

NEWS RELEASE

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TSX.V: "AZU"

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Azure to Acquire an Interest in Two (2) Kazakhstan Oil Projects

Azure Resources Corporation (the "Company") is pleased to report that it has entered into a Letter of Intent with State Petroleum Overseas Inc. ("State") wherein State has agreed to assign to the Company 22.5% of its rights under a Heads of Agreement it has signed with Branley Capital PLC, a private company incorporated in England, and its wholly owned Kazakhstan subsidiary Branley Petroleum LLP ("Branley"). Branley holds a one hundred percent (100%) interest in and to the Alaoil and Chengiz-Telsu hydrocarbon licences in Kazakhstan. State is a private British Columbia incorporated company and is deemed as non-arm's length to Azure.

The terms and conditions of the State/Azure Letter of Intent provides for the following;

1. Azure to acquire a 22.5% working interest in and to the Alaoil and Chengiz-Telsu hydrocarbon licences, Kazakhstan, through acquiring a direct 22.5% of Branley Petroleum LLP's share capital via an assignment by State pursuant to its rights under the terms and conditions of its Agreement with Branley subject to the completion of satisfactory due diligence by the Company which will include;
 - (I) A satisfactory title opinion on the Alaoil and Chengiz-Telsu licences.
 - (II) A written release from Branley's Kazakhstan bankers that the 22.5% of Branley Petroleum LLP, Kazakhstan and its holding in the Alaoil and Chengiz-Telsu licences is free of any loan, mortgage, pledge and/or any other form of financial obligation to the Bank.
 - (III) Obtaining from Branley current audited Financial Statements that are satisfactory to the Company.
 - (IV) Obtaining a satisfactory independent NI 51-101 Technical Report on the Alaoil and Chengiz-Telsu licences.
 - (V) Completion and execution of a Definitive Agreement and a Joint Operating Agreement between State, Azure and Branley.

- (VI) Obtaining the necessary approvals from the Ministry of Petroleum, Kazakhstan.
- (VII) Obtaining the required Canadian Regulatory and Exchange transaction approvals including an initial financing.

Transaction Financial Terms:

- (I) A payment to Branley of US \$2,000,000 upon execution by the Parties of a Definitive Agreement and an Operating Agreement which payment is subject to completion of the due diligence items outlined above.
- (II) The Company will fund up to US \$13,000,000 on exploration and development of the Alaoil and Chengiz-Telsu licences over 30 months from the transaction closing date. Thereafter all future licence expenditures will be pro rata as between the participants' respective interests.
- (III) A further payment to Branley of US \$2,000,000 upon commencement of commercial production payable from the net revenues accruing to Azure from the licences.
- (IV) State will retain a 3% free carry working interest in both licences through to commencement of commercial production in addition to its retained 25.5% W.I. Thereafter all future licence expenditures will be pro rata as between the participants' respective interests.

The Alaoil and Chengiz-Telsu Licences:

- (I) The Alaoil Licence covers 44,000 acres and is situated in the Atyrau Area and the Chengiz-Telsu Licence covers 230,000 acres and is situated in the Uralsk Area, Kazakhstan.
- (II) The licences are in the Pre-Caspian Basin, Kazakhstan where significant oil discoveries have been made such as Tengiz (Chevron) and Kashagan (Shell, Total, Exxon, ENI).
- (III) Both licences have extensive 2D and 3D seismic coverage and both have wells which tested and/or producing oil from shallower, post-salt reservoirs.
- (IV) A review of the available technical data suggests that several wells in both licences can be re-tested, re-completed, equipped and placed on production by year-end 2011.
- (V) Infrastructure exists within the licences to transport the oil by truck to pipeline and/or to rail terminals. The oil is 27° - 30° API sweet oil.
- (VI) Potential also exists for further development of the shallow, post-salt reservoirs based on re-processing and re-interpretation of the existing seismic, which work is currently underway. Re-activation of existing wells, perforation of additional zones in existing wells, development drilling and extensions of existing reservoirs could significantly increase production and add reserves in the near term. The larger fields in the basin produce from deeper, pre-salt reservoirs

which may exist on these licences which could be identified from the re-working of the extensive existing seismic. This could provide long term potential. A major international service company previously identified potential in the intra-salt intervals in the Chengiz-Telsu licence at an intermediate depth, which, if confirmed, could provide mid-term drilling opportunities.

Farm Out of a 22.5% W.I. in the Catalca Licence, Turkey:

The Company also reports that it has entered into a Letter of Intent with Emperor Minerals Ltd (TSX.V : EM.H) to farm out a 22.5% working interest in the Company's 45.0% interest in the Catalca Licence, Thrace Basin, Turkey on the following terms and conditions;

- (I) A due diligence review of the Catalca Licence by Emperor and signing a Definitive Agreement between the Company and Emperor on/or before August 20, 2011.
- (II) Payment to the Company of US \$2,500,000 within five (5) days of receipt of transaction approval by the TSX.V.
- (III) Payment of a further US \$2,000,000 towards the current Catalca Licence exploration and development costs. Thereafter all further licence expenditures will be pro rata as between the licences, participants respective interests.
- (IV) The Emperor "Farm-In" interest will be subject to a 10% royalty (after deduction of Catalca operating costs and the Government's royalty payment) that will be payable by Emperor to the Company to a maximum of US \$500,000.
- (V) Approval of the planned farm-out transaction by the TSX.V

Azure Resources Corporation is a publicly traded corporation in the natural resources industry.

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