

**NOCAL PRESS RELEASE**  
**December 17, 2007**

The National Oil Company of Liberia (NOCAL) is pleased to inform the public that NOCAL has reached an agreement on the Production Sharing Contracts with European Hydrocarbons/Regal. The Addendums to the Contracts have effectively addressed all the remaining issues especially matters relating to taxes, work commitments, bonuses, training fund, and hydrocarbon development fund.

Regal Petroleum Plc is an independent oil and gas exploration and production group based in the United Kingdom. The group is focused on the exploration, development and production of oil and gas assets in Ukraine, Romania, Egypt, Greece and Liberia. The group's principal activity is exploring for, developing and producing oil and gas. The group operates underdeveloped gas and condensate fields located in the Dneiper-Donets Basin in the North East of Ukraine. There is also operations for License Exploration Blocks that lie proximal to existing fields and infrastructure in Romania. In Greece, the Prinos Field is located in the Aegean Sea close to the Greek mainland. Prinos produces an excess of 100 million barrels of oil.

European Hydrocarbons was formed in 2003 to take interests in explorations and production acreage offshore Greece. This acreage has large potential reserves and resources, with discovered, underdeveloped hydrocarbons awaiting exploitation. This group is based in the United Kingdom. In 2007, European Hydrocarbons acquired 100 percent of Regal.

These Agreements were signed by the parties in Monrovia on Friday December 14, 2007. Some main features of the agreement include:

1. Adherence to the Environmental Protection Law of Liberia.
2. Payment of US\$500,000 (Five Hundred Thousand United States Dollars) (One time Payment) to the Hydrocarbon Development Fund
3. Adherence to the Labor Laws of Liberia; obligation on the part of the Contractor/Sub-contractor to award only to Liberians all contracts below US\$200,000 (Two Hundred Thousand United States dollars). For contracts above US\$200,000 (Two Hundred Thousand United States dollars) there must be Liberian participation (Article 3-6.6).
4. Contractor to pay taxes (agreement before did not provide for that), however due to the huge amount to be paid for commercial production (excess of 3 billion United States dollars) Contractor will be provided a ten (10) year tax holiday.
5. All efforts on the part of the Contractor to drill a well in the First Period.
6. That all payments made under contract shall be made in accordance with protocols laid down by the Extractive Industries Transparency Initiative (EITI).

The Agreements will now be forwarded to the President of Liberia, Her Excellency, Madam Ellen Johnson-Sirleaf, for approval at which time they will become effective. This is in line with the Petroleum Law of Liberia Chapter II Section 2.1

European Hydrocarbons/Regal has been granted exclusive exploration authorization in their respective blocks for a period of eight (8) years broken down into three phases of four (4) years for phase one, two (2) years for phase two and another two (2) years for phase three, each at the request of the Contractor subject to the fulfillment of the exploration work commitments at each phase.

If commercially exploitable oil is found at the end of the eight year period or before, the Oil Company will have an Exploitation/Production Period of 25 years during which time we anticipate tremendous economic benefits to the nation and people of Liberia, including the creation of employment opportunities and a number of service oriented enterprises as well as the emergence of a number of midstream and downstream activities.

Signed: The Management  
National Oil Company of Liberia