

**Max Petroleum Plc  
(the "Company")**

**Astrakhanskiy Licence Status**

**19 July 2010**

Max Petroleum Plc, an oil and gas exploration and development company focused on Kazakhstan, announces today that it has received a letter from the Ministry of Oil and Gas of the Republic of Kazakhstan ("MOG") notifying the Company of the termination of its subsoil use licence for the Astrakhanskiy Block in Western Kazakhstan (the "Astrakhanskiy Licence") due to the Company's failure to comply with the work obligations stipulated under the Licence. The letter does not affect the Company's principal asset, the Blocks A&E licence area.

The Company believes the MOG's position reflects a broader policy change regarding the treatment of subsoil use licences behind in their work obligations. The Company had already decided not to drill an exploration well on the block without a partner and has obtained assurances from its senior lender, Macquarie Bank Limited, and the holders of greater than 85% of its convertible bond holders that a termination of the Astrakhanskiy Licence would not constitute an event of default under the Company's outstanding debt agreements. Accordingly, the Company does not believe the MOG's action will have any material adverse affect on its liquidity, financial condition or prospects. Nevertheless, the Company believes the MOG's action is premature and is consulting with counsel and arranging discussions with the MOG to consider its alternatives.

**Robert Holland, Executive Co-chairman commented:**

"The Company had already determined that its future lies with the exploration and development of its highly prospective inventory of pre and post-salt prospects on Blocks A&E."

**Enquiries:**

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