

HYCARBEX-AMERICAN ENERGY, INC. MAKES SIGNIFICANT GAS DISCOVERY IN PAKISTAN

Westport, Connecticut. June 13, 2005

The American Energy Group, Ltd. (OTC.BB: AEGG) announced today that the Hycarbex-American Energy, Inc. (“Hycarbex”) Haseeb No. 1 well commenced on March 25, 2005, on the Republic of Pakistan Yasin Block (2768-7) approximately 9km (5.6 miles) from the City of Shikapur in the Sindh Province, has resulted in a significant gas discovery based upon a number of preliminary tests and evaluations, including electric logs, geographical and drilling data which have been reviewed by the Pakistan Government. The American Energy Group, Ltd. owns an 18% gross royalty in the Haseeb No. 1 well. The working interest is co-owned by Hycarbex (85%), Techno Petroleum (Pvt) Limited (10%) and Government Holdings (Pvt) Limited (5%).

The well was drilled to a total depth of 1507 meters (4,944 feet). The drill stem test conducted over a short duration on a one-half inch choke indicated a production rate from the Sui Main Limestone equivalent to approximately 7.3MM cubic feet of 805 BTU gas per day. The BTU content exceeds that of other substantial, producing wells in the region. The gas was further tested for carbon dioxide and water content and found to have low levels of each, indicating the likelihood that processing will not be required prior to pipeline transmission. These test results have been reviewed by the Pakistan Government. The location of the well is very close to an existing pipeline facilitating prompt connection for commercial sale of gas. Hycarbex has also commenced a required evaluation and appraisal program for the Pakistan Government to declare a Commercial Discovery. Preliminary volumetric calculations made by the Pakistan Government indicate a potential reserve estimate of between 100 and 150 billion cubic feet, which reserve estimate will be defined by an internationally recognized consultant in the oil and gas industry.

Based upon the favorable test results, the Hycarbex venture group has communicated its intent to accelerate exploration activities on the 2,200 square kilometers (849 square miles) concession block to optimize development and production, including a definitive commitment to drill a new exploration well on the Yasin acreage block within the next 6-9 months in order to satisfy concession drilling requirements at an estimated cost of US\$2.6 Million. Hycarbex has been active in Pakistan since 1995 and has invested to date approximately US\$22 Million in exploration and geophysical data.

Pierce Onthank, Chairman, President and CEO of American Energy, stated: “The successful drilling results in Pakistan are extremely exciting and will jump start American Energy’s plans for development of existing assets and our expansion into new oil and gas ventures locally and internationally. The apparent productivity of the existing geologic structure on which the Haseeb No. 1 was drilled will provide an opportunity for American Energy to benefit from future planned wells on the structure. This

success is also expected to provide impetus to Hycarbex to further develop the Yasin Block, giving American Energy the opportunity to benefit from the drilling of other large structures within the Block which have been previously identified through seismic and geological interpretation.”

This news release contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events, or performance and underlying assumptions and other statements, including potential production rates and potential reserves, which estimates are unproven and not based upon actual production data or historical facts. These statements are subject to uncertainties and risks including, but not limited to, economic conditions, the impact of competition and pricing, actual operating conditions and results, and domestic and foreign government regulation and approvals. All such forward-looking statements, whether written or oral, and whether made by, or on behalf of the Company are expressly qualified by the cautionary statements and any other cautionary statements which accompany the forward-looking statements. In addition, the Company disclaims any obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

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