

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

Operational Update

4 July 2011

Max Petroleum Plc, an oil and gas exploration and development company focused on Kazakhstan, announced today an update of its operations in the Blocks A&E licence area in the Republic of Kazakhstan.

Extension of Trial Production Project for Zhana Makat Field

The Kazakh government has approved an extension of the trial production project for the Zhana Makat field until 15 December 2011, while the Company seeks final regulatory approval to convert Zhana Makat to full field development ("FFD") status under its Blocks A&E exploration and production contract (the "Contract"). FFD approval will allow the Company to develop and produce the field for up to 25 years, as well as grant the Company a right to sell 80% of its crude oil production on the export market under the terms of the Contract.

Sales and Production Update

Following correspondence and recent discussions with local regulatory authorities, Max Petroleum will sell 100% of its crude oil production on the domestic market pending FFD approval, which is projected to be in place during the fourth quarter of 2011. Current oil sales into the domestic market are generating after-tax net proceeds that are approximately \$15-\$17 per barrel lower than comparable export sales. The Company does not anticipate any material adverse impact to its financial condition or its ability to implement its ongoing post-salt and pre-salt drilling programmes as a result of selling domestically during this period.

The Company is currently producing approximately 2,200 barrels of oil per day ("bopd"), generating approximately \$3.5 million in net proceeds per month from domestic oil sales. The Company expects daily production to increase to more than 3,000 bopd during the third quarter of 2011 as four additional wells are brought onto production, including the ZMA-ET1 and ZMA-ET2 wells recently drilled in Zhana Makat, the BOR-3 well in the Borkyldakty Field, and the ASK-1 well in the Asanketken Field.

Drilling Update

The BOR-3 appraisal well in the Borkyldakty Field has reached a total depth of 1,688 metres, with electric logs indicating 28 metres of net oil pay in five Triassic sandstone reservoirs at depths ranging between 1,366 and 1,556 metres. Reservoir quality appears excellent with porosities ranging from 18% to 25%. The Company is running production casing in the well, which will be completed using a workover rig and placed on production in July 2011 under the terms of the trial production project ("TPP") for the Borkyldakty Field.

Following BOR-3, the rig will move on to drill the KZIE-1 exploration well on the East Kyzylzhar 1 prospect followed by the SAG-1 exploration well on the Sagiz West prospect, both of which are located in Block E. A second shallow rig is on location at the Uytas Field and is expected to begin drilling the first of three appraisal wells in early July 2011. When the rig has finished drilling all three Uytas appraisal wells it will move on to drill the ZLGS-1 exploration well on the Zhalgyz South prospect in Block A.

The Company has tendered for a third shallow drilling rig to drill the ASK-2 well in the Asanketken Field to accelerate the drilling of Max Petroleum's shallow exploration, appraisal and development programme. The Company expects to spud the ASK-2 well in mid-August 2011. Furthermore, the Company is on plan to begin drilling the pre-salt NUR-1 well in the Emba B prospect on Block E in the latter half of the third quarter of 2011.

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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.