



## **Indigo Announces Horizontal Eagle Ford Test Results in Louisiana**

HOUSTON, December 9, 2011 -- **Indigo II Louisiana Operating LLC** (“**Indigo**”) today announced that its first horizontal well targeting the Louisiana Eagle Ford Shale (“LA Eagle Ford”) formation has been tested resulting in a new oil discovery in Central Louisiana. The Bentley Lumber 34H #1 located in Rapides Parish, LA originally spud back in late July 2011 and recently flowed at a rate of 543 barrels oil equivalent (80% oil) during a 24 hour test period. This first LA Eagle Ford horizontal well in the region was successfully drilled without the need for an intermediate casing string through the shale interval and involved a 15-stage fracture stimulation of the target interval. The hydrocarbon mix is light, sweet 45 API gravity oil along with high liquid yield natural gas (1520 Btu and 11 GPM natural gas liquids). The oil is currently being trucked to sales and the gas is temporarily being flared with state approval.

Indigo II has assembled nearly 260,000 net acres in the LA Eagle Ford play and has identified several locations to drill additional horizontal wells in 2012. Prior to doing so, it intends to secure a joint venture operating partner sometime in early 2012 to bring horizontal oil expertise and capital to this large, oil shale development project. Indigo will also be closely following new developments by Encana, Devon and others to the east of its acreage position. Both operators have successfully drilled and completed horizontal wells in the same formation and have announced additional new drilling permits. It is anticipated that 5 to 7 rigs could be operating in this emerging oil play during the 1<sup>st</sup> quarter of 2012.

Indigo was originally formed in October 2006. The company is backed by Yorktown Partners, the Martin Companies, Ridgemont Equity Partners and Indigo management. Through its relationship with the Martin Companies, Indigo owns the existing oil and gas leases and minerals of two of the largest private landowners in the state of Louisiana - Roy O. Martin Lumber and the Martin Timber Company.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements within the meaning of the federal securities laws. Important factors that could cause our actual results to differ materially from those contained in the forward-looking statements include early initial production rates which may decline steeply over the early life of wells, our growth strategies, our ability to successfully and economically explore for and develop oil and gas resources, anticipated trends in our business, our liquidity and ability to finance our exploration and development activities, market conditions in the oil and gas industry, our ability to make and integrate acquisitions, the impact of governmental regulation and other risks.

Forward-looking statements are typically identified by use of terms such as "may," "will," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements may be expressed differently. All forward-looking statements contained in this release, including any forecasts and estimates, are based on management's outlook only as of the date of this release, and we undertake no obligation to update or revise these forward-looking statements, whether as a result of subsequent developments or otherwise.