



Falkland Islands Government Department of Mineral Resources

Newsletter: October 2005



INVESTOR IN PEOPLE

Visit By Dr Ian Duncan from Desire Petroleum Ltd and Mr Jon Perry from RPS Energy

Desire Petroleum recently engaged RPS Energy as environmental consultants. RPS Energy is a leading environmental consultancy company, and has been hired to produce an Environmental Impact Assessment (EIA) for Desires' drilling campaign in the North Falkland Basin which is expected to take place in 2006.



Dr Ian Duncan (right) and Mr Lewis Clifton of Desire Petroleum

Dr Ian Duncan Chief Executive visited the Island with RPS Energy Environmental Manager Mr Jon Perry during the last week of September. They were in the Islands to discuss the drilling EIA, which is required for drilling operations. Significant amounts of base line information were collected for the 1998 EIA, which was prepared for FOSA for the first drilling campaign in the North Falkland Basin.

It is hoped that the EIA will be finished by the end of November and submitted to the Department of Mineral Resources. The EIA will then go to EXCO and will be published in the Government Gazette. Members of the public will have a period of 42 days to submit comments on the EIA. At the end of this period, probably in February, members of Desire, RPS Energy and Peak Well Management (Desires' drilling managers) will return to the Falklands and will hold a public meeting to present the EIA and discuss any concerns that the public might have.

Visit By Dr John Armstrong and Mr Patrick Bird of Falkland Oil and Gas Limited

The Chief Executive of Falkland Oil and Gas Limited Dr John Armstrong with Exploration Manager, Mr Patrick Bird visited the Falkland Islands for the week 24th September to 1st October.



Dr John Armstrong (right) and Mr Patrick Bird of FOGL

Dr Armstrong and Mr Bird were in the Islands to discuss their current work programme and to give a progress report.

FOGL have recently announced a further increase to the current seismic survey. The entire 2D survey will eventually total 24,450 km of data.

Interpretation of the 9,450km of data collected between January and April is ongoing, and FOGL note that the data shows good structural and stratigraphic traps. There have also been some strong Direct Hydrocarbon Indicators (DHI's) on the seismic so far interpreted. These include a number of flat spots and gas chimneys.

Data acquired since the *GSI Admiral* finished collecting data for Borders and Southern Petroleum in June is being processed.

These data will form an infill for the lines collected in the first survey and allow further refining of the leads identified. FOGL are planning a 3D survey of 2,000 km² which will further refine the leads. Once finished interpreting the data FOGL will start planning a multi well drilling campaign which could commence as early as 2007. Dr Armstrong said "we are seeking the participation of other companies to share the risks costs and upside".

Visit to the department by Dr Howard Obee and Mr Phil Fish from Borders and Southern Petroleum

Dr Howard Obee Chief Executive and Exploration Manager Mr Phil Fish of Borders and Southern Petroleum visited the department to discuss their ongoing exploration work programme and to discuss the interpretation of the seismic collected by the *GSI Admiral* in May and June 2005.



Dr Howard Obee (right) and Mr Phil Fish

Rockhopper Seismic Programme and Interpretation of Existing Data

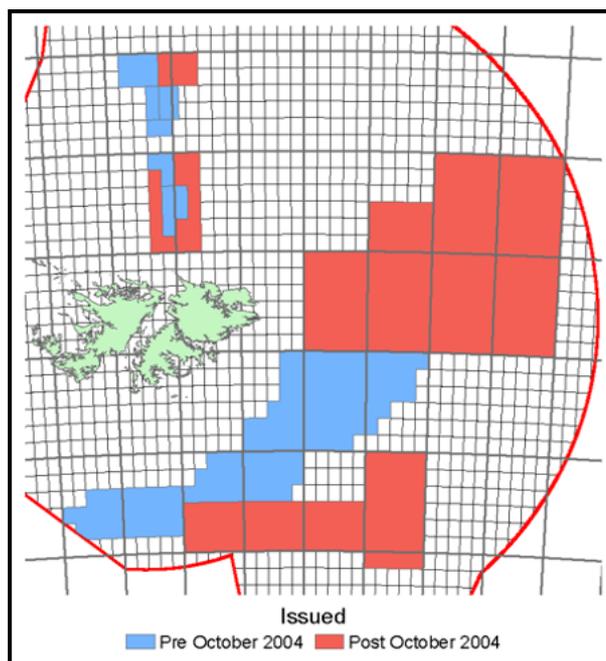
Rockhopper Exploration plc state in a press release that it has entered into a contract with Geophysical Service Incorporated, a Canadian survey company, to perform a 2D seismic survey over licences PL023 & PL024 in the North Falkland Basin. The survey will consist of the acquisition approximately 900 km of data in the North Falkland Basin which should be completed by the end of Q1 2006.

Licences PL023 and PL024 extend over an area of 4200 km² in water depths of between 120m and 200m. Rockhopper has now completed an interpretation of the existing 1832 km of 2D seismic data covering the licensed areas and the results confirm the presence of a number of prospects and some 17 leads. The new survey is intended to better define the prospects in PL023 and PL024.

Falkland Islands Government closes Open Door Licensing Regime

The Government has decided indefinitely to suspend open door licensing. The policy, which had been in place since 2001, has been highly successful, with a number of new licences active as a result. These new licences comprise a substantial work-programme effort, and Government now wishes to allow a period of consolidation and realisation of this effort before further licensing.

In the past year the number of licences has more than doubled from 13 in October 2004 to 29 at present. All the licensees are committed to undertake seismic surveys over their acreage.



British Geological Survey will undertake an independent interpretation of the data collected. The closure of the open door licensing regime will allow focus to be maintained on the current licences and ensure that the Government's responsibility for oversight is to the highest standard.

However, we continue to welcome enquiries from established exploration and production companies with significant financial resources and extensive worldwide expertise and experience.

Open door licensing may be opened again at such time as the conditions warrant.

Changes to Falklands-oil.com

There have been a few changes to the website recently, most importantly the inclusion of an online GIS. See www.falklands-oil.com

For further information about mineral exploration in the Falkland Islands please contact the department for a free brochure, CD ROM and map on email: hwilliams@mineralresources.gov.fk Fax +500 27321 or Tel +500 27322. Details about licensing activities and conditions are available on website www.falklandislands.com and www.falklands-oil.com or from ablake@mineralresources.gov.fk or prendell@mineralresources.gov.fk A list of geological brochures, maps and reports for sale is also available from the department.