



First Propane Frac of the Utica Shale at St-Augustin: a Successful Test for Junex

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QUEBEC CITY, QUEBEC, Nov 25, 2009 (MARKETWIRE via COMTEX) -- Junex ([JNX](#)) is pleased to announce that it has successfully completed the first propane frac of a Shale in Eastern Canada, at the Junex Saint Augustin-de-Desmaures #1 well. For the first time in Quebec, the Utica Shales were fracture stimulated at shallow depths between 436.5 and 473.5 meters. The frac was performed by GASFRAC Energy Services Inc. of Calgary, using the patented Vantage(TM) technique. The operations consisted of opening the perforations with 1 m³ of acid (HC1-20Be) and injecting 61 tons of sand (40/70) propelled by 251 m³ of propane. During this time, Schlumberger recorded the micro-seismic events associated with fracture generation from an observation well drilled for that purpose. The preliminary results from the micro-seismic analysis indicate that fractures were generated in two zones.

From October 26th to November 12th 2009, Select Production Services of Whitecourt (AB) proceeded to flow the well for clean-up and production testing. According to Select's data, production of 7.4 m³ of oil (47 barrels) and a gas flow, including the injected propane, of 13.2 x 10³m³/day (467 mcf/day) were observed during the first 109 hours. Following this, the oil flow practically stopped (total production of 8.5m³) and the average gas flow was 2,6x10³m³ (92 mcf/day). No sand or water was observed during the test.

On November 9th, production tubing was installed in the well by Foragaz, a division of Junex. Flowing of the well continued until the well was shut-in on November 12th. At the time of shutting-in of the well, the casing pressure was 281 kpag (increasing just before shut-in), the tubing pressure was 4 kpag (decreasing just before shut-in) and a gas flow of 1,210³m³ (42 mcf/day) was measured. The gas composition at the end of the flow period was 50% propane. Junex then installed downhole gauges in the well to measure the pressure build-up. The data from these gauges, as well as data from downhole gauges installed below a bridge plug in the observation well, will be analyzed after their retrieval in two months' time.

On November 12th 2009, Junex delivered 5,570 kg of the crude oil produced during clean-up operations in the St-Augustin well (42 barrels at 36.7 API) to the Ultramar refinery near Quebec City.

"We successfully demonstrated that it is possible to adequately and safely frac the Utica Shale at depths shallower than 500 meters by applying propane technology. Moreover, gas analyses of the St-Augustin #1 well have shown that the Shale contains a gas rich in propane and butane, however we were surprised by the significant presence of high quality light crude oil. We note that, for the first time, the north shore of the Lowlands Basin, as opposed to the heart of the basin, can harbour light oil, which can present a technical challenge for natural gas production but can make up for this by creating an added value. Junex is one of the only companies to hold important blocks of permits in all regions of the Lowlands, including the north shore, and our technical team is analyzing all of the data related to the frac in order to better understand the characteristics of the Shales at shallow depths, thus improving the formulation of future frac recipes" stated the president of Junex, Mr. Jean-Yves Lavoie, P. Eng

About Junex

Junex is a junior oil and gas exploration company that holds exploration rights on more than 6 million acres of land located in the Appalachian basin in the Province of Quebec. The company is in the heart of the Utica Shale gas discovery located in the Ste Lawrence Lowlands. As of December 31 2008, Junex has a working capital of 28 million dollars. Junex also owns approximately 7.9% of the issued and outstanding shares of Petrolia ([PEA](#)) and 1.0% of the issued and outstanding shares of Gastem ([GMR](#)). In parallel to its exploration efforts, Junex's goal is to achieve positive cash flows from its natural brine and drilling services operations.

Forward looking statements

This news release contains certain forward-looking statements. These statements relate to future events or future economic performance of Junex and carry risks, uncertainties and other factors - both known and unknown - that may appreciably affect their respective results, economic performance or accomplishments when considered in light of the content or implications of statements made by Junex. Actual events or results could be significantly different. Accordingly, investors should not place undue reliance on forward-looking statements. Junex do not intend and undertake no obligation, to update these forward-looking statements.

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