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February 5, 2007  
TSXV: LVL

## **ADDITIONAL SIGNIFICANT GAS ZONES IDENTIFIED IN SECOND PARADOX BASIN PROJECT WELL; 5 TO 10 WELL PROGRAM PLANNED**

VANCOUVER, BC (February 5, 2007) – Lynden Ventures Ltd. (TSXV: LVL) reports that a third shale, three sands and several carbonate zones have been completed and flowed back in the second Paradox Basin Project re-entry well. The operational plan limited the time available for testing individual zones, however two sandstones and two carbonates readily returned treatment fluid and produced gas spontaneously.

One of the sands was flowed back long enough that from visual observations, as well as calculations from choke dimensions and pressure data, the operator estimated an initial production rate of 1.2 million standard cubic feet of gas per day from this zone. Similarly, one of the carbonates was flowed back long enough that the project operator estimated that it was flaring gas at a rate of 1.0 million standard cubic feet per day.

Other sands and carbonates have also been treated and flowed back although gas production from these zones has not been quantified. Later in the week the operator will drill out the plugs between zones, rig up separation equipment and commingle all zones (shale, sand and carbonate) in order to more accurately determine the cumulative productive capability of the well. Preliminary results from this operation are expected in the next two weeks.

Before treating the sands and carbonates, a third shale zone was completed with a large volume, high rate slickwater fracturing treatment. Although the zone produced gas, production could not be maintained without lift since the zone was not able to unload the returning frac load water. Based on visual estimates, as well as estimations from choke size and pressure data the project operator advised that the zone was flaring gas at a rate of 500 thousand cubic feet per day.

In addition to this third shale zone, on November 8, 2006 Lynden reported that the operator had advised, based on visual estimates, that the middle shale zone completed flared gas at a rate of in excess of 2.0 million standard cubic feet per day. The lowest shale zone flared gas at an estimated rate of 150 thousand standard cubic feet per day. Production from all three of the shale zones was assisted with an air package since production from each of the zones individually was unable to overcome the hydrostatic head of the frac water flowing back to the well.

The recent results from the sand and carbonate zones demonstrate the economic potential of these zones on a standalone basis. Even more significant, the reduction of the hydrostatic head on the lower shale zones as a result of unassisted production from the overlying zones greatly increases the potential for the shale zones to produce without artificial lift.

Based on the successful completions in the second re-entry well, the operator intends to return in the near term to the first re-entry well in order to complete additional zones

Readers are cautioned that flow estimates can be misleading under the conditions encountered; i.e., returning treatment fluid in all of the zones and air assist to lift this fluid in the shales. As a result the flow

rates reported above may not be directly indicative of the productive capability of the well and should not be interpreted as an initial production rate.

### Medium-Term Work Plans

Based on the results from the first two re-entry wells the operator is preparing a 10 well program and an associated gathering system to explore and develop the Paradox Basin Project over the next 12 to 15 months. The program will also involve the leasing of additional acreage within the prospect area. By undertaking this larger scale program, it is anticipated that the cost per well can be greatly reduced.

The first phase of the program is expected to include an initial 5 wells, the gathering system for those wells, and the acquisition of additional acreage. Costs have not been finalized; however, it is anticipated that this first phase of the development program will cost approximately USD \$15 million. Lynden will be responsible for 55% of the program costs pursuant to its revised interest in the Paradox Basin Project as described in greater detail below.

### Reduction in Paradox Basin Project Working Interest

Lynden has entered into an agreement with a Texas based limited partnership associated with the Paradox Basin Project operator to sell a 25% working interest in the project. The 25% working interest is being sold for USD \$3.25 million. The proceeds from the sale will be used to offset amounts owing to the operator as a result of higher than anticipated costs on the first and second Paradox Basin Project re-entry wells, and to partially fund Lynden's share of costs to carry out additional operations on both the first and second re-entry wells and to immediately pursue the leasing of additional acreage within the Paradox Basin Project prospect area.

As a result of the sale, Lynden's 80% working interest and 64% net revenue interest will be reduced to a 55% working interest and 44% net revenue interest. Lynden's interest remains subject to a back-in after payout of 13.75%, being 25% of 55%.

Lynden has also agreed that after completion of operations on the first two re-entry wells the operator will be able to present Lynden with an AFE for a gathering system and a 5 well program. Lynden will have 60 days from presentation of the AFE to elect to participate in the program. If an election to proceed is made, Lynden will be obligated to prepay the dryhole portion of the AFE and prepay the completion cost of each well upon making an affirmative casing point election. In addition, 90 days after spudding the first well in the 5 well program, the operator will be authorized to submit additional AFEs for up to an additional 5 wells.

The sale of the working interest is subject to the purchaser completing a financing, which is expected to close this week.

### About the Paradox Basin Project

The Paradox Basin Project covers a conventional and unconventional oil and gas prospect area established by Lynden, its working interest partners, and the project operator, a middle tier Texas-based oil and gas company with substantial experience in the area.

The Paradox Basin Project lease holdings in the prospect area presently cover in excess of 98,000 acres. The operator's exploitation program is based on commingling production from multiple zones, which has been successfully done by other operators in the Paradox Basin.

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