



## **PRESS RELEASE**

**22 May 2009**

### **Exploration Update**

- **New Competent Persons Report**
- **8 oil prospects included – total P50 1 billion barrels recoverable**
- **Well 14/5-1A now classified by RPS Energy as a gas discovery**
- **Contingent Gas Resource declared**
- **Rig market continues to improve**

Rockhopper Exploration plc (“Rockhopper”) (AIM: RKH) the North Falkland Basin oil and gas explorer, is pleased to update shareholders with regard to ongoing activities in its exploration licences.

A new Competent Persons Report compiled by RPS Energy (the “CPR”), the first update since the time of admission to AIM in 2005, has been received.

#### **CPR and Operating Highlights**

- CPR now includes eight oil prospects on Rockhopper acreage with a combined prospective resource of (unrisked) 1 billion barrels recoverable
- CPR reclassifies a previous exploration well, 14/5-1A, drilled by Shell, as a gas discovery
- The resultant discovery has been named the Johnson structure and is now classified as a Contingent Resource
- CPR confirms the original well report produced by Shell which identifies 165m net gas pay at 14/5-1A
- Environmental Impact Statements have been submitted to the regulatory authorities for all Rockhopper operated licences
- Rig rates are continuing to ease and availability of suitable drilling units is increasing

The full CPR is available for download at [www.rockhopperexploration.co.uk](http://www.rockhopperexploration.co.uk)

## Contingent Gas Resource

Within the CPR, RPS Energy has classified the Johnson structure, which lies in approximately 500m of water in licence PL032, as a Contingent Gas Resource. This follows extensive re-interpretation by Rockhopper of well 14/5-1A (drilled by Shell in 1998) which encountered significant quantities of gas. Well 14/5-1A is now classified by RPS as a gas discovery. The 3D seismic collected by Rockhopper in 2007 demonstrates a previously unmapped structural closure (Johnson) which is penetrated by well 14/5-1A. In the final well report for 14/5-1A, Shell recognised 165 meters of net pay. These are the first Contingent Resources declared in the Falkland Islands area.

Contingent Gas Resources (recoverable) as identified by RPS Energy within the Johnson structure are:-

Johnson structure	Trillion Cubic Feet (Tcf)
Best Estimate	1.6
High Estimate	7.9
Mean Estimate	3.4

The main remaining contingencies identified in the CPR are further delineating the physical extent of the structure and proving a higher quality reservoir.

## Prospective Resources - Oil

In addition to the Contingent Gas Resource, RPS considered eight oil prospects on Rockhopper operated acreage and two on non-Rockhopper operated acreage. Those on Rockhopper operated acreage could contain a total P50 recoverable of 998 million barrels on an unrisked basis. In addition to those eight prospects, Rockhopper has mapped 15 additional prospects which were not considered by RPS as they are unlikely to be targeted in the first round of drilling. However, they do provide scope for significant additional upside in the event of an oil discovery in the basin.

The table below details those prospects on Rockhopper operated acreage.  
Prospective resources  
Millions of barrels of recoverable oil

Prospect	P50 mmbo	Mean mmbo	High mmbo	Chance of success %
Sea Lion	170	220	472	23
Ernest*	156	195	417	23
Jason	210	281	617	9
Weddell	132	152	294	10
Fox	144	193	427	11
Stephens	106	131	271	11
Chatham	28	45	111	13
Berkeley	52	79	190	11
TOTAL	998	1296	2799	

\*no weight given to CSEM within the CPR

Previous economic studies carried out for Rockhopper by Barrett Petroleum Services in 2004 and by Scott Pickford at the time of the admission to AIM indicate that the

North Falkland Basin could be economically viable at oil prices as low as USD 30 per barrel

### **Source Rock Modelling**

**The CPR outlines the basis for two proven source rocks in the North Falkland Basin, one mature for oil, the other gas. The oil source is younger and shallower than the gas source.**

Basin modelling work in the northern part of the North Falkland Basin confirms that the Lower Cretaceous source rock, which generated the oil recovered in well 14/10-1, is likely to be mature over a larger area than previously thought, extending just north of the northern most boundary of licence PL032. This result suggests that a large area of the Lower Cretaceous oil mature source rock is likely to be present throughout licence PL032.

The source rock generating the gas recovered in well 14/5-1A is older than the Lower Cretaceous source and is believed by Rockhopper to be Jurassic or early Cretaceous.

New basin modelling work in licences PL023 and PL024 indicates a higher probability of mature source rocks than previously thought and results indicate that these source rocks could be mature for oil and gas.

### **Operational Update**

The market for mid-water semi-submersible drilling rigs continues to ease with a number of units now available in the UK North Sea. In addition, day rates for suitable semi-submersible drilling rigs have fallen significantly over the past 12 months.

Environmental Impact Statements have been submitted to the relevant authorities for all Rockhopper operated licences, while site survey work on the Ernest structure indicates no geohazards. Reprocessing of the short offset data on licences PL032 and PL033 for site survey purposes is now complete.

Executive Chairman, Pierre Jungels, commented:

The new RPS Energy CPR gives verification of the broad spread of our portfolio. Not only do we have the first discovery and contingent resource declared in the Falkland Islands area, but also we have over 20 structural oil prospects, 8 of which have been independently verified. This clearly demonstrates what the Directors feel is the highly attractive prospects of Rockhopper.

Johnson is now recognised as a contingent resource while Sea Lion and Ernest are now our foremost oil exploration targets, both with a 23% chance of success, not taking into account the positive CSEM outcome on Ernest, which we believe further improves the chance of success.”

This statement has been approved by the Company’s geological staff who include David Bodecott (Exploration Director), who is a Member of Petroleum Exploration Society of Great Britain (PESGB) and the American Association of Petroleum Geologists (AAPG) with over 30 years of experience in petroleum exploration and management, for the purpose of the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in respect of AIM companies, which outline standards of disclosure for mineral projects.

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### **Notes to editors**

[www.rockhopperexploration.co.uk](http://www.rockhopperexploration.co.uk)

The Rockhopper Group started trading in February 2004 to invest in and carry out an offshore oil exploration programme to the north of the Falkland Islands. The Group, floated on AIM in August 2005, is currently the largest licence holder in the North Falkland Basin and has a 100 per cent. interest in four offshore production licences which cover approximately 3,800 sq. km. These licences have been granted by the Falkland Islands government.

## Appendix

### Comparison with previous CPR

At the time of the Company's admission to AIM (July 2005) Scott Pickford produced a CPR.

Since that time Rockhopper has completed the following work programme

- two 2D seismic surveys
- one 3D seismic surveys
- four CSEM lines
- basin modelling & geochemistry
- AVO analysis
- analysis of live oil recovered from well 14/10-1
- new log interpretation of well 14/5-1A
- reservoir modelling
- site survey
- benthic sampling
- EIS submission

The table below compares the 2005 Scott Pickford CPR with the new 2008 RPS CPR for assets on Rockhopper operated acreage

	Net Contingent Resources Recoverable Best estimate (Tcf)	Net Prospective Resources Recoverable Best estimate (MMbls)
<b>Scott Pickford CPR</b>		
B Central (Stephens)	-	103
J -1 (Ernest)	-	107
Lead F (Weddell)	-	131
<b>Total</b>	-	<b>343</b>
<b>RPS CPR</b>		
Johnson	1.6	-
Jason	-	210
Ernest	-	156
Weddell	-	132
Sea Lion	-	170
Fox	-	144
Stephens	-	106
Chatham	-	28
Berkeley	-	52
<b>Total</b>	<b>1.6</b>	<b>998</b>

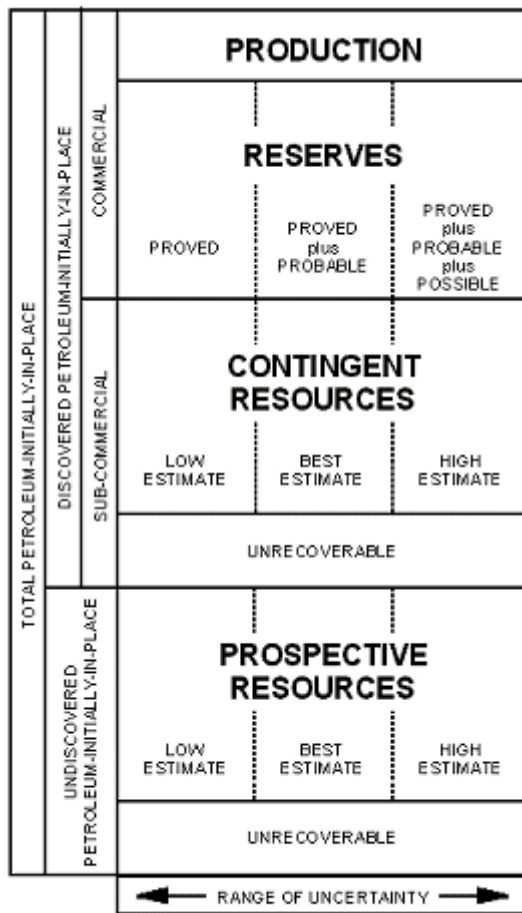
## Definitions

### Contingent Resources

Contingent Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable.

Contingent Resources may include, for example, accumulations for which there is currently no viable market, or where commercial recovery is dependent on the development of new technology, or where evaluation of the accumulation is still at an early stage.

**FIGURE 1 - RESOURCES CLASSIFICATION SYSTEM**



Not to scale

### CSEM

Controlled Source Electromagnetic Mapping.

### Net Pay

The portion of the gross hydrocarbon bearing interval that contains moveable hydrocarbons.