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# Vangold Provides Armenia Oil Project Update

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Vancouver, British Columbia CANADA, Jul 17, 2008 (Filing Services Canada via COMTEX) ---- Vangold Resources Ltd. (VAN - TSX Venture, VNGRF - OTCBB\_Pink\_Sheets), announces an update on its Armenia oil project. In April of 2007, Vangold partnered with Blackstairs Energy and signed an exploration and production sharing agreement with the government of Armenia. Signaling their commitment to operations in Armenia the Blackstairs Energy-Vangold Joint-Venture opened an office in Yervan, the capital of Armenia. While the sedimentary basins of Armenia to this day are relatively under-explored Vangold considers its concessions, which cover the south half of the country, approximately 13,755 sq km, to hold a very high potential for a major find. Armenia is ideally located adjacent to oil rich countries Azerbaijan, Georgia and Iran. The Joint-Venture's work program over the initial five years will include geological, gravity and geochemical studies, remote sensing (satellite imagery) and 170 km of 2D seismic. The update from Tim Papworth, General Manager Armenia and Gerry Sheehan, the Managing Director of Blackstairs Energy plc summarized as follows:

## License & Administration

The Fourth Technical Advisory Committee was held on June 5th with representatives from the Joint-Venture and the Ministry of Energy and Ministry of Environment. The status of the technical projects was reviewed in detail and the Ministry noted the good progress on various geological and geophysical projects.

**Satellite Imagery:** the study (at 1:100,000 scale) will be extended some distance across the southern Block 5 border, allowing an enhanced interpretation of the greater Block 5 area.

**Gravity Survey:** The Gyumri Institute gravity crew re-commenced the joint-ventures gravity survey during May. To date the crew has acquired 2,500 points from the total planned survey of 5000 stations. The survey is concentrated in Blocks 4 and 5.

**Field Mapping:** the Geological Institute have been contracted to undertake geological profiling across Block 5 - this will entail detailed field mapping and ground verification and sample collection for petrographic analyses. A project to analyze gas samples from the Norashen area and oil samples from Yeranos borehole has been also been discussed with the Institute.

## Update on Review of Prospectivity

Analyses of the archive technical database and generation of a new geological model for the License Area is progressing well. Several sub-basins are emerging as having encouraging prospectivity and these areas are being high-graded for future seismic acquisition and more detailed geological study and thermal modeling.

\* Tchambarak Area (NE Block 4) - main features are tightly compressed folding and faulting in NW-SE direction, with several pronounced anticlinal features. Bituminous mudstones occur in the Middle Eocene, and bitumen is developed along fractures in the Eocene and Cretaceous. New gravity surveys

and perhaps some regional seismic will be considered to define the structures and stratigraphy more accurately.

Dzknaget Area (N.W. Block 4) - main features is the Dzknaget anticline almost certainly extending offshore, towards the southeast. A minor gas show was seen in the Dzknaget-4 borehole. Bitumen occurs in Senonian (Upper Cretaceous) limestone exposures in various places.

\* Norashen Area (west Block 4) - based upon several boreholes a brachy-anticline of 60 meters relief at Top Pliocene level exists close to the Norashen-1 structural borehole. A second positive structure is seen between Norashen wells 1 and 2. The Sarmatian regional impermeable seal is 1200 - 1500 meters deeper here than in the Gavar-Noraduz area to the east, inferring the presence of a significant Pliocene-Quaternary depression in the area. Significant gas shows have been seen in the Chkalova-2, Norashen-3 and other wells, as well as gas seeps from the bottom of Lake Sevan. Gravity surveying and seismic is being considered in order to identify possible structural leads.

\* South Sevan Area (south Block 4) - main features are two significant gravity anomalies seen in the Yeranos and Gegharkunik areas. Several other positive features also occur. An oil seep is still seen in the Yeranos well, on the eastern edge of one gravity anomaly. Modern seismic surveys would be required to confirm the probable geological model. The Sarmatian regional seal development is key for oil and gas prospects.

\* South Vayotsdzor Area (south Block 5) - There are well defined anticlines in the area, for example the Gnishik - Gtatsar anticline and the Spitaksar anticline along the Nakhichevan border. There are several boreholes with gas shows - Gyulistan-3, Ogbin-1 etc., while a Permian bituminous deposit near Khachik was studied in the past for possible commercial exploitation. The Martiros structure is underexplored - one well did not reach target. The Akhta Dome north east of Martiros is also of interest. Devonian, Permian and Triassic rocks all contain potential source rock. A maturation model needs to be developed to better understand local generation and the effects on reservoir quality.

The remaining technical program for this year will comprise the ongoing evaluation of the technical database and its collation to a modern GIS format, the completion of the Gravity Survey, some in-field geological mapping and rock sampling (and lab petrographics), a small extension of the InfoTerra study to capture additional structural geological detail in western Block 5/6 and an analysis of hydrocarbon samples from Norashen and Yeranos boreholes.

Commenting on the Armenia oil project, Dal Brynelsen, President and CEO of Vangold, stated: "We are very pleased with the results and professionalism being shown and that is reflected in the tremendous third-party interest in our Armenia concession."

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