

**PRESS RELEASE**

15 June 2011

**Seven Energy International Limited (“the Company”)  
Re-iterates Commitment to  
Gas Development for the Nigerian Market**

Seven Energy International Limited, the indigenous Nigerian oil and gas development and production company, today refutes comments made in recent newspaper articles and re-iterates its commitment to gas development for the Nigerian market

In reaction to articles in Nigerian-based Next newspaper published on 5 June 2011 and 12 June 2011, the Company refutes allegations that due process was not followed in the entering into a Strategic Alliance Agreement (“SAA”) between its wholly owned subsidiary, Septa Energy Nigeria Limited (“Septa”), and Nigerian Petroleum Development Company (“NPDC”), a subsidiary of Nigerian National Petroleum Corporation (“NNPC”).

The SAA was the result of a three-year discussion with NNPC, NPDC and the Ministry of Petroleum Resources about how to accelerate development of Nigeria’s substantial gas resources for the domestic market in Nigeria. This resulted in Septa Energy entering into a Memorandum of Understanding in 2009 with the Ministry of Petroleum Resources, which was at that time under the previous administration of Dr. Rilwan Lukman, and which ultimately culminated in the signing of the SAA under a successor administration in 2010. The SAA is in respect of NPDC’s interests in Oil Mining Licences (“OMLs”) 4, 38 and 41 onshore in the Niger Delta. The subject OMLs contain substantial gas reserves and the SAA provides the framework under which Septa will provide funding and technical services to NPDC for the development of both oil and gas reserves. The terms of the SAA provide that Septa fund capital and operational expenditure of the fields, as well as support the technical resources of NPDC. Both the Company’s lawyers and NNPC’s lawyers completed a full legal review of the SAA to ensure that the SAA was in full compliance with existing Nigerian legislation.

The SAA is modelled on other valid service contracts, which NPDC has entered into with oil majors since 2000, under previous government administrations and which are still operational. Septa followed the same process with all the requisite approvals by NNPC, NPDC and the Ministry of Petroleum Resources and the terms were set with reference to objective third-party reserves auditor reports of the fields in question.

Seven Energy takes very seriously any allegation regarding its ethical conduct. The Company has not made any illicit payments to government officials or associates of government officials in order to enter into the SAA, and strongly denies any allegations that the Company's subsidiary Septa secured an unfair advantage by paying for private jet trips for the Minister of Petroleum. This would be illegal and in direct contravention of the Company's own internal policies.

In particular, and contrary to the allegations made:

1. Seven Energy has no ownership or other interest in Atlantic Energy Drilling Concept Limited nor its purported contracts with NPDC;
2. Neither Jide Omokore nor any of his companies own, directly or indirectly, any shares in Seven Energy or Septa Energy;
3. Jide Omokore is not a Director of the Company nor of Septa or of any of its affiliates.

**Scott Aitken, Chief Executive Officer said:**

*"These articles have misunderstood the nature of the strategic alliance and have made a series of serious and incorrect allegations. The terms of the SAA do not assign any of NPDC's 55% interest to Septa, but rather provide for Septa to make funding available to NPDC to develop these licence interests in exchange for a share in any incremental production from the licences. It is a means for NPDC to accelerate the development of its fields and ensure that this development occurs. We take risk on the fields and the success of the development programme and benefit only if NPDC benefits."*

**Phillip Ihenacho, Executive Chairman, said:**

*"As a matter of general policy, Seven Energy focuses on the execution of its business strategy and avoids involvement in the press and politics. However, when gross inaccuracies are reported and unfounded allegations of the kind published in these articles are made, the Company has a duty to correct inaccuracies and to defend its reputation."*

*We strongly reject any allegations of wrongdoing and remain committed to all of our projects and partners. We believe that for Nigeria to move forward, the private sector must form professional, constructive partnerships with public sector corporations such as NNPC and NPDC in order to access capital in support of the development of the resources of Nigeria. We are totally committed to gas development for the domestic market and believe that it will be vital in solving the power sector challenges in Nigeria."*



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***Editors' notes***

Seven Energy is a leading indigenous gas- development focused company which is currently participating in US\$1.25 Billion of onshore Nigeria domestic gas supply projects, in private and public – private partnerships. Over time these projects are aimed to deliver 450 MMcf/d of reliable gas production to domestic industry and to the power sector, generating the equivalent average energy consumption of 10 million Nigerians.