



PRESS RELEASE

3rd July, 2008

Rockhopper Exploration plc (“Rockhopper” or “the Company”)

Preliminary Results to 31 March 2008

Rockhopper Exploration plc (AIM:RKH), the North Falkland Basin oil and gas exploration company, today announces its preliminary results for the year ended 31 March 2008.

- 3D interpretation confirms potential for 1.2 billion barrels recoverable oil in licences PL032 and PL033
- Total 3.7 billion barrels P50 recoverable now identified on all acreage
- SPD appointed to act as outsourced drilling department
- Placing raised £3.6 million after expenses

Commenting, Dr. Pierre Jungels, Rockhopper Exploration’s Chairman, said:

“During the year we made further significant progress with our plans to explore and exploit any resources in our North Falkland Basin licences and we are now at the final phase before drilling.

The Board’s target is to drill between two and four wells on our acreage. We are keeping our options open with regard to how those wells are financed, the options being to farm out, or raise equity or a combination of the two. In making a decision we will be guided by determining the best value matrix for our shareholders.”

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Chairman's Statement

During the year we made further significant progress with our plans to explore and exploit any resources in our North Falkland Basin licences and we are now at the final phase before drilling. The Group made a loss of \$1,472k during the period, in line with expectations.

We have now identified prospects with the potential to contain 3.7 billion barrels of recoverable oil on an unrisksed P50 basis and consider our acreage to be relatively low risk but potentially of medium to high reward in the global exploration setting. New data acquisition during the year comprised a 550km 2D seismic survey in licences PL023 & PL024 along with a site survey over the Ernest prospect.

Our recent appointment of SPD to provide well engineering services further helps our drilling preparations. This arrangement also gives us access to long lead items and means that we are now well placed to be able to take advantage of any suitable rig offer, of course subject to financing.

With the help of SPD we are now talking to a number of rig contractors about drilling in the North Falkland Basin during 2009. It is also possible that we could join a drilling consortium with the explorers to the south and east of the Falkland Islands. However, your Board will pursue all options for delivering our drilling programme and believe it is not in our shareholders interest to wait on other companies' timetables.

Our placing with blue chip investment institutions in May 2008 raised £3.6 million after expenses. It was oversubscribed which reflected the considerable investor confidence in your company. The money raised has increased our financial security and enables us to make final preparations for drilling.

With the basic interpretation of the 3D completed and drilling preparations now underway, we are closer than ever to realising the potential of the Basin. We are working on final interpretations of the 3D, including depth conversion and AVO analysis as well as refining the volumetric analysis of our prospects. The technical issues surrounding the acreage have been resolved to our satisfaction and the matters to be addressed are now ones of logistics and the associated finance.

The Board's target is to drill between two and four wells on our acreage. We are keeping our options open with regard to how those wells are financed, the options being to farm out, or raise equity or a combination of the two. In this we will be guided by determining the best value matrix for our shareholders.

Dr. Pierre Jungels CBE
Executive Chairman

Managing Director's Review

Background

Oil and gas had already been proven on our acreage during the 1998 drilling campaign. During that campaign, Shell drilled two wells on what is now licence PL032, 100% held by Rockhopper, both of those wells encountered oil and gas.

Given that starting point, the purpose of our technical work has always been to refine our understanding of the basin and allow us to better model likely migration pathways for that oil and also to better understand the potential for reservoir distribution within the basin. Since acquiring our first acreage in November 2004 we have undertaken and completed an ambitious work programme in what is a relatively short period of time.

Our work programme so far has consisted of:

- Two separate 2D surveys totalling 1,470km data
- An 850km² 3D survey collected over the part of the basin with proven oil
- Four Controlled Source Electromagnetic Lines giving positive indications consistent with trapped hydrocarbons
- A digital site survey over prospect Ernest

We have now completed more work on our operated acreage than was set out at the time of the admission to AIM. At every stage of our technical programme we have been encouraged by the results of our work and we are now in the final stages of preparing to drill.

Activity during 2007–08

Site Survey on Ernest

During the year we successfully collected site survey information with Wavefield Inseis over the Ernest prospect. This information will be analysed to determine any potential geohazards related to drilling the structure.

New 2D

While the vessel was in the area we took the opportunity to collect additional 2D seismic at relatively low cost. This survey centered on the Weddell prospect which, on current estimates, has a potential P50 of 254 million barrels on an unrisks basis. The prospect is in less than 150m water and close to the Islands, meaning that economics on a discovery are very advantageous. Processing of these data is already taking place.

EIA

We have commenced Environmental Impact Assessment work on all of our operated acreage. This work will detail any potential impacts from the forthcoming drilling campaign and measures which can be taken to mitigate and manage those impacts.

Reprocessing 3D short offsets

On licences PL032 and PL033 we have begun to reprocess the short offsets of the 3D seismic data collected by CGG Veritas. We will use this data to investigate geohazards over potential well sites. This technique is increasingly common and can only be used in areas with 3D data. It avoids the requirement for specific site survey seismic data such as we collected over Ernest.

Farm Out

We have commenced a farm out campaign on our operated acreage. This will enable the Board to compare the merits of funding our wells through farming out in the industry, or financing from other sources. We are keeping our options open with regard to farming out compared to drilling 100%, as ultimately we will do what is in the best interests of shareholders.

Licences PL032 and PL033 prospects

During late 2006 and early 2007 we collected an 850km² 3D seismic survey over licences PL032 and PL033. Initial interpretation of those data was completed during 2008 and reveals a number of prospects which fall into five play types explained below:

1. Basin Margin Pinchout

The pinchout of the deltaic unit (sand unit penetrated by the Shell wells) against the basement high that forms the eastern basin margin. Both Shell wells proved this unit at locations within the basin centre and indicated good reservoir characteristics with porosities of up to 30%. The pinch out play may be more advantageously placed for hydrocarbon charge from the large basin margin fault system than the original target of the Shell wells which were in the centre of the basin.

2. Sand-rich fan systems

A number of fans have been identified at several stratigraphic levels. Further interpretation work is required to establish the nature and significance of some of a large number of seismic high-amplitude events associated with these reservoir systems.

The Sea Lion fan, issued from two input points along the eastern basin margin and was not tested by either of the Shell wells. This coalescing fan system is defined by a zone of amplitude brightening in a structural and depositional low.

The Chatham fan, which is a north–south prograding system characterised by elongate channel-attached lobes, appears to have been tested at its edge by the second Shell well (14/10-1). A 1m thick sand was encountered in this well having very good C1 to C5 hydrocarbon shows. The fan appears to thicken away from the well into an area of very bright seismic amplitudes. This suggests that commercially viable accumulations of hydrocarbons could be present in the brighter areas of the fan which have not yet been tested. These areas will be further investigated for prospectivity during future technical work.

3. Basin margin downthrown closures

Several seismic intervals form substantial closed structures along the hanging wall (downthrown flank) of the huge eastern margin fault system. Amplitude anomalies are associated with some of the mapped levels and additional technical work will resolve the significance of these. The downthrown basin margin play is completely untested in the North Falkland Basin and it has always been recognised as a play that can be readily charged by hydrocarbons generated from the mature base of the organic-rich Post-rift source sequence. The Shell wells proved that the Post-rift source is mature in this area of the North Falkland Basin.

4. Intra-basinal structural highs

Structural closures independent of the basin margin fault. One very large such prospect has been identified. Additional work is required on this target as it extends beyond the area of 3D coverage and the reserve estimate here includes only the element of the prospect covered by the 3D. This is separate to the basin centre inversion structure tested by the Shell wells.

5. Central basin inversion high related prospects

Shell drilled a large basin centre inversion structure in 1998. While both wells were commercial failures at that time (with oil at USD12 per barrel) they did prove the existence of hydrocarbons in the area (both oil and gas). The Shell structure is so large that a number of untested prospects may exist in flanking areas, some of which are also related to fans and amplitudes not tested by the previous wells. Targets have been identified to the North, West and South of the Shell wells related to the same structure which was not exhaustively tested by the two wells in 1998. In total, the prospects described above have a potential of 1.2 billion barrels of recoverable oil on a P50 basis on licences PL032 and PL033.

Placing

As we enter the final stages of pre drilling work we undertook a placing of new shares in May 2008 to strengthen the balance sheet. That placing was limited to 5% of existing issued share capital and we successfully raised £3.6million after expenses at 101p per share. Demand for the new shares actually exceeded the 5% level and we were pleased to welcome new institutional shareholders onto the register.

Drilling preparations

In order to fully prepare for drilling we have appointed SPD (part of the Petrofac Group) as our outsourced drilling department. SPD will not only provide us with the experience and expertise to design and operate our own wells safely and responsibly should we decide against farming out, but also with access to long lead items such as well heads and casing. SPD will also assist us in locating a rig suitable for drilling in the shallow waters of the North Falkland Basin.

We have a number of options to drill our acreage: We could join together with Desire Petroleum and put together a six well campaign in the North Falkland Basin. This would require an anchored semi-submersible rig capable of drilling in the relatively shallow waters of the North Falkland Basin. Availability of rigs is improving and we are currently pursuing this option with the assistance of SPD.

Alternatively, we could join a drilling consortium with the other Falkland companies, BHP Petroleum, Falkland Oil & Gas plc, Desire Petroleum plc and Borders and Southern plc. Such a campaign would require a very high specification rig capable of drilling in the deeper water to the South and East of the Falkland Islands.

Finally we could farm out to a third party who would operate the wells and source a rig.

Currently all options are under consideration.

Samuel Moody
Managing Director

**Group Income Statement
For the year ended 31 March 2008**

| | Notes | 2008 \$,000 | 2007 \$'000 |
|--|-------|----------------|----------------|
| Expenses | | | |
| Administrative Expenses | | (1,487) | (1,459) |
| Charge for share based remuneration | | (235) | (440) |
| Foreign exchange movement | | (17) | (367) |
| Total Expenses | | (1,739) | (2,266) |
| Finance Income | | 267 | 852 |
| Loss before tax | | (1,472) | (1,414) |
| Income tax expense | | - | - |
| Loss for the year attributable to the equity shareholders of the parent company | | (1,472) | (1,414) |
| Loss per share: cents (basic & diluted) | 2 | (1.95) | (1.97) |
| Weighted average shares | 2 | 75,679,199 | 71,817,756 |

Group Balance Sheet as at 31 March 2008

| | Notes | 2008 \$'000 | 2007 \$'000 |
|---|-------|----------------|----------------|
| Capitalised exploration expenditure | | 25,942 | 24,527 |
| Equipment | | 6 | 16 |
| Other receivables | | 35 | 74 |
| Cash and cash equivalents | | 3,525 | 6,341 |
| Assets | | 29,508 | 30,958 |
| Other payables | | 1,047 | 1,554 |
| Liabilities | | 1,047 | 1,554 |
| Share capital | | 1,330 | 1,325 |
| Share premium | | 28,597 | 28,403 |
| Currency translation | | 4,087 | 3,413 |
| Share based remuneration | | 1,371 | 1,115 |
| Merger reserve | | (243) | (243) |
| Retained losses | | (6,681) | (4,609) |
| Attributable to the equity shareholders of the company | | 28,461 | 29,404 |
| Total liabilities and equity | | 29,508 | 30,958 |

Group statement of changes in equity
For the year ended 31 March 2008

| | 2008 | 2007 |
|--|----------------|---------------|
| | \$'000 | \$'000 |
| Share capital | | |
| Opening balance | 1,325 | 1,249 |
| Options exercised | 5 | 5 |
| New shares issued | - | 71 |
| Closing balance | 1,330 | 1,325 |
| Share premium | | |
| Opening balance | 28,403 | 25,959 |
| Premium on options exercised | 194 | 49 |
| Premium on shares issued | - | 2,532 |
| Issue costs | - | (137) |
| Closing Balance | 28,597 | 28,403 |
| Merger reserve | | |
| Opening and closing balance | (243) | (243) |
| Currency translation reserve | | |
| Opening balance | 3,413 | - |
| Movement on share capital | 30 | 158 |
| Movement on share premium | 649 | 3,286 |
| Movement on merger reserve | (5) | (31) |
| Closing balance | 4,087 | 3,413 |
| Share based remuneration | | |
| Opening balance | 1,115 | 607 |
| Charge for the year | 235 | 440 |
| Transferred to retained losses in respect of options exercised during the year | - | (24) |
| Currency translation difference | 21 | 92 |
| Closing balance | 1,371 | 1,115 |
| Retained losses | | |
| Opening balance | (4,609) | (1,611) |
| Net income and expense recognised in the income statement | (1,472) | (1,414) |
| Net income and expense recognised directly in equity | (614) | (1,404) |
| Transferred from share based remuneration reserve | - | 24 |
| Currency translation difference | 14 | (204) |
| Closing balance | (6,681) | (4,609) |
| Equity | 28,461 | 29,404 |

Group cash flow statement
For the year ended 31 March 2008

| | 2008 | 2007 |
|--|----------------|----------|
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Net (loss) | (1,472) | (1,414) |
| Adjustments to reconcile net losses to cash (utilised)/provided: | | |
| Depreciation | 14 | 17 |
| Share based remuneration charge | 235 | 440 |
| Foreign exchange movement | 17 | 367 |
| Other non-cash items | 355 | 390 |
| Operating cash flows before movements in working capital | (851) | (200) |
| Changes in: | | |
| Receivables | 39 | (57) |
| Payables | (507) | 1,451 |
| Cash (utilised/generated from) by operating activities | (1,319) | 1,194 |
| Cash flows from investing activities | | |
| Capitalised exploration expenditure | (1,692) | (19,035) |
| Purchase of equipment | (4) | (10) |
| Cash utilised by investing activities | (1,696) | (19,045) |
| Cash flows from financing activities | | |
| Options exercised | 199 | 54 |
| Issue of share capital | - | 2,603 |
| Share issue costs | - | (137) |
| Cash generated from financing activities | 199 | 2,520 |
| Net cash (outflow) | (2,816) | (15,331) |
| Cash and cash equivalents brought forward | 6,341 | 21,672 |
| Cash and cash equivalents carried forward | 3,525 | 6,341 |

Notes to the Preliminary Statement:

1 Accounting policies

1.1 Group and its operations

Rockhopper Exploration plc ('the company'), a public limited company quoted on AIM incorporated and domiciled in the United Kingdom ('UK'), together with its subsidiaries (collectively, 'the group') holds certain licences granted in 2004 and 2005 for the exploration and exploitation of oil and gas in the North Falkland Basin. The registered office of the Company is Hilltop Park, Devizes Road, Salisbury, SP3 4UF.

1.2 Basis of preparation

The figures for the year ended 31 March 2008 and 2007 do not constitute statutory accounts within the meaning of S.240 of the Companies Act 1985. The figures for the year ended 31 March 2008 have been extracted from the statutory accounts for that year which have yet to be delivered to the Registrar of Companies and on which the auditor has issued an unqualified audit report. The figures for the year ended 31 March 2007 have been extracted from the statutory accounts for that year, which have been delivered to the Registrar of Companies and on which the auditor has issued an unqualified audit report, having been restated under International Financial Reporting Standards. No statement has been made by the auditor under Section 237(2) or (3) of the Companies Act 1985 in respect of either of these sets of accounts. This announcement was approved by the board of directors on 2 July 2008.

2 Basic and diluted loss per share

| | 2008 Number | 2007 Number |
|--|----------------|----------------|
| Shares in issue brought forward | 75,663,305 | 71,774,605 |
| Shares in issue during the period | | |
| - issued on 17 August 2006 | - | 225,000 |
| - issued on 22 August 2006 | - | 75,000 |
| - issued on 5 March 2007 | - | 3,588,700 |
| - issued on 13 September 2007 | 1,980 | - |
| - issued on 13 November 2007 | 4,950 | - |
| - issued on 11 March 2008 | 238,095 | - |
| Shares in issue carried forward | 75,908,330 | 75,663,305 |
| Weighted average shares in issue | 75,679,199 | 71,817,756 |
| | \$'000 | \$'000 |
| Net (loss) after tax | (1,472) | (1,414) |
| Basic and diluted net (loss) per share – cents | (1.95) | (1.97) |

The calculation of the basic loss per share is based upon the loss for the year and the weighted average shares in issue. As the group is reporting a loss for both years then in accordance with IAS 33 the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

See also note 3 Post balance sheet events, which discusses a placing by the company completed during May 2008.

3 Post balance sheet events

On 22 May 2008 the company issued 3,780,000 new ordinary shares at a price of 101p each raising £3.6m after costs. This represented just under 5% of the ordinary shares then in issue. The directors had been authorised to do so without first offering them to existing shareholders on a pre-emptive basis by a special resolution passed at the company's 2007 AGM.

4 Copies of the final report

Copies of the final report will be dispatched to shareholders shortly and will be available to the public at the Registered Office, Hilltop Park, Devizes Road, Salisbury, SP3 4UF.

5 Financial information

The financial information set out above does not constitute the statutory accounts of Rockhopper Exploration plc for the year ended 31 March 2008 and the year ended 31 March 2007. For the year ended 31 March 2008 the financial information is derived from the statutory accounts of the Company. For the year ended 31 March 2007 the financial information is derived from the statutory accounts delivered to the Registrar of Companies. The statutory accounts for the year ended 31 March 2008, which were approved by the Directors and authorised for issue on 2 July 2008, will be delivered following the Company's Annual General Meeting. The auditor has reported on the accounts for both periods; his reports were unqualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.