

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

**Operational Update**

**31 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 on the Blocks A&E Licence area.

The Company has completed initial testing of the UTS-1 well in the Uytas Field, successfully producing 27 degree API oil at an indicative rate of approximately 40 barrels per day from perforations in a Jurassic reservoir from depths of 373 to 377 metres 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 production test after all necessary government approvals are obtained in the next few weeks. Current mapping indicates that the UTS-1 well is approximately 20 metres below the crest of the structural closure creating the reasonable possibility that additional Jurassic reservoirs will be productive elsewhere in the field. The Jurassic reservoirs in the well are of excellent quality, with porosity averaging 29%. A section in the Triassic Formation was also tested and found to be non-productive.

As previously announced, initial test results from the Cretaceous reservoir in the UTS-1 discovery well indicated 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. 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 between 85 and 135 million barrels of oil.

The Company plans to drill three confirmation wells at Uytas over the next several months and has tendered for a shallow rig to drill the wells. These additional wells will give a clearer picture of potential reserves in both the Cretaceous and Jurassic formations. 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.

The Company has also commenced drilling the ALTW-1 exploration well on the West Altykol prospect in Block E, the eighth of 15 post-salt exploration prospects scheduled to be drilled by the Company on Blocks A&E. The total depth of the well will be approximately 1,800 metres, targeting potential reservoirs in the Triassic.

**Robert B Holland III, Executive Co-Chairmen said:**

*"We are pleased with the results of the Jurassic test and anticipate even better results when we drill further updip on the structure. We believe this test, combined with the large volume of oil in place in the Cretaceous, confirms Uytas as a significant post-salt discovery."*

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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.