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Acer Energy Limited

Level 14, 133 Mary Street

Brisbane QLD 4000

PO Box 15170 City East QLD 4002

T +61 7 3007 7900

F +61 7 3007 7999

www.acerenergy.com.au

Flax Field Work-Over Campaign Commences

Acer Energy Limited (ASX: ACN) is pleased to announce that Savanna's Rig 66 is on location at the Flax field and has today commenced the first of a series of multi well work-over activities on its 100% owned, operated and producing Flax oil field (PRL 14) in the Cooper Basin.

Applying the findings from the Schlumberger Tight Reservoir Study, Acer Energy is utilising the services of several key partners including Savanna and Halliburton Australia in a work-over campaign aimed at further appraising the Flax field and increasing oil production. The campaign will be undertaken over several months and include the following key activities:

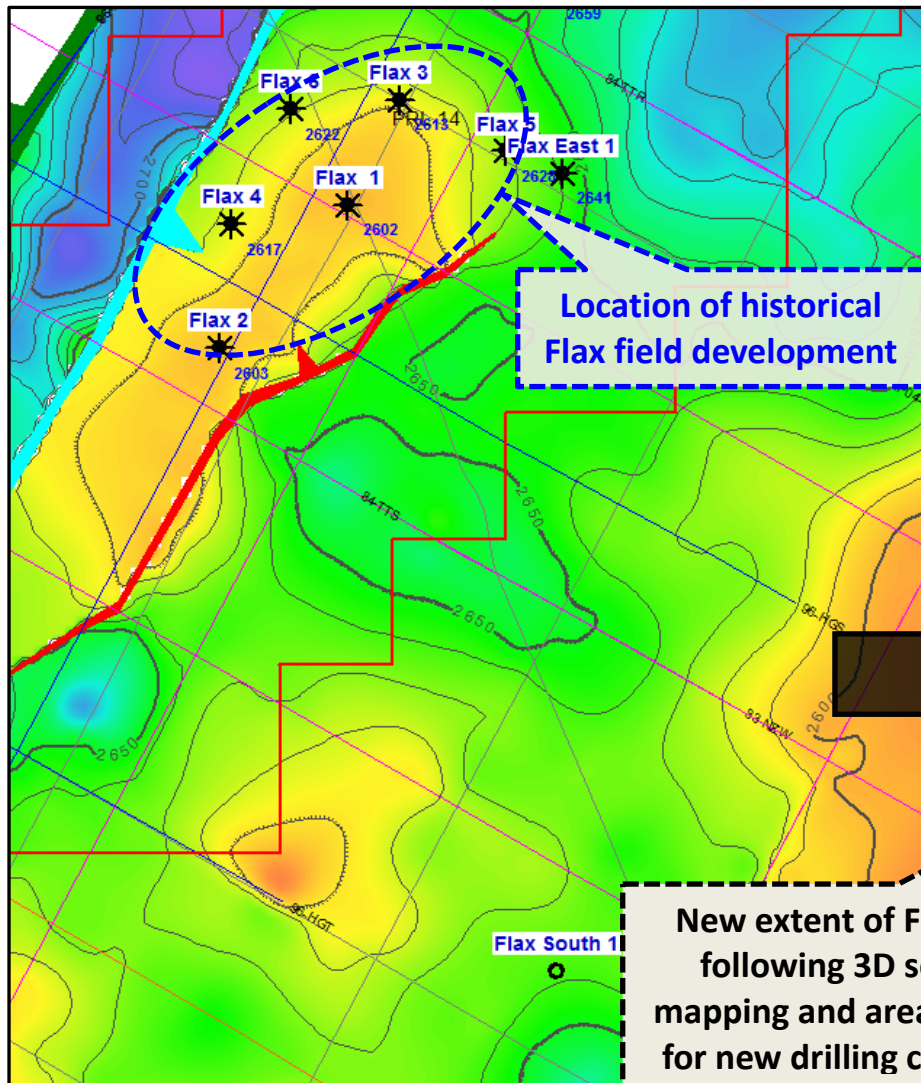
- 1) the recompletion, hydraulic fracture stimulation and production testing of:
 - previously untested up-hole Patchawarra formation pay intervals;
 - a previously fracture stimulated pay interval; and
- 2) the installation of artificial lift in a selected well.

Primary objectives of the work-over campaign are to:

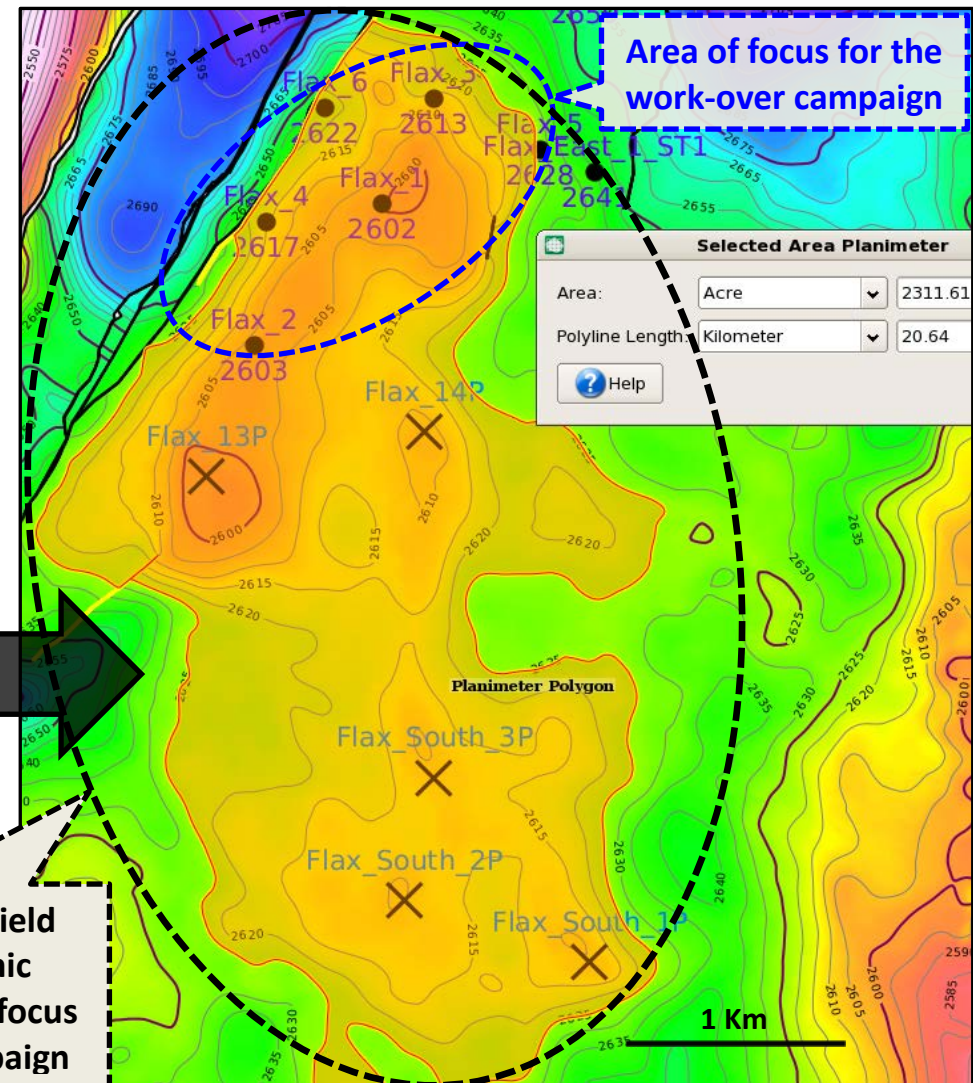
- Determine the effectiveness of the larger modern designed hydraulic fracture stimulations in both new pay intervals and in previously stimulated pay intervals.
- Test the hydrocarbon composition and productivity of previously untested "up-hole" Patchawarra formation pay intervals. The results of which will provide data to:
 - (i) determine reservoir quality and resource volume estimates for the new reservoirs; and
 - (ii) assist in high grading the development of other target pay intervals in existing wells and where the same/similar reservoirs are encountered in new wells.
- Test the level of improved well productivity from the use of artificial lift.

The results of the Flax field work-over campaign will be a key input into the well completion design for the new multi well (3 – 6 well) appraisal and exploration drilling campaign scheduled to commence in October 2012. A key component of the new well campaign will be the appraisal of a potential large southern extension of the Flax field which has been mapped following interpretation of the new 3D seismic (refer map below).

Top Tirrawarra Depth Map – 2D Seismic - 2008



New Top Tirrawarra Depth Map – 3D Seismic - 2012



For further information contact

Clint Adams
Managing Director
Acer Energy Limited
T: (07) 3007 7900

Simon Cunningham
Chief Financial Officer
Acer Energy Limited
T: (07) 3007 7900