



## **Sterling Resources Announces Finalization and Initial Drawdown of Senior Secured Loan Facility**

**Calgary, Alberta, Canada, October 3, 2011** –Sterling Resources Ltd. (TSX-V:SLG) ("Sterling" or the "Company") is pleased to announce that the £105 million senior secured loan facility agreement (the "Facility") signed with a group of banks in July 2011 has achieved financial completion and that the first drawdown has been made. The Facility is to be used towards funding the remaining costs through to first gas of the Phase 1 development of the Breagh gas field in the UK Southern North Sea (Sterling 30 percent).

The first drawdown of approximately £36 million was paid to Sterling on September 30, 2011 as a reimbursement of eligible expenditures relating to the Breagh development already incurred by the Company.

Since signing the Facility in July, the three existing banks of BNP-Paribas, Commonwealth Bank of Australia and Société Générale have been joined by GE Energy Financial Services, a division of US-based GE (NYSE: GE). The transaction represents General Energy Financial Services' first development financing in the North Sea, expanding on its lending and equity investing in the US oil and gas sector.

"With the closing of the loan and the reimbursement of recent expenditures we are now in a solid financial position. We are fully funded through end 2012 in relation to all currently committed expenditures with a significant cash buffer as required by lenders," stated Mike Azancot, Sterling's President and CEO. "In difficult financial markets we are particularly pleased to have expanded the Facility to include a fourth lender. We can now focus on firming up plans for Phase 2 of the Breagh development over the next few months and to achieving first gas from the field on schedule in July 2012," Mr. Azancot added.

Phase 1 of the Breagh development continues to advance. The offshore pipelines and associated cable are fully laid and the pipelay vessels have been demobilized. Work is underway on the onshore pipelines and modifications to the Teesside Gas Processing Plant. The jacket and topsides for the Alpha platform are being towed to the field for installation over the next few weeks by the heavy lift vessel "Thialf", the world's largest crane vessel, operated by Heerema Marine Contractors.

Sterling Resources Ltd. is a Canadian-listed international oil and gas company headquartered in Calgary, Alberta with assets in the United Kingdom, Romania, France and the Netherlands. The shares are listed and posted for trading on the TSX Venture Exchange under the symbol "SLG".

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Filer Profile No. 00002072

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### **Forward-Looking Statements**

All statements included in this press release that address activities, events or developments that Sterling expects, believes or anticipates will or may occur in the future are forward-looking statements. In addition, statements relating to reserves or resources are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future.

These forward-looking statements involve numerous assumptions made by Sterling based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other-forward looking statements will prove inaccurate, certain of which are beyond Sterling's control, including: the impact of general economic conditions in the areas in which Sterling operates, civil unrest, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities. In addition there are risks and uncertainties associated with oil and gas operations. Readers should also carefully consider the matters discussed under the heading "Risk Factors" in the Company's Annual Information Form.

Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Sterling's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. These statements speak only as of the date of the press release. Sterling does not intend and does not assume any obligation to update these forward-looking statements except as required by law.