



ASX RELEASE

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Somerton Energy to join Gippsland basin Wombat gas project

Somerton Energy Ltd will join Beach Energy and Lakes Oil NL in a program to test the commercial gas potential of the Wombat tight gas accumulation in the onshore Gippsland basin permit PRL 2.

Subject to completion of final documentation, Somerton will acquire from Lakes Oil NL, up to a 5% interest in PRL2 by funding 33.3% of the cost to fracture stimulate and test the Wombat-2 and Boundary Creek-2 wells, at an estimated cost to Somerton of up to \$3.33 million.

Somerton has an option to earn a further 11.7% interest (to bring its total interest to 16.7%) by contributing a further \$13.33 million (bringing total expenditure to \$16.7 million) to further appraisal and development of the Wombat field.

The Wombat tight gas accumulation in the onshore Gippsland basin in eastern Victoria has been estimated by Gaffney, Cline & Associates to contain a 2C Contingent Gas Resource ("Development Pending/Uncertain") of 329 BCF.

Wells in the field have flowed gas on Drill Stem Test (DST) at rates of 0.48 million standard cubic feet of gas per day (mmscfd) and up to 4.3 mmscfd after fracture stimulation. If such rates can be achieved on a sustained basis, development of the Wombat accumulation may be economically viable.

The purpose of the testing program, which will be operated by Beach, will be to determine whether economic gas flow rates can be achieved on a sustained basis.

Fracture stimulation of Wombat-4 is expected to be carried out in the first quarter of 2011.

Somerton Energy managing director, Hector Gordon, said, "This is the first new asset acquired since the restructure of Somerton and follows the successful capital raising which has established a solid financial base for the company."

"The Wombat tight gas accumulation presents Somerton with the enticing prospect of commercialising the very large gas volumes in place. While the project is technically challenging Somerton has confidence in Beach Energy's ability to thoroughly assess the commercial prospects of the project," Mr Gordon said.

"Somerton's close association with Beach Energy provides the company and shareholders with good potential for the creation of value from the Wombat project as well as the potential for future projects to the benefit of shareholders.

About Somerton Energy

Somerton Energy was created out of the former Victorian focussed oil and gas exploration company, Essential Petroleum.

Somerton recently completed a capital raising of \$12.5 million consisting of a share placement for \$0.7 million and a rights issue which realised realised \$11.8 million.

The company now has 141 million shares on issue and has a market capitalisation of approximately \$18.4 million (@ \$0.13/share)

Beach Energy remains the company's largest shareholder with a 57% interest.

Somerton holds around \$10.5 million in cash.

Apart from the interest in PRL 2 in the Gippsland basin Somerton Energy holds three exploration tenements in Otway basin.

For further information contact:

Corporate

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GAS FLARE FROM WELL TESTING IN WOMBAT FIELD

