

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

Operational Update

28 December 2011

Max Petroleum Plc, an oil and gas exploration and production company focused on Kazakhstan, today announces an operational update of its activities in the Blocks A&E Licence area in the Republic of Kazakhstan.

Results of SAGW-2 appraisal well

The Company has completed drilling the SAGW-2 appraisal well in the Sagiz West Field on Block E with the well reaching a total depth of 1,451 metres without encountering producible hydrocarbons. Extensive shows of oil and gas were seen in the well throughout the Triassic section, indicating close proximity to the edge of the Field. The Company is integrating the results of the well into the geophysical evaluation of the Field, and still plans to proceed to drill two additional appraisal wells beginning in January 2012. The SAGW-2 well will be cased for future use as an injection well during future field development.

Production testing begins in SAGW-1 well

The SAGW-1 well has begun testing in the lower-most Triassic reservoir from depths between 1,273 and 1,280 metres. The well flowed from this interval at an initial rate of 82 barrels of oil per day, with no water. This interval exhibits lower porosity and permeability than the four shallower Triassic zones which will be progressively tested in this well. The current zone appears a good candidate for stimulation to enhance productivity, such as hydraulic fracturing. The well will be recompleted into a shallower reservoir in January 2012.

Drilling update on NUR-1 well

The NUR-1 well is currently drilling below 4,200 metres, and is on track to reach total depth in April 2012 as expected.

Michael B. Young, President and CFO, commented:

"While not commercial, the SAGW-2 well has provided additional insight into the shape of the eastern flank of the Field, and we remain confident that we can successfully appraise the Sagiz West discovery with the next two wells."

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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.