related to future royalty rate changes, and risks and uncertainties associated with securing and maintaining necessary regulatory approvals, and counterparty risk related to the stability and viability of the Company's joint venture participants.

Shares Outstanding: 338,719,365

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