

# **Sun Cal Energy buys San Joaquin oil lease**

*Buys into lease for 935 acres near Oxy's oil find / 'Provides the company with further land position in the prolific San Joaquin basin*

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Sun Cal Energy Inc. of San Francisco says it has acquired an interest a 935 acre lease in the San Joaquin Valley basin of the Central Valley.

The company says it has purchased a 50 percent working interest and a 35 percent net royalty interest in the property for \$225,000 worth of preferred shares of the company, convertible into common shares at the discretion of the holder at ten cents per share.

"This acreage acquisition provides the company with further land position in the prolific San Joaquin basin where several multi million barrel old fields have been discovered including the newly announced prospect that Occidental Petroleum is currently developing," says Chief Executive Officer George Drazenovic.

He says the company is focusing its land acquisition and exploration efforts in the San Joaquin basin "and the unconsolidated shale formations that lie within."

The company expects to begin development of these prospects in the near future, he says.

A year ago Occidental Petroleum Corporation (NYSE: OXY) announced that it had made a significant discovery of oil and gas reserves in Kern County. At the time of the announcement, Occidental believed there were between 150 million and 250 million gross barrels of oil equivalent (BOE) reserves within the outlined area where it drilled six wells to delineate the discovery.

Sun Cal says that by all indications, its newly acquired property is along the same geological trend of the initial discovery drilled by Occidental, and "therefore is reasonably projected that its structure and scope runs through the Sun Cal property."

With the stabilization of oil prices, the weakness in natural gas prices, and most importantly, the recent discovery of a massive and nearby oil field by Occidental, Sun Cal Energy has chosen to shift its primary company focus to developing its San Joaquin prospects, it says.