

# Centric Energy Corp. Completes Agreements with Tullow Oil for Farm-Out of Kenya Block 10BA

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LONDON, ENGLAND -- ([Marketwire](#) - Sept. 28, 2010) - [Centric Energy Corp.](#) ("Centric Energy" or "the Company") (TSX VENTURE: CTE) announces that the Company and [Tullow Oil PLC](#) ("Tullow") (LSE: TLW) have executed the definitive farm-in and joint operating agreements whereby Tullow will farm-in to a 50 per cent participating interest in Centric Energy's 100 per cent owned Production Sharing Contract covering Block 10BA in north-western Kenya (the "PSC"). The closing of the farm-in is conditional upon the approval of the Kenyan Government and satisfaction of conditions precedent which are expected to be completed within 30 days.

Pursuant to the agreements, Tullow will earn a 50 percent participating interest in the PSC and will assume operatorship in return for:

- reimbursing 50 per cent of Centric Energy's acquisition costs for the PSC which total approximately US\$750,000;
- paying 80 per cent of the first US\$30 million of expenditures under the PSC; and
- assuming 80 per cent of the bank guarantees and parent company guarantees during the period in which it is paying 80 per cent of the expenditures under the PSC.

"Centric Energy is very pleased to have the opportunity to work with Tullow Oil on the exploration of Block 10BA," said Alec Robinson, President & CEO of Centric Energy. "Tullow's success and expertise in a similar geological setting in Uganda will ensure that Block 10BA is explored using the most modern exploration technology and in accordance with recognized international environmental standards and principles. Centric Energy intends to participate fully with Tullow in the exploration program."

In addition to the approval of the Kenyan Government, another condition precedent to the closing of the farm-in is the resolution of a judicial review application filed against Kenyan Ministry of Energy relating to certain exploration permits granted by the Ministry, including the Company's PSC.

In the court proceedings, which were brought by Interstate Petroleum Ltd. ("IPL") against the Permanent Secretary, Ministry for Energy, IPL is seeking a judicial review of the administrative process that led to the issuance of exploration permits in respect of Block 10BA, among others, which resulted in Centric Energy being a named party to the proceedings. A preliminary order, granting IPL leave to seek orders against the Permanent Secretary, has been granted and a hearing date has been set for October 27, 2010. Centric Energy has been advised by its legal counsel in Kenya that the courts in Kenya regularly grant this sort of preliminary order, also known as "granting leave", in applications of this nature as there is no requirement to establish the merit of the claim on the initial application.

The Ministry of Energy has advised the Company that it can carry on with its work program and that its PSC remains in good standing.

Alec Robinson stated, "Centric Energy believes there is no basis for the claims that IPL is making against the Permanent Secretary. We understand that both the Permanent Secretary and the Ministry of Energy share our view in that regard. Centric Energy will work closely with the Permanent Secretary, the Ministry of Energy, the Attorney General's office and other interested parties to ensure that our interest in the Block is safeguarded."

Block 10BA is strategically located within the East African Rift System which is enjoying increasing exploration interest and significant recent success, most notably in the Albertine rift in Uganda, 660 km to the west, which is considered to be the closest geological analog to the Tertiary basins underlying Block 10BA (source: Gustavson Associates, "Resource Evaluation Report, Centric Energy Corporation, Kenya Block 10BA"). Major volumes of hydrocarbons have been discovered by Tullow Oil in the Albertine rift, currently estimated to be approximately 950 million barrels recoverable as stated in the press release issued by Tullow on July 28, 2010

(<http://www.tullowoil.com/index.asp?pageid=137&newsid=672>).

ON BEHALF OF CENTRIC ENERGY CORP.

Alec Robinson  
President and Chief Executive Officer

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**Forward-Looking Statements:**

*This press release includes "forward-looking statements" including forecasts, estimates, expectations and objectives for the completion of the farm-out to Tullow Oil PLC and exploration activities that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Statements regarding future exploration activities and capital expenditures are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas. These risks include, but are not limited to, Centric's ability to procure the funding necessary to pay for its exploration costs, lack of availability of goods and services to complete exploration work, environmental risks associated with oil and gas exploration, regulatory changes and satisfaction of all conditions precedent under the agreement with Tullow Oil. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. The Company does not assume the obligation to update any forward-looking statement except as required by applicable law.*

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