

Sound Oil plc
31st August 2007

Pasundan-1 Operations Update

The Pasundan-1 well has reached total depth at 10412 feet and wireline logs are being run over the open hole interval below the 7-inch liner from 8391 feet to 10412 feet. This section includes the Talang Akar Formation objective comprising predominantly sandstones, siltstones and shales. Minor amounts of tuff (volcanic rock) were encountered towards the bottom of the well indicating penetration of the deepest Jatibarang Formation objective.

A number of drill stem tests are planned for Pasundan – 1 in the Baturaja Limestones including the cavernous intervals between 6770 ft. and 6900 ft. Additional tests may be required depending on the the results of the present wireline logging over the deeper section. The extent and timing of these tests will be decided early next week.

Pasundan-1 has been a difficult well to drill particularly because of the very high porosity encountered in the presumed limestone caverns below 6770 feet. Almost 100,000 barrels of drilling fluid (mostly brine) were lost into these porous zones and this brine contaminated the original formation fluids and pushed them away from the well bore.

Fluid samples were taken from the well bore at various points including the zones of cavernous porosity. Surprisingly some samples contained methane, other longer chain hydrocarbon gases and some inert gases. Further samples taken over a period of time recovered higher proportions of methane and other gasoline range hydrocarbons. Although these hydrocarbons are in low quantities, their very presence and in increasing amounts, is encouraging given all the contamination by drilling fluid. Formation fluid samples with similar gas compositions have also been recovered from deeper in the Baturaja Formation and faint indications of oil have been recorded while drilling in the deeper section of the well below 10080 ft.

The interpretation of wireline logs previously acquired higher in the well, over the key Baturaja cavernous intervals, is not reliable due to generally poor hole conditions. Drill stem testing is now the only way to determine what has been found. Even then the results may be masked by the large volume of drilling fluids and other contaminants lost during operations.

Gerry Orbell, Chairman commented: "These are good results from our first well, Pasundan-1, on the Citarum license. We have spectacular porosity in the Baturaja Limestones and indications of gas and oil. We hope to confirm these by drill stem testing and will be using the best techniques to make sure we give ourselves every chance of finding out whether we have a significant oil accumulation."

Sound Oil plc is a 20% shareholder (through its wholly owned subsidiary Mitra Energia Citarum Limited) in the BPREC operating company that is drilling the Pasundan – 1 exploration well, located approximately 50 km southeast of Jakarta, Indonesia.

Dr Michael Cope, BSc., PhD, FGS, Head of Exploration at Sound Oil, a qualified petroleum geologist, has reviewed the technical information contained in this news release.

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