



03 August 2011

Manager Announcements  
Company Announcements Office  
Australian Securities Exchange  
10th Floor, 20 Bond Street  
SYDNEY NSW 2000

### Triple Crown Testing Program Update

- *Drilling rig completing last well before mobilising to site*
- *Operations due to commence within next 3 weeks*

The Board of Challenger Energy Ltd ("Challenger") is pleased to announce that the drilling rig which will undertake the next stage of operations is likely to be onsite in late August. After a number of delays, the rig has commenced operations on the final well of a program with another operator, after which it will mobilise to the Triple Crown site.

The planned testing program includes a sidetrack from the existing wellbore to test the Ellenburger Formation (OGIP of 1.6 TCF) and secondly a hydraulic fracture stimulation of one of the intervals in the "Hybrid Zone" that demonstrated high (8-10%) mud log gas shows during drilling. This Hybrid Zone has been calculated to have an OGIP of 7.4 TCF.

Further updates will be provided as the well progresses.

Yours faithfully,

For and on behalf of Challenger Energy Limited

A handwritten signature in blue ink, appearing to read "Paul Bilston".

**Paul Bilston**  
**Managing Director**

For further information please contact Mr Paul Bilston on 0402 060 405.

## **Forward Looking Statements**

This announcement contains “forward-looking statements”. Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to oil & gas prices and foreign exchange rate movements; estimates of future oil & gas production and sales; estimates of future cash flows, the sensitivity of cash flows to oil & gas prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of reserves and statements regarding future exploration results and the replacement of reserves; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to oil and gas price volatility, currency fluctuations, increased production costs and variances in reserves or recovery rates from those assumed in the company’s plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.