

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

Operational Update

6 January 2011

Max Petroleum Plc, an oil and gas exploration and development company focused on Kazakhstan, is pleased to announce an operational update of its activities in the Blocks A&E Licence area.

Confirmation of Uytas Oil Discovery

Initial test results from the Cretaceous reservoir in the UTS-1 discovery well indicate a 55 metre oil column with 31 metres of net oil pay. Perforations at depths ranging from 120 to 128 metres and 155 to 158 metres produced 26 degree API gravity crude oil on pump at indicative rates of approximately 24 barrels of oil per day during a brief clean-up period. The duration of the test was limited due to government regulations and the well will be placed on a 90-day long term production test after all necessary government approvals are obtained in the next few weeks.

Based on a probable oil/water contact at 161 metres as indicated by revised petrophysical analysis and current mapping, the potential oil in place for the Cretaceous reservoir is estimated to be between 85 and 135 million barrels of oil. While other Cretaceous fields in the Pre-Caspian Basin from similar depths report recovery factors between 20% to 30% of original oil in place, long-term testing and pressure analysis of the discovery well, combined with confirmation drilling and a new seismic survey specifically focused on these shallow reservoirs will be needed to more accurately define recoverable oil reserves. Enhanced recovery techniques, such as water flooding, may also be needed to improve recovery from such shallow depths with low reservoir pressure.

Additional intervals in the Triassic and Jurassic are currently being tested. A full update will be made as soon as the testing is complete, which is expected in the next several weeks. The Company plans to drill three confirmation wells in the first quarter of 2011 and has tendered for a ZJ-20 shallow rig to drill the wells. The Company also intends to acquire a high-fold 3D seismic survey over the Uytas structure specifically designed to image the shallow reservoirs in the field as soon as practicable.

TPP Extension for the Zhana Makat Field

Government approval has been received to extend the trial production project ("TPP") for the Zhana Makat Field for six months to 1 July, 2011. The TPP extension allows the Company to drill two additional Triassic wells in the field, which the Company intends to drill in the first quarter of 2011. The Company has filed an application to convert Zhana Makat to full field development status, which will allow the Company to develop and produce the field for up to 25 years under the terms of the Blocks A&E Licence.

Drilling

The ZJ-30 drilling rig is expected to spud the ALTW-1 exploration well on the West Altykol prospect and the ZJ-40 rig is expected to spud the ASK-1 well on the Asanketken prospect before 1 February 2011, after additional drilling equipment required to drill the wells is received on location. West Altykol is a Triassic prospect with a 4-way closure and Asanketken is a high potential, salt flank Triassic prospect.

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Richard Hook, Chief Operating Officer of Max Petroleum, is the qualified person that has reviewed and approved the technical information contained in this announcement. Mr. Hook is a member of the Houston Geological Society and holds both Masters and Bachelors of Science degrees in geology.