
Vangold Reports On Oil And Gas Interests In Kenya, Rwanda And Armenia

StreetInsider.com , MI - 28/2/2008

VANCOUVER, BC -- (MARKET WIRE) -- 02/28/08 -- Vangold Resources Ltd. (TSX-V: VAN) ("Vangold") has been actively working in Kenya, Rwanda and Armenia over the last 18 to 24 months. President and CEO, Dal Brynelsen, comments: "We have successfully opened offices in Yerevan and Nairobi to support our properties in Armenia, Kenya and Rwanda.

We have staffed these offices with excellent technical people who have achieved an exceptional amount of information gathering and compilation with the help of consultants in the UK and Canada. All of the three properties which cover in total 43,000 sq kms have exhibited excellent potential for hydrocarbons. We are very encouraged and look forward with great excitement to the next several years for which we owe special thanks to our technical staff. At my request they have prepared the following report on our current operations and future plans."

Kenya

Mr. Francis M. Karanja, the lead exploration geologist, reports: Vangold Resources Kenya, a wholly owned subsidiary of Vangold, has acquired an office in the Nairobi industrial area to provide technical support for operations in Kenya and Rwanda. Vangold Kenya has retained the services of a technical team comprising three geoscientist consultants and one administration officer. The three geoscientists include an exploration geologist, exploration geophysicist and a senior geologist. The experienced technical team has developed a clear operational plan and budget. The team has also acquired the SMT Kingdom software to undertake in-house interpretation and handling of the geophysical and geological data.

In Kenya, Vangold has acquired a large [12,270 km²] land package [Block 3A] which partly lies along the proven hydrocarbons fairway of Central Africa Rift system [CARS]. The Block 3A acreage occupies a convergence area of three sedimentary basins of Anza, Mochesa and Lamu Embayment. The Anza basin [Graben] in Kenya is the termination rift of the Central African Rift System in northeast Kenya. The basin forms the southeastern extension of the prolific Melut and Muglad rift basins in southern Sudan where working petroleum systems have been proved and oil discovered. Potential source rocks for hydrocarbon generation and evidences of a Cretaceous working [oil generation] petroleum system exist in Anza Graben in Chalbi sub-basin to the north-east of Block 3A. Past petroleum exploration in Block 3A include geological, geophysical and geochemical studies resulting in establishment of the geological setting and prospectivity of the block. The prospects associated with Anza Graben in Block 3A acreage are the most promising and will be given the first priority by Vangold management. Two exploratory wells have been drilled in Block 3A.

Vangold has already acquired the previous data on petroleum operations in Block 3A from the National Oil Corporation of Kenya and is now in the process of re-processing the data followed by interpretation, basin modeling, data integration and establishment of leads/prospects in Blocks 3A & 3B. Before the end of the Initial Exploration Period of three [3] contract years, Vangold will acquire more 2D/3D seismic data and drill one exploratory well.

In addition to Block 3A, Vangold has a one-year study option for Block 3B [12,270 km²] which lies in Lamu Embayment basin south of Block 3A. The block has adequate magnetic and gravity data with sparse seismic coverage. Two exploratory wells have been drilled in the block. Vangold will re-process the relevant geophysical data and undertake interpretation and integration of the data including basin modeling for possible existing of active Tertiary, Cretaceous or Jurassic age petroleum systems. The hydrocarbons prospectivity of Block 3B based on the existing data will be established and a lead map for the block generated. Vangold has the option to acquire the block under the Production Sharing Contract [PSC] or drop the acreage after one year of study.

The leadership in Kenya, both the government and opposition, are actively engaged in mediation talks that have resulted in reduced incidences of violence in the western region of the country. The eastern part of the country where Block 3 falls has remained unaffected and oil exploration activities of Lion petroleum [block 1], CNOOC [block 9] and Lundin [block 10a] continue unabated. Recent intervention by the US State Department, European Union, African Union and the rest of the world augurs well for the outcome of the talks.

Rwanda

On March 1, 2007 Vangold reported that it was granted the exclusive rights to commence negotiations for a production sharing license for oil and gas in the northwestern part of Rwanda. The concession, a 2,708 sq kms area, represented 11% of the landmass of Rwanda.

Vangold's technical team had previously undertaken a technical review of all information available and negotiations commenced.

Subsequently, in October 2007 Vangold successfully negotiated and signed a Technical Evaluation Agreement for the East Kivu Graben Basin area located in the Kivu Graben. A one-year technical study narrowed the area to 1,631 sq kms

The main achievement Vangold envisages in Rwanda Kivu Graben is the establishment of the existence of potential sedimentary basin where hydrocarbons may have accumulated. The task to achieve the objective will involve undertaking a defined and specified airborne geophysical survey [gravity & Magnetic] programme in the entire Vangold's Kivu Graben block that includes the Rwanda portion of the Lake Kivu waters. The acquired data will be subjected to interpretation using state-of-art technology. Vangold has evidence of a possible working petroleum system in Kivu Graben with the existence of high carbon chain hydrocarbons in the deep waters of Lake Kivu. Such hydrocarbons originate from a source rock adequately matured and deeply [< 2,000m] embedded in the possible Tertiary lake sediments sequences in Kivu Graben. Lake sediments of Tertiary age outcrop at Gisakura area in southwest Rwanda.

The Kivu Graben is the southern extension of the Albertine Graben in Uganda and DRC where a Tertiary age working petroleum system has been proved and oil discovered by Tullow Oil and Heritage Oil. We believe a similar [Tertiary age] working petroleum system exists in Kivu Graben with a possibility of oil generation and accumulation in Kivu Graben. Therefore, Vangold has further commissioned ASAR imagery study of lake Kivu waters as a similar study in Lake Tanganyika to the south has revealed 10 oil seeps

Armenia

Mr. Gerry Sheehan, Managing Director of Blackstairs Energy plc, reports as follows on Vangold's operations in Armenia:

An Exploration and Production Sharing Contract was signed with the Government of Armenia on April 27th, 2007. The contract covers the areas designated "Blocks 4, 5 and 6" and extends to c. 13,775 sq. km (c. 3.4 Million acres) in central and southern Armenia. The contract will be operated by Blackstairs Energy plc (50%) in partnership with Vangold Resources (50%). The associated "Exploration Licence Permit" and the "Licence Agreement" permits were also approved by the Armenian authorities in May 2007 and December 2007 respectively.

These permits allow unrestricted access to the Licence Area and the commencement of various technical operations in the blocks.

The term of the contract is for 5 years with two additional extensions each of 2 years negotiable with the authorities. The work programme over the initial 5 years comprises Geological Studies, Gravity and Geochemical studies, Remote Sensing (Satellite Imagery) and 170 km of 2D seismic. The financial commitment is 2.4 Million \$US over the initial 5 year term.

The commercial terms of the Exploration and Production Sharing Contract are attractive and serve to ensure that even quite small accumulations of either oil or gas will be viable for commercial development. Armenia currently imports all of its hydrocarbons and there is a ready open market for any indigenous hydrocarbons.

Geological Summary and Prospectivity

The sedimentary basins of Armenia are relatively under-explored. The geological history is complex due to the major Caucasus mountain-building structural events. Two main sedimentary basins are recognized -- the "South-Western Basins" extending west to Armenia's border with Turkey and the "Central Depression" covering the central part of the country extend east to the border with oil-rich Azerbaijan and south towards the border with Iran. Within these basins lie a series of smaller complex sub-basins. The structural style identified within these basins displays good potential for the development of multiple hydrocarbons traps with widespread evidence of folding, faulting and complex fault thrusts. The Central Depression covers most of the joint venture's Licence Area and contains a broad age range of sediments from the oldest Devonian era sequences right up to thick recent sediments. This broad sequence offers the potential for the development of various reservoir, source and seal combinations. In the extreme south in Block 6, adjacent to the Iranian border, a Jurassic-Cretaceous sub-basin is virtually unexplored and may offer significant hydrocarbon potential.

Previous hydrocarbon exploration has been patchy and unsystematic and undertaken using fairly basic geological and geophysical techniques.

>>From 1947 up to 1990 the former Soviet authorities undertook fairly sporadic programmes of seismic and drilling, often lacking in geological and adequate seismic control. Two key well results emerged from this phase of exploration. The Shorakhpur-1P well east of the capital Yerevan encountered minor oil. Further west at Armvir the Oktemberyan-13E well flowed gas at low rates for 6 months. Numerous other boreholes encountered indications of both oil and gas and several oil and seeps are also well documented; these are scattered widely throughout the Licence Area. This phase was followed in the 1990s by a seismic and drilling campaign by AAEC. Their well -- Azat-1 -- drilled to 3524 metres and again encountered minor oil shows before being terminated for operational reasons. In 2007 Transeuro Energy Corp. drilled

the Kamir-1 exploration well and reported an extensive reservoir interval with well logs indicating a thick zone of low gas saturations. Transeuro also reports that this well has now been suspended with a view to additional logging and testing programmes later in 2008.

The exploration programmes to date offer sufficient encouragement to infer the development of a working petroleum system. However, a more systematic geological and geophysical evaluation programme is required to advance our understanding of the hydrocarbon prospectivity. The Blackstairs-Vangold joint venture is now well advanced in developing a new geological model for the area. A team of local and western professionals has been assembled and a technical work programme is underway. The historical data is being carefully analysed and incorporated to a modern GIS database. These data are already yielding valuable geological information and greatly assisting in the evolution of a new geological model for the area. In order to understand the major controls on structure formation and sedimentation a Remote Sensing study (high-resolution Satellite Imagery) was completed in 2007. This is being followed up with more focused evaluation of certain areas highlighted from the initial phase and field validation of newly identified geological trends is ongoing.

A major gravity survey (5000 stations) over Block 4 and 5 also started in 2007 and will resume in early summer 2008 -- this will serve to elucidate the subsurface structural trends and will be integrated with the Satellite Imagery and field structural and geological mapping. The ultimate objective of these studies is to highlight areas for a focused programme of 2D seismic acquisition targeted at significant structural trends in promising fairways for reservoir, seal, source rock and migration route development.

Ultimately the joint venture aims to assemble a good quality prospect portfolio and rank these individually for a future drilling campaign.

In summary, the geological and geophysical data from the historic exploration programmes indicate extensive basinal areas with encouraging evidence that a viable petroleum system may be developed.

The nature and complexity of the structural trends would indicate that a broad range of trap size is possible. The extensive stratigraphic sequences should offer multiple reservoir possibilities. The modern systematic exploration programmes being undertaken by the Blackstairs-Vangold joint venture should considerably add to our understanding of this petroleum system.

Blocks 4, 5 and 6 cover a very large area of virtually unexplored terrain. There are numerous and widespread indications of hydrocarbons, and the Licence Area represents a good quality acreage portfolio in a strategic region.

Management of Technical Activities & Licence Administration

Immediately on signing the Petroleum Contract, the Blackstairs Energy-Vangold Resources joint venture began putting a technical and office infrastructure in place in Yerevan. An experienced expatriate General Manager was appointed, local technical (geological and geophysical) financial and administrative staff recruited, and an office building with excellent communications and exploration technical software was configured. These activities are supervised and supported by the Blackstairs technical team in Dublin, Ireland.

Considerable advances have already been made in the technical evaluation the Licence Area.

To find out more about Vangold Resources Ltd. please visit our website at www.vangold.ca or contact Dal Brynelsen at 604-684-1974 or by email brynelsen@vangold.ca.

On Behalf of the Board of

VANGOLD RESOURCES LTD.

"Dal Brynelsen" Dal Brynelsen, President and CEO

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release. The statements made in this News Release may contain certain forward-looking statements. Actual events or results may differ from the Company's expectations. Certain risk factors may also affect the actual results achieved by the Company.

Distributed by Filing Services Canada and retransmitted by Marketwire

Vangold Resources Ltd.

P.O. Box 11622 1730 - 650 West Georgia Street, Vancouver, BC, Canada, V6B 4N9
Phone: 604-684-1974 Fax: 604-685-5970 www.vangold.ca

<http://www.streetinsider.com/Press+Releases/Vangold+Reports+on+Oil+and+Gas+Interests+in+Kenya,+Rwanda+and+Armenia/3413419.html>
