
MUSTANG PROJECT – PAY SANDS SUCCESSFULLY INTERSECTED

The Board of Directors (the “Board”) of Alpha Energy Holdings Limited (the “Company”) refers to the announcements dated 29 September 2014, 6 January 2015 and 4 February 2015 and wishes to update on the progress of the SMU-02 well at the Southern Miluveach Unit (“SMU”), otherwise known as the Mustang Project.

Introduction

The Mustang project is located in the North Slope which is a prolific oil producing region in Alaska, USA.

SMU-02 is a slant well and is being drilled from the Mustang Production Pad to a measured depth (“MD”) of approximately 9,200 feet. The SMU-02 will be a vertical injector well when the Mustang Field commences oil production.

Well Progress

The SMU-02 well successfully reached its target depth of 9,140 feet MD. Casing has been run and cemented set to MD and initial logs have been run, these logs will provide further data on the reservoirs intersected.

The well intersected approximately 13 feet of the targeted Kuparuk “C” Sand, which is in accordance with pre drill expectations. Additionally, 15 feet of Kuparuk “A” Sand was intersected below the “C” Sand.

The “A” Sand was not visible on 3D seismic and was not expected to be intersected at this location. The current independently assessed reserves of the Mustang Project make no provision for any “A” Sand reserves.

The “A” Sand is a prolific producing sand in nearby fields and makes up the majority of the 2.7 billion barrels of oil produced from the Kuparuk Sand formation in those fields.

Forward Plan

The SMU-02 well was drilled with a Nabors Drilling 16E rig which was re-commissioned and brought back to operational status to drill the first three wells in Phase 1 of the Mustang Field Development Program, starting with SMU-02.

The next well in the program is expected to commence drilling in the next 30 days.

Whilst the SMU-02 well will become a vertical injector well when the field enters production, it will be flow tested so as to gain additional technical data on the “C” Sand. Flow testing of SMU-02 will take place on the completion of drilling and production testing of the next well in the program.

Mustang Field Geology

The SMU encompasses approximately 12 contiguous square miles (7,680 acres) in the North Slope oil productive region of Alaska. It is located directly north of Tarn field, south of Palm field, and southwest of the 2M drilling pad of the Kuparuk River Unit, Kuparuk field.

Four wells have been drilled into the SMU. These are the Kuparuk River Unit 2L-03 well drilled in the south, the North Tarn 1 and 1A wells situated in the center, and the Mustang 1 well drilled to the eastern side. The wells all encountered Early Cretaceous aged Upper Kuparuk River Formation sandstones which are the objective of the oil development at the SMU and the prolific oil producer in Kuparuk River Unit and Palm fields.

The main oil bearing interval at the Mustang field is the Kuparuk "C" sand, which is a bioturbated shallow marine sandstone. The sand ranges in thickness up to 50 feet in adjacent Kuparuk River Field area. The Kuparuk "C" sand is a clean, blocky, bioturbated and high quality reservoir which exhibits permeabilities ranging from 1 to 300 millidarcies. The reservoir permeability averages 75 millidarcies. Average porosity and water saturation for the SMU are 21.1 percent and 19.3 percent, respectively.

In the four wells drilled within the SMU, the net oil varies from 13 to 25 feet total vertical thickness ("TVT") at an average depth of 6,035 feet true vertical depth subsea, average net oil thickness for the SMU is 17.5 feet TVT.

By Order of the Board

Lim Ka Bee
Company Secretary
18 March 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



Nabors Drilling 16E rig drilling the SMU-02 well – February 2015



Picture taken from Mustang Production Pad -
Noon on the North Slope Alaska on 12 February 2015

The Alpine Oil pipeline can be seen in the background ~250 feet away