

## **Avana Petroleum - Camac Energy: \$15 mn Definitive Agreement**

*By Avana Petroleum Limited*

*Dated: Dec 31, 2011*

*Avana Petroleum Ltd's principal shareholders and Camac Energy Inc have signed a definitive agreement whereby Camac Energy will acquire 100% of the issued share capital of Avana Petroleum for a total \$15mn payable in Camac Energy common stock*

The principal shareholders of Avana Petroleum Limited ("Avana"), a private Isle of Man company, have signed a definitive agreement with CAMAC Energy Inc (NYSE Amex: CAK) ("CAMAC Energy"), that, following completion of the transactions contemplated by the agreement, will result in the acquisition of 100% of the issued share capital of Avana. The total purchase price is US\$15 million, payable in shares of CAMAC Energy's common stock in three tranches. The first tranche of US\$10 million is payable upon completion and the second and third tranches of US\$2.5 million payable at six-month intervals thereafter. The transaction is subject to a number of conditions to closing and is expected to conclude during the first quarter of 2012.

Avana's primary asset is a 25% participating interest in an approximately 15,000 km<sup>2</sup> (3.7 million acre) exploration area in the Seychelles operated by its partner East Africa Exploration, a wholly owned subsidiary of Afren Plc (LSE: AFR) ("Afren"). The acreage has been independently estimated to contain 464 million barrels of oil equivalent of gross prospective resources. Additionally, Avana is finalising the acquisition of a 10% interest in a 5,110 km<sup>2</sup> (1.3 million acre) exploration block offshore Kenya operated by Dominion Petroleum Limited (LSE Aim: DPL) ("Dominion"), the production sharing contract for which was awarded in May 2011.

As part of the transaction, Sam Malin, CEO of Avana Petroleum will join CAMAC Energy as a business development consultant focused on securing additional assets in prospective East African basins.

Sam Malin, Chief Executive Officer of Avana, commented that "The signing of the definitive agreement is a key step in Avana's achieving its objectives. Completion of this transaction will further our strategic vision of creating an independent Pan-African exploration and production group whilst also fulfilling our goal of achieving a public listing on an internationally recognised stock exchange. We look forward to working with CAMAC Energy to achieve completion of this transaction."

### About Avana Petroleum Limited

Avana Petroleum Limited is an independent oil and gas exploration group incorporated in the Isle of Man in 2007. Avana's core area of interest centres on the western Indian Ocean and East African margin, which Avana has strategically recognised and selected as they are considered highly prospective and amongst the last underdeveloped hydrocarbon frontiers relatively unexploited on a commercial scale. Key members of the Avana team have been active in the region since the early 1990s and before. Also, several team members were instrumental in the identification of the economic potential of Madagascar's heavy oil resources and the subsequent appraisal of these assets moving them towards eventual development.

### About CAMAC Energy Inc.

CAMAC Energy Inc. (NYSE Amex: CAK) is a U.S.-based energy company engaged in the exploration, development and production of oil and gas. The Company currently has operations in Nigeria and, through its Pacific Asia Petroleum subsidiaries, in China. The Company's principal assets include interests in OML

120 and OML 121, offshore oil leases in deepwater Nigeria that started production from the Oyo Oilfield in December 2009, and a 100% interest in the Zijinshan Block gas asset located in the Shanxi Province, China. The Company was founded in 2005 and has offices in Houston, Texas, Beijing, China, and Lagos, Nigeria.

#### Forward-Looking Statements

Avana Petroleum Limited is referred to below as the “Company” and the Acts referred to below are those of the United States of America.

This press release contains certain statements that may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, are “forward-looking statements,” including statements regarding the Company’s proposed transactions, business strategy, plans and objectives and statements of non-historical information. These forward-looking statements are often identified by the use of forward-looking terminology such as “will,” “should,” “believes,” “expects,” “anticipates” or similar expressions, and involve known and unknown risks and uncertainties.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of their respective dates. Risks and uncertainties regarding the transactions described herein include the possibility that the parties are unable to reach final agreement, that necessary governmental approvals are not received, that the closing of the transactions does not occur, either due to the failure of closing conditions, rights of the parties to terminate the definitive agreements, or other reasons, risks that the transactions disrupt current plans and divert management from day-to-day operations, and the amount of the costs, fees, expenses and charges related to the transactions. In addition, the Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of other factors. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these factors. The Company does not assume a duty to update these forward-looking statements.

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