

3 November 2011

STERLING ENERGY PLC
(“Sterling” or the “Company”)

Ntem Block Farmout

Sterling (AIM:SEY), the independent oil and gas exploration and production company with interests in the Middle East and Africa, is pleased to announce the following update for the Sterling operated Ntem block in Cameroon.

Sterling has completed a farmout agreement with Murphy Cameroon Ntem Oil Co., Ltd “Murphy”, a wholly owned subsidiary of Murphy Oil Corporation under which Murphy has been assigned a 50% working interest in, and operatorship of, the Ntem concession contract (the “Contract”). Sterling retains a 50% non-operated working interest in the Contract. As consideration, Murphy has paid to Sterling a contribution towards past costs and is committed to fully fund joint operations in relation to the current phase of exploration under the Contract which includes the drilling of one exploration well.

Ntem is a deep water block with water depths ranging from 400 metres to 2,000 metres across the block. The work programme is currently suspended under the force majeure provisions of the concession due to an overlapping border claim between Cameroon and Equatorial Guinea. The Company believes that both countries are working to resolve this issue.

Angus MacAskill, Sterling’s Chief Executive said:

“We are very pleased to welcome Murphy, a successful international explorer and deep water operator, as our partner for the Ntem block and look forward to recommencing exploration operations once the overlapping border claim has been settled.”

Further information:

Sterling Energy plc

Alastair Beardsall, Chairman

Angus MacAskill, Chief Executive

(+44 20 7405 4133)

Evolution Securities

Chris Sim

Neil Elliot

(+44 20 7071 4300)

Angus MacAskill, M.Eng. Petroleum Engineering (1987), Chief Executive of Sterling Energy Plc, who has been involved in the oil industry for 29 years, is the qualified person that has reviewed the technical information contained in this press release.

Notes :

Murphy Oil Corporation is an international integrated oil and gas company that conducts business through various operating subsidiaries. The company produces oil and gas in the United States, Canada, the United Kingdom, Malaysia, and Republic of the Congo, and conducts exploration activities worldwide. The company owns marketing operations in the United States and the United Kingdom, including over 1,100 retail gasoline stations in the United States and the Milford Haven refinery in Wales.

During 2010, the company's production averaged 186,394 barrels of oil equivalent per day with a 68% oil weighting. At the end of 2010, the company's net proved reserves were 455 million barrels of oil equivalent.

In West Africa, the company has interests in two production sharing agreements in Republic of the Congo, covering approximately 1.33 million gross acres across two offshore blocks with water depths ranging from 490 to 6,900 feet. The company serves as operator of both blocks. In 2005, the company discovered the Azurite field which was subsequently developed with first production in August 2009. The company's interests in Republic of the Congo contributed an average production of 5,820 barrels of oil equivalent per day during 2010.

The company is an experienced deep water operator, currently operating 5 deep water fields and having operated the drilling of 32 exploration and appraisal wells and 46 development wells worldwide in water depths greater than 3,000 feet during the past 5 years.