



PRESS RELEASE

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Central European Petroleum hands over the first oil obtained from well test to Minister of Economy Jürgen Seidel

Exploration wells are already stimulating growth in rural communities. In case of subsequent oil production, the state of Mecklenburg-Western Pomerania would profit from a direct overriding oil production royalty.

Pudagla / Berlin, 18.08.2011 – The German-Canadian oil company, CEP Central European Petroleum GmbH, today presented a symbolic first canister of oil to the Minister of Economy, Employment and Tourism of the federal state of Mecklenburg-Western Pomerania, Jürgen Seidel, in Pudagla on the island of Usedom. The minister of Economy visited an exploration well on the well site at Pudagla. “It is also mandatory to capture the chances for an economic development. Also with a balanced energy mix of renewable and fossil energy-carriers oil and gas will go on playing an important role for the foreseeable future”, said Seidel. “Crude oil is the base substance for the manufacture of the most varied products of daily live. At least 50 per cent of all items of daily use are based on crude oil”, so the Minister of Economy Seidel.

CEP has already spent approx. 40 million Euros on seismic and exploration wells in Mecklenburg-Western Pomerania and Brandenburg. 15 percent of this investment went towards securing the services of local businesses. “Also the success case will bring a substantial economic growth impulse for this currently structurally weak region. Already now our exploration works impact very positively on the economy of the neighbouring communities through accommodation and provisions for our personnel” explained Jaap Bouwman of CEP Germany.

CEP’s exclusive exploration areas cover approximately 5700 km² in total, along trend of established oil and gas deposits in Mecklenburg-Western Pomerania and Brandenburg; in which the company will produce on success. Early forecasts assume a recoverable volume of over 200 million barrels of the black gold in Mecklenburg-Western Pomerania and Brandenburg. Arithmetically this would independently cover Germany’s oil needs for 66 days, though the actual production would stretch over decades and would thereby secure long-term employment. “An enormous potential when you consider that oil is the basic feedstock for over 6000 products of everyday use”, continues Jaap Bouwman. However, if such production is economical still needs to be explored. Commencement of production is anticipated by 2014 at the earliest.



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About CEP

Central European Petroleum is a German-Canadian oil and gas company, which pursues exploration and production projects in Middle Europe with focus on Germany. Currently CEP explores in licensed areas in Mecklenburg-West Pomerania and Brandenburg possible hydrocarbon deposits and will produce these in case of success. The management of CEP consists of renowned experts of the petroleum industry with broad international experience in the areas of oil/gas exploration, production, operations and financing, which together command more than 300 years of experience in international oil/gas projects. CEP contracts for the operations of its exploration and production activities the most renowned service companies of the oil industry. Central European Petroleum Ltd. was incorporated 2006 in Alberta/Canada. Its 100% subsidiary CEP Central European Petroleum GmbH was incorporated 2008 in Berlin.

Pudagla well

CEP holds a total of 5700km² of exploration licence areas on trend with established oil/gas occurrences in Mecklenburg-West Pomerania and Brandenburg. These areas have last been explored in the 60ies and 70ies by the former state-owned GDR-company Erdöl-Erdgas-Gommern before modern exploration and production methods like 3D seismic or horizontal wells became available. CEP plans to produce with the best presently available techniques occurrences which have not been explored or have not been developable back then. The target-structure of the Pudagla exploration well is located 1750m NW of the well site in a depth of 2680m under the water body of the Achterwasser. The drillers depth of the deviated well will reach a length of 3475m.

Responsibility of CEP

The health and security of the citizens, employees and the nature has highest priority during all drilling activities and are the highest principles of our responsibility:

- CEP directs its work according to the highest national and international safety norms. These are meticulously followed, controlled and often over-achieved
- Precise obedience of the strict safety demands and controls of the authorities
- Invariably using the most modern practices and technologies of oil production
- Consequent safety management as central part of a hazard-conscious planning and execution of all exploratory works
- Responsibility toward and transparent dialogue with the population and the authorities are core to the company culture of CEP