



6 February 2012

Press Release

## Ukraine – Spud of Makeevskoye-21 Well

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Kulczyk Oil Ventures Inc. (“**Kulczyk Oil**”, “**KOV**” or the “**Company**”), an international upstream oil and gas company, is pleased to report that the Makeevskoye-21 (“**M-21**”) well in Ukraine has commenced drilling. The well is operated by KUB-Gas LLC (“**KUB-Gas**”), a partially-owned subsidiary in which KOV has a 70% effective ownership interest.

### **Makeevskoye-21**

The M-21 well has a projected total depth (“**TD**”) of 2,200 metres and is expected to take approximately 45 days to reach TD. The primary objective of the well is to evaluate the potential of the R8 zone at a depth of approximately 1,450 metres. The R8 zone was originally discovered in the M-19 well drilled in the second half of 2010. A secondary objective, a seismic anomaly in the R17 zone at a depth of approximately 1,990 metres, will also be evaluated by the well. The rig move to M-21 took more than three weeks longer than expected due to unusually warm weather in eastern Ukraine much of January which made the transportation of heavy loads impossible with existing equipment.

The M-19 well commenced production in July 2011 at an initial rate in excess of 5.5 million cubic feet per day (“**MMcf/d**”) and was projected at that time to produce at an average of 4 MMcf/d (2.8 MMcf/d net to KOV) during the second half of 2011. Actual average production from the M-19 well during the second half of 2011 was approximately 5 MMcf/d and current production is approximately 5.2 MMcf/d (3.6 MMcf/d net to KOV).



## *About Kulczyk Oil*

*Kulczyk Oil is an international upstream oil and gas exploration and production company with a diversified portfolio of projects in Brunei, Syria and Ukraine and with a risk profile ranging from exploration in Brunei and Syria to production and development in Ukraine. In addition, KOV has an option to participate for a 9% net indirect working interest in OML 42 in Nigeria. The common shares of the Company trade on the Warsaw Stock Exchange under trading symbol "KOV".*

*In Brunei, KOV owns working interests in two production sharing agreements which gives the Company the right to explore for and produce oil and natural gas from Block L and Block M. KOV owns a 90% working interest in Block L, a 1,110 square kilometre (275,000 acre) area covering onshore and offshore areas in northern Brunei and a 36% working interest in Block M, a 1,505 square kilometre (372,000 acre) area onshore in southern Brunei.*

*In Ukraine, KOV owns an effective 70% interest in KUB-Gas LLC. The assets of KUB-Gas consist of 100% interests in five licenses near to the City of Lugansk in the northeast part of Ukraine. Four of the licenses are gas producing.*

*In Syria, KOV holds a participating interest of 50% in the Syria Block 9 production sharing contract which provides the right to explore for and, upon the satisfaction of certain conditions, to produce oil and gas from Block 9, a 10,032 square kilometre (2.48 million acre) area in northwest Syria. The Company has an agreement to assign a 5% ownership interest to a third party which is subject to the approval of Syrian authorities, and which, if approved, would leave the Company with a remaining effective interest of 45% in Syria Block 9.*

*In Nigeria, KOV has an option until 31 March 2012 to participate for a 9% net indirect interest in OML 42, an 814 km<sup>2</sup> license area in the Niger Delta with oil production and shut-in oil and gas producing capability.*

*The main shareholder of the Company, Kulczyk Investments S.A. owns approximately 45 % of the issued common shares. Kulczyk Investments S.A. is an international investment house founded by Polish businessman Dr. Jan Kulczyk.*

For further information, please refer to the Kulczyk Oil website ([www.kulczykoil.com](http://www.kulczykoil.com)) or contact the following:

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**Translation:** *This news release has been translated into Polish from the English original.*

**Forward-looking Statements** *This release contains forward-looking statements made as of the date of this announcement with respect to future activities of KUB-Gas and related to its five license areas in Ukraine and to certain wells drilled or seismic activities undertaken within those license areas that either are not or may not be historical facts. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable as of the date hereof, any potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors that could impair or prevent the Company from completing the expected activities on its projects include that the Company's projects experience technical and mechanical problems, there are changes in product prices, failure to obtain regulatory approvals, the state of the national or international monetary, oil and gas, financial, political and economic markets in the jurisdictions where the Company operates and other risks not anticipated by the Company or disclosed in the Company's published material. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties and actual results may vary materially from those expressed in the forward-looking statement. The Company undertakes no obligation to revise or update any forward-looking statements in this announcement to reflect events or circumstances after the date of this announcement, unless required by law.*

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