



ROSS NO.1 INITIAL RESULTS

Montreal, January 27th 2010 – Gastem (TSX-V: GMR) is pleased to announce that the Ross No.1 vertical well was successfully completed and produced a sustained linear gas flow. All three zones of interest, namely the Marcellus Shale, the Oneida Sand and the Utica Shale produced gas, have good thickness and will be the subject of extensive programs in the coming months.

In the Marcellus, gas flowed on penetration and continued to flare at modest rates from natural fractures. The organic rich Oakta Creek and Union Springs members of the Marcellus formation are present. These zones showed more permeability than anticipated and were of encouraging thickness. The Marcellus Shale was not stimulated because of the present regulatory situation.

A 2 mmcf/d gas rate was produced during a 4 hour Drill Stem Test (DST) in the Oneida formation. This is indicative of the potential of this formation and the Oneida will be the subject of an aggressive program over the coming months. Given its thickness and deliverability, the Oneida has become one of our primary targets in this area.

The completion in the Utica formation was performed using the frac volume approved under current New York State regulations authorising use of 80,000 gallons of water. This modest vertical frac in one of the three members which comprise the Utica produced a sustained rate of more than 70 mcf/d over a test period of 24 days.

Final results of laboratory core analysis for all formations for the determination of Original Gas in Place (OGIP) and rock properties will be completed in about one month. When review work is completed, information will include recoverable volumes across the Ross property and a resource estimate for Gastem's acreage.

"The Ross well, our first well in New York State, has largely exceeded our expectations and we are accelerating programs," said CEO Raymond Savoie. "Although early, we believe that the area could begin commercial production in the near future."

Gastem is an independent oil and gas exploration and development company based in Montreal. The company holds exploration permits and rights to 3,135 km² in the St. Lawrence Lowlands, the Gaspé Peninsula and the Magdalen Islands in Quebec as well as an 80% interest in approximately 35,000 acres in Otsego County, New York State and rights or interests in other areas of Appalachia.

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.

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