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NEWS RELEASE

Operations and Corporate Update

Calgary, Alberta, Canada, January 28, 2010 – Kulczyk Oil Ventures Inc. ("**Kulczyk Oil**" or the "**Company**") is pleased to provide an operations and corporate update.

Highlights

Brunei

- Waiver of pre-emptive rights to acquire Block M interest
- Block L drilling locations chosen
- Contracts awarded for drilling of Block L and Block M

Syria

- Contract awarded for 3D seismic acquisition program

Ukraine

- Anti-Monopoly Commission approves KUB-Gas acquisition

Corporate

- Debenture financing available to Company increased to US\$20 million

WSE Listing

- Prospectus filed November 18, 2009 with Polish Financial Supervision Authority
- The review of the prospectus is ongoing and the Company anticipates that the process will be completed before the end of first quarter of 2010

Brunei

Block M - In September 2009 Kulczyk Oil announced the acquisition of Triton Hydrocarbons Pty Ltd ("**Triton**"). Triton's principal asset consists of a 36% interest in a Production Sharing Agreement (the "**Block M PSA**") with Brunei National Petroleum Company Sendirian Berhad ("**PetroleumBrunei**"). Under the terms of the Block M PSA, PetroleumBrunei had the right to acquire Triton's interest in the Block M PSA in the event of a change of control of Triton. By letter dated January 20, 2010, PetroleumBrunei notified the Company that, subject to the fulfillment of several conditions, it would not exercise its right to acquire Triton's interest in Block M.

Block M covers a 3,011 square kilometre (approximately 744,000 acre) area onshore in the Sultanate of Brunei Darussalam ("**Brunei**"). A 118 square kilometre 3D seismic survey and a 60 line kilometre 2D seismic survey were acquired in Block M during the second half of 2009. The seismic data have now been processed and the Company has started the interpretation of these data. Two appraisal wells will be drilled in 2010 to further evaluate earlier discoveries which were better defined by the recent 3D seismic data. Contract awards have been made for the services required to undertake the drilling program and the first well is expected to commence drilling in the second quarter of 2010.

In an independent engineering report dated September 28, 2009, Netherland, Sewell & Associates Inc ("**NSAI**") provided a "*best estimate*" of Block M Contingent Resources of 51 million barrels of oil equivalent ("**MMBOE**") and a "*best estimate*" of Block M Prospective Resources of 6.7 MMBOE net to the 36% working interest of Kulczyk Oil. The NSAI report, which was prepared prior to the acquisition of the recent 3D seismic data in Block M, took into account only two of the four known reservoirs in the Belait Field and did not evaluate any of the potential resources outside of the immediate area of the Belait Field.

Block L - Kulczyk Oil, through a wholly-owned subsidiary, holds a 40% interest in a Production Sharing Agreement (the "**Block L PSA**") which gives it the right to explore for and produce oil and gas from Block L, a 2,200 square kilometre (550,000 acre) area covering onshore and offshore areas in the northeast portion of Brunei. The offshore component is in relatively shallow waters and includes an approximate seven kilometre wide strip along the northwest coast and essentially all of Brunei Bay to the east. The giant Seria Field, which has produced in excess of 1 billion barrels of oil, lies approximately 12 kilometres to the southwest of Block L. A significant gas discovery at Bubut, announced recently by Brunei Shell Petroleum, lies less than one kilometre from the edge of Block L in the shallow offshore region.

A 350 square kilometre 3D seismic acquisition program was completed in 2009 and the data have now been processed and interpreted. Two exploration wells will be drilled in 2010 on prospects defined by the 3D seismic data at Lukut and Lempuyang. Major contract awards for the services required for the drilling of these wells have been made with contract execution to be undertaken imminently. The first exploration well is expected to commence drilling late in the first quarter or early in the second quarter of 2010.

Ukraine

On November 10, 2009, Kulczyk Oil announced that through its wholly-owned subsidiaries Kulczyk Oil Ventures Limited ("**KOVL**") and Loon Ukraine Holdings Limited ("**Loon Ukraine**"), it had entered in to a series of agreements with Gastek LLC ("**Gastek**"), a private Californian company to acquire an indirect 70% equity interest in KUB-Gas Ltd ("**KUB-Gas**"), a Ukrainian company that owns a 100% interest in four producing gas fields in the Ukraine. The acquisition of KUB-Gas by Kulczyk Oil, scheduled to close shortly after the Company lists its shares on the Warsaw Stock Exchange, was subject to the approval of the Anti-Monopoly Committee of Ukraine (the "**AMC**"). On 21 January 2010, the AMC approved the proposed acquisition. KUB-Gas is one of the largest independent oil and gas exploration and production companies in Ukraine.

Production in December 2009, net to the Company's 70% indirect equity interest, was 4.23 MMcf/d of natural gas and 13.6 bbl/d of condensate. Sales prices in December 2009 averaged US\$ 8.14 per Mcf for natural gas and US\$92.72 per barrel for condensate.

Syria

On January 21, 2010 Kulczyk Oil signed a contract with BGP Inc. Syria, CNPC ("**BGP**") pursuant to which BGP will undertake a 375 square kilometre 3D seismic survey in the southeastern section of Block 9. The survey is designed to more fully define the prospects and leads which have been mapped by the Company utilizing 2D seismic data.

Through a wholly-owned subsidiary, Kulczyk Oil owns a 100% interest in a Contract for the Exploration, Development, and Production of Petroleum in Block 9 (the "**Syria PSC**") between the Government of the Syrian Arab Republic, Syrian Petroleum Company ("**SPC**") and the Company which became effective on November 29, 2007. Recently, the name of the Syrian government oil company was changed to General Petroleum Company ("**GPC**"). The Company holds a 100% working interest in the Syria PSC but has agreed to: a) assign a 5% interest to a third party at arm's length to the Company; and b) holds a 20% interest on behalf of Triton Petroleum Pty Ltd ("**Triton Singapore**"). The total direct and indirect interest of the Company in the Syria PSC is 85% with its direct interest being 75% and its indirect interest being 10% as a result of its shareholding in Triton Singapore, a private company owned 50% by Kulczyk Oil and 50% by the former shareholders of Triton.

The Syria PSC gives Kulczyk Oil the right to explore for and produce oil and gas from Block 9, a 10,032 square kilometre (2.48 million acre) block in northwestern Syria. Under the terms of the Syria PSC, the Company is committed to acquire 600 kilometres of new 2D seismic data, or a comparably-priced 3D seismic program, and drill two wells during the first four year exploration period. Kulczyk Oil has elected to convert the 600 kilometre 2D seismic acquisition portion of its work obligation into a comparably-priced 3D seismic program which will be in the order of 375 square kilometres.

Kulczyk Oil reprocessed approximately 1,800 kilometres of existing 2D seismic data in late 2008 and the interpretation of these data, which has been completed, indicates a number of

potential drilling targets in the southeastern corner of the block, the area that had been considered the primary area of focus on Block 9 by the Kulczyk Oil management team.

In a September 2009 independent engineering report, McDaniel & Associates Consultants Ltd. provided a “*best estimate*” of 41.5 MMBOE of Prospective Resources for the two prospects identified on the existing seismic net to the 75% direct working interest of the Company.

Warsaw Stock Exchange Listing

Kulczyk Oil announced on November 23, 2009 that it had submitted a prospectus to the Polish Financial Supervision Authority (“**FSA**”) on November 18, 2009 for approval and that it intended to make an application for listing on the Warsaw Stock Exchange (“**WSE**”) and proceed with an initial public offering (“**IPO**”) of shares after the prospectus has been approved. Review of the prospectus by the FSA is ongoing and the Company expects to complete both the listing on the WSE and the IPO in Q1 2010.

HSBC Bank plc (“**HSBC**”) has been appointed as Sole Global Co-ordinator and Sole Bookrunner, whilst the syndicate will also include Dom Maklerski BZ WBK S.A., Erste Group Bank AG and Erste Securities Polska S.A. Lazard & Co., Limited is the financial advisor to the Company.

The final number of shares to be issued and the price of the shares will be determined following the book-building process. Shares in the IPO will be offered to both domestic retail and institutional investors in Poland and to certain international investors.

Comments on the prospectus have been received from the FSA and the responses of the Company have been submitted. Assuming the approval of the FSA is obtained in sufficient time, the Company’s internal target for listing on the WSE and for closing the IPO is prior to the end of the first quarter of 2010.

\$20 Million Debenture Financing

In a news release of September 14, 2009, Kulczyk Oil announced that its major shareholder Kulczyk Investments S.A. (“**KI**”) had agreed to provide Kulczyk Oil with a US\$8 million debt facility to fund ongoing operations and that any funds advanced pursuant to the debt facility will be converted into Kulczyk Oil shares at the time of the IPO on the WSE at a conversion price that would be the same as the initial public offering price. The funding arrangement was structured as an unsecured convertible debenture (the “**KI Debenture**”) with interest payable at 7.16% per annum. Effective November 9, 2009, the KI Debenture was amended to increase the principal amount available to the Company to US\$11 million with all other terms and conditions remaining unchanged. On January 21, 2010 the KI Debenture was amended again to increase the principal amount to US\$20 million with all other terms and conditions remaining unchanged.

Defined Terms

“*Contingent Resources*” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Although the Belait Gas and Belait Oil Reservoirs have discovery wells that were production tested, they are classified as Contingent Resources. These resources are contingent upon acquisition of additional technical data that support the commerciality of the project and finalization of development plans, marketing terms and regulatory and government approvals.

“*Prospective Resources*” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources have significant additional risks relative to Contingent Resources. Prospects are categorized as Prospective Resources because of the lack of discovery wells and production tests. There is no certainty that any portion of the Prospective

Resources will be discovered. Furthermore, if discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources.

“Best Estimate” is a term used to describe an uncertainty category for resource estimates referring to the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the “best estimate”. The best estimate of the Contingent and Prospective Resources is prepared independent of the risks associated with achieving commercial production.

“BOEs” may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 thousand cubic feet of gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Kulczyk Oil is an international upstream oil and gas exploration company with principal interests in Brunei and Syria. Kulczyk Oil is reviewing new growth opportunities within Central and Eastern Europe as well as in other prolific hydrocarbon basins. The main shareholder of the Company, holding approximately 46% of the currently issued Common Shares, is Kulczyk Investments S.A., an international investment house founded by Polish businessman Dr. Jan Kulczyk.

For further information, please refer to the Kulczyk Oil website (www.kulczykoil.ca) or contact the following:

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The information contained herein serves information purposes and does not constitute any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities. Securities will be offered solely on the basis of a prospectus to be issued by the Company in connection with such offering and to be submitted to the Polish Financial Supervision Commission. A prospectus will be available free of charge as of a date yet to be determined from Kulczyk Oil.

The announcement is not a prospectus and investors should not subscribe for or purchase any shares referred to in this announcement or take any investment decision in relation to the IPO except on the basis of information contained, or incorporated by reference, in the relevant prospectus (when available). This announcement is not and does not constitute or form part of any offer to sell or issue, or any solicitation of any offer to acquire, any shares or securities by any person in any jurisdiction in which such an offer or solicitation is unlawful.

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Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Forward-looking Statements: Some of the statements contained in this release may be forward-looking statements. Forward-looking statements may include, but are not limited to, statements concerning drilling plans, estimates of recoverable hydrocarbons, expected hydrocarbon prices, expected costs, statements relating to the continued advancement of the Company's projects (including the closing of the Ukrainian acquisition), statements as to an initial public offering and listing on the Warsaw Stock Exchange and other statements which are not historical facts. When used in this document, and in other published information of the Company, the words such as "will", "could", "estimate", "expect", "intend", "may", "potential", "should," and similar expressions are indicative of a forward-looking statement. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, the potential results suggested by such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors, which could cause actual results to differ materially from those contemplated by these forward-looking statements, including the potential that the Company's projects will experience technical and mechanical problems, geological conditions in the reservoir which may negatively impact levels of oil and gas production, changes in product prices, failure to obtain regulatory approvals or satisfy conditions for the Ukrainian acquisition or the IPO and WSE listing or the satisfaction of the conditions associated with PetroleumBRUNEI's waiver of its right to buy Triton's interest in Block M in Brunei, failure to raise sufficient capital to fulfill its capital commitments or drilling plans and other risks not anticipated by the Company or disclosed in the Company's published material. Market conditions may impact when and if the IPO and the WSE listing is completed. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. The Company and HSBC undertake no obligation to revise or update any forward-looking statements in this announcement to reflect events or circumstances after the date of this announcement, unless required by law.

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