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17 June 2011

Bayfield Energy Holdings PLC

Intention to Float on AIM

Bayfield Energy Holdings PLC ("Bayfield", "the Company", or together with its subsidiaries "the Group"), an independent oil and gas exploration and production group with key assets in Trinidad and Tobago, is pleased to announce its intention to apply for admission to AIM, a market of the London Stock Exchange Plc ("Admission"), and to proceed with an initial public offering of its ordinary shares to institutional and other investors in the United Kingdom ("IPO").

Overview of Bayfield

- Founded in 2008 by former executives of Burren Energy plc ("Burren").
- The Company has a board and management team with considerable experience in the oil and gas industry.
- Directors, Management and related parties have invested US\$47.5 million to date.
- The most significant of the Group's interests is in Trinidad and Tobago where, in April 2009, it secured a twenty-five year licence over the Galeota Block (65% working interest) and, consequently, assumed operatorship of the producing Trintex Field. Cumulative oil production from the Trintex Field was approximately 26.4 MMBbl by the end of 2010. The Galeota Licence covers an area of approximately 122 km² in the prolific hydrocarbon-rich Columbus Basin off the south-east coast of Trinidad in water depths between 30 and 45 metres.
- Net Proved plus Probable ("2P") Oil Reserves of 19.32 MMBbl and net unrisksed 2C Contingent Resources of 24.67 MMBbl of oil. All of these Reserves and Resources are in Trinidad.
- A jack-up drilling rig has been contracted to drill seven appraisal/exploration wells in the Galeota Block in 2012 and the first half of 2013 to access 100 MMBbl + of Net Unrisksed Prospective Resources
- The Group has increased average gross production since commencing operatorship from 837 bopd in May 2009 to 1,265 bopd in April 2011. The Directors expect to achieve average gross production from the Trintex Field of approximately 2,500 bopd in 2011 and forecast that this will peak at 8,000 bopd in 2013.
- In February 2011, the Group acquired a controlling shareholding in Astrakhan Gas & Oil Company (previously a subsidiary of Burren) which has exploration interests in the Astrakhan region of southern Russia. The area covers approximately 1,500 km² of the Volga Delta.
- The Group has applied for a three year exploration licence over the Pletmos Inshore Block in South Africa and expects to be granted the licence shortly. The block is situated off the south coast of South Africa covering an area of approximately 10,800 km².

Strategy

In the near term the strategy of the Group is to focus on its operations in Trinidad with the principal objectives of fulfilling its work programme commitments within the Galeota Block. These comprise redevelopment work in the Trintes Field with the aim of increasing production and enhancing cashflow and a drilling programme of seven appraisal/exploration wells.

Bayfield may seek to acquire additional acreage in Trinidad and Tobago or in other favourable jurisdictions. Opportunities sought in relation to exploration or existing producing fields will have low entry costs and high equity participation to permit Bayfield to exercise control.

Key Strengths of the Group

The Group is well positioned to benefit from a number of contributing factors:

- Trinidad is a proven jurisdiction for the exploration and production of hydrocarbons
- The Group has a balanced portfolio of interests providing current production, near-term development, appraisal and exploration opportunities across recognised hydrocarbon regions
- The Group's technical and commercial management has substantial international experience in the E&P industry
- The Board has a track record of creating and realising shareholder value

The IPO

The Directors believe that the Group has reached a stage in its development where it is appropriate to seek admission to AIM, a market on which the shares of a number of other natural resource companies are quoted. Admission to AIM will provide Bayfield with access to capital markets, provide a market for its shares and increase the profile of the Company.

The proceeds of the IPO will be used to finance the Group's work programme commitments. Most significantly, the Company has committed to drill seven appraisal and exploration wells within the Galeota Block. The Group also plans to increase production within the Trintes Field through workovers, side-tracks and extended reach drilling to access undeveloped areas of the Trintes field.

The Company has appointed Seymour Pierce as nominated adviser and broker.

Bayfield Energy CEO, Hywel John, said:

"We are offering investors the opportunity to share in significant potential upside as we rapidly cycle the funds we raise in the IPO process through the business. Our contracting of the Rowan Gorilla III jack-up rig presents a defined work programme for our Trinidad and Tobago assets with the potential to deliver substantial increases in shareholder value within a two-year time frame."

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Assets and Operations

Galeota Block, Trinidad & Tobago

The Galeota Block is situated within the established oil play of the Columbus Basin in shallow waters off the south-east coast of Trinidad. Trinidad has a long history of oil production and more recently has established itself as a significant exporter of natural gas from its offshore fields. Trinidad is the largest exporter of LNG to the United States. The oil and gas industry accounts for approximately 80 per cent. of exports and five per cent. of total employment. In 2010, BP estimated total crude oil Proved Reserves to be approximately 800 MMBbl and estimated natural gas reserves to be approximately 15.4 TCF (*Source: BP Statistical Review*). Trinidad's endowment of natural resources has attracted significant levels of foreign direct investment. Major oil and gas companies such as BG, BHP Billiton, BP, Centrica, Chevron and Repsol have established operations in Trinidad.

The Galeota Licence covers 122 km² in the shallow waters of the prolific hydrocarbon-rich Columbus Basin off the south-east coast of Trinidad. The Galeota Block contains the Trintres Field, which was discovered in 1963 and commenced production in 1972. In addition, there are five other discoveries, referred to as East Galeota, which were drilled between 1964 and 1985 but were not developed because they were considered to be non-commercial at that time. The Galeota Block transferred to Petrotrin in 1986 which completed a 3D seismic survey in 1999 but did not conduct any further drilling prior to the award of the Galeota Licence. The Group's evaluation of these discoveries, based on the well data, the interpretation of the reprocessed 3D seismic data and the acquisition of further 3D seismic data in 2010, demonstrates significant upside potential.

During 2010, Bayfield Galeota completed a 240 km² 3D seismic survey and acquired 200 km of 2D seismic data. The new seismic data is being used to refine the structural interpretation and define new well locations. Exploration and appraisal drilling is planned to start early in 2012. In terms of the Group's plans for the additional Reserves and Resources around the Trintres Field and for the five East Galeota discoveries, preliminary scoping has been carried out and exploration drilling is currently ongoing which is expected to increase Reserves and development.

The Trintres Field

Trintres commenced production in 1972 and consists of five main reservoir zones ranging in depth from less than 150 metres to approximately 600 metres. A total of 62 development wells have been drilled and there are currently 20 wells in production from four fixed steel platforms. A 10 km sub-sea pipeline carries production from the field to the Company's storage tanks.

The Group has an ongoing platform-based rig programme to work over the existing well inventory and to drill new side track wells which is targeted to increase production to over 3,700 bopd by the end of 2011. The Group has agreed to acquire a platform-based slant rig to drill a number of the new side track wells and this rig is expected to be delivered to Bayfield Galeota during June 2011.

Commercial terms for the sale of Bayfield Galeota's share of production are set out in a Crude Oil Sales Agreement ("COSA") entered into in May 2009 following the award of the Galeota Licence. The COSA obliges Petrotrin to continue to accept all crude production from the Galeota Licence Area for the duration of the Licence. The quality of crude oil produced is variable between the different layers in the Trintres Field but is currently estimated by the Directors to be in the range of 26^o-30^o API.

Karalatsky Block, Russia

Bayfield Alpha is a 74 per cent. shareholder in AGOC which is a Russian operating company based in the Astrakhan region of southern Russia. AGOC was awarded a 100 per cent. interest in the Karalatsky Licence in October 2006 which has an initial exploration term of nine years. The Karalatsky Block (1,500 km²) is located within the lightly explored southern onshore portion of the Volga delta. This region is part of the emerging Northern Caspian petroleum province where two billion boe (68 per cent. oil, 32 per cent. gas) have been discovered in the last 10 years. No wells have been drilled in the Karalatsky Block but a 1,000 km seismic programme carried out in 2007-2008 identified a shallow (1,300 m) Jurassic play with numerous leads which is underlain by the Palaeozoic Karakul fold belt. The Directors believe that this prospective geological setting is an analogue of the producing Beskulskeye oil field located to the north-west in an adjacent block. The Group acquired an

additional 200 km of 2D seismic data in 2011 to assist in the determination of a drilling location for the first well to be drilled in 2012. Under the terms of the extension to the Karalatsky Licence the Group has obligations to drill two exploration wells prior to October 2015.

Pletmos Inshore Block, South Africa

The Group made an application for an exploration licence for petroleum in the Pletmos Inshore Block (10,800 km²) to the Petroleum Agency of South Africa on 24 February 2010, which was accepted on 10 March 2010. Pre-award requirements, including an environmental study, were completed in January 2011 and final ministerial approval of the licence is expected shortly.

The Pletmos Inshore Block is located in the shallow water Pletmos sub-basin off the southern coast of South Africa within the greater Outeniqua basin where over four TCF of gas equivalent have been discovered to date. The Pletmos Inshore Block is 200 km from the Mossel Bay gas-to-liquids plant which has spare capacity. No exploration has occurred in the Pletmos Inshore Block since 1990. Previous exploration efforts by Soekor (the then South Africa state oil company) between 1970 and 1990 had focused on syn-rift structures and resulted in the discovery and appraisal of the Ga-A field, located to the south of the Pletmos Inshore Block and a gas discovery in the Ga-V1 well, located in the south-west of the Pletmos Inshore Block. Should the Group's application be successful it intends initially to acquire 2D seismic data.

Board of Directors

Upon Admission, the Board will consist of five Directors, each with significant oil and gas and/or public company experience.

Finian O'Sullivan, Executive Chairman (aged 56)

Finian O'Sullivan holds an honours degree in Geology from University College Galway. Finian has pursued an international career in the oil industry spanning 32 years with Chevron, Geophysical Systems, Olympic Oil and Gas and Burren Energy. Finian founded Burren Energy in 1994 and developed its business in Turkmenistan and West Africa leading to Burren's flotation on the London Stock Exchange with a market capitalisation of £175 million in 2003. As Chief Executive, Finian expanded Burren's activities with successful exploration and steady growth in production. In 2008, Burren Energy was sold to Eni for £1.7 billion.

Hywel John, Chief Executive Officer (aged 47)

Hywel John holds an honours degree in Law from Cambridge University. Following qualification as a Chartered Accountant with Arthur Andersen in London he held progressively senior roles in the oil and gas sector with Kerr McGee and PowerGen North Sea. Hywel worked for Burren Energy between 2000 and 2008 in a number of executive positions with legal, commercial and financial responsibilities including being Burren's operating committee representative on the 50,000 bopd M'Boundi Field in Congo (Brazzaville). Most recently he was Chief Financial Officer of Candax Energy, a Canadian oil and gas company listed on the Toronto Stock Exchange.

Andrey Pannikov, Non-Executive Director (aged 61)

Andrey Pannikov has worked in the oil industry for almost 30 years. He was a co-founder of Lukoil and, in 1990, he established Urals Trading to work in Russia, Kazakhstan and Western Europe. In 1995, Andrey became a director and major shareholder in Burren Energy and continued to be a substantial shareholder in the company until its sale to Eni in 2008.

Jonathan Cooke, OBE (aged 68)

Jonathan Cooke served in the Royal Navy for over 30 years during which time he commanded a squadron of nine submarines and served operationally in Indonesia and the Falklands. More recently he served as a British naval attaché in Paris. He left the Royal Navy having obtained the rank of Commodore in 1996 and became Clerk of The Leathersellers' Company. In 1997 he became a Non-Executive Director of the Anglo Siberian Oil Company plc prior to its flotation on AIM and remained a director until it was acquired by Rosneft in 2003.

David MacFarlane, Non-Executive (aged 54)

David MacFarlane is an economics graduate and Chartered Accountant. He has more than 25 years experience in financial control and management in the upstream oil and gas industry. Between 1985

and 1993 he was Finance Director of the MOM Group, later becoming Finance Director for two key sub-groups of John Wood Group plc. He joined Dana Petroleum in 2002 from Amerada Hess where, during the previous six years, he headed finance for its fast growing international exploration and production group. David was Finance Director of Dana Petroleum when it was acquired by Korea National Oil Corporation in 2010 for £1.87 billion, representing a premium of 59 per cent. to the pre-bid share price.