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FX Energy Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). The first question comes from Philip Dodge from Stanford Group. Please go ahead.

Philip Dodge - Stanford Group

Thanks. Good afternoon everybody. A couple of questions on gas prices in Poland. First, I think I heard you say that the exit price for the quarter was \$7.25, which is up considerably from the average. Just wondering if that includes the gas equivalent of the oil or whether that's just the natural gas?

David Pierce

The \$7.25, is by the way high. The \$7.25 is our current average price. We didn't give an exit price, we gave the average price for the quarter at \$5.76.

Philip Dodge - Stanford Group

Okay.

David Pierce

And that is gas only, that doesn't include oil.

Philip Dodge - Stanford Group

So it doesn't include. What's responsible for that fairly big increase?

David Pierce

Partly it's an increase in the price in Poland and partly its currency. Those are the two main components.

Philip Dodge - Stanford Group

So did some mechanism kick in since the quarter?

David Pierce

Yeah. For background, all of the wells that we are producing in Poland have long-term contracts, but each of them has an escalator built in. So as gas prices in Poland move up, so do our gas prices.

Philip Dodge - Stanford Group

And then finally on that, what price would you expect from the production at Roszkow when that starts?

David Pierce

We are having that discussion right now. I would expect that to be a good price, but I wouldn't care to speculate right this minute what that will be.

Philip Dodge - Stanford Group

Okay. And who are the customers, is it industrial or--?

David Pierce

We are in discussions right now. So let me leave that until we have a contract signed.

Philip Dodge - Stanford Group

Okay. Fair enough. Thanks.

David Pierce

You bet.

Operator

Thank you. The next question comes from Roger Liddell from Ingalls and Snyder. Please go ahead.

Roger Liddell - Ingalls and Snyder

Yes, good afternoon, gentlemen.

David Pierce

Good afternoon. Roger Liddell, how are you?

Roger Liddell - Ingalls and Snyder

I am fine, thanks, and you?

David Pierce

Good.

Roger Liddell - Ingalls and Snyder

David, could you give us texture on the drilling program in the Sroda area. You did speak of the three wells, but after Kromolice South, then you did not have a whole lot to say about it and the

substance of my question involves the lining up of one prospect after another and getting away from the administrative delays that had been true when you were doing wells one off?

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