



PRESS RELEASE

FOR IMMEDIATE RELEASE

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**Exploration Activity Update
Integration of data provides greatly improved clarity on
prospects**

- CSEM and 2D seismic data give direct hydrocarbon indicators
- Ernest Prospect (formerly J1) significantly de-risked, potentially c. 100 million barrels of recoverable reserves
- Potential discovered NPV10 over \$1,000 million at \$50 oil for prospect Ernest

Rockhopper Exploration plc (“Rockhopper” or “the Company”) has today announced that data from the two Controlled Source Electromagnetic Surveys (CSEM) carried out on its behalf by Offshore Hydrocarbon Mapping plc earlier in 2006, when co-rendered (superimposed) with recently acquired 2D seismic data, provides greater clarity of the structures surveyed and significantly de-risks the acreage.

Executive Chairman, Dr. Pierre Jungels, said:

“This is great news, we took a bold step utilising CSEM and have substantially de-risked our prospects. We now have a drillable prospect, Ernest, which if successful could contain over 100 million barrels of recoverable oil.

In little more than a year since listing on AIM, we have significantly increased our understanding of and confidence in the prospectivity our North Falkland Basin acreage. We now have a highly de-risked drillable prospect and a number of encouraging leads in licences PL023 and PL024.

We intend making further progress in our understanding with a 3D seismic survey starting later this month in licences PL032 and PL033 and conducting further evaluation of the 2006 2D seismic data on licences PL023 and PL024 with the aim of identifying a number of additional drillable targets for any drilling programme.”

Further technical information

Ernest Prospect (formerly J1)

2D

Interpretation of the 2D seismic acquired in 2006 has confirmed the robust nature of the prospect and also provided potential hydrocarbon indicators.

Prospect Ernest is a relatively low risk independent 4-way dip closed structure in 160m of water only 100km from the Islands. The 4-way closure looks more robust having interpreted the new seismic, with an areal extent of some 2880 acres. It is also possible to map a much bigger, somewhat more risky closure around it. This area depends upon closure against a major fault to the East and has an area of over 6,000 acres. We have observed an AVO (Amplitude Versus Offset) response on the flank of the structure along with possible gas chimneys and flat spots within the area of closure, all of which are potential hydrocarbons indicators. The new seismic also contains strong indications of the presence of reservoir units in the area.

CSEM

The CSEM data clearly shows resistors within the structure. On both the lines acquired over Ernest, a discreet resistive body is observed within the bounds of the 4 way closure. That resistor, in the opinion of the Company, when combined with the new seismic data, is suggestive of the presence of a hydrocarbon accumulation trapped within the structure.

Combining all the data and using fairly conservative assumptions leads us to believe that Ernest, as mapped to the less risky four way closure, could contain approximately 312 million barrels of oil, of which approximately 100 million could be recoverable.

At the time of the admission to AIM, Scott Pickford independently risked the prospect at a chance of success of 19.4%. From that point and following the interpretation of the 2D and CSEM data, we now believe that the chance of success has increased to over 40%, with the main remaining risk being reservoir quality. This reduction in risk, combined with a higher oil price environment, has hugely increased the EMV (Expected Monetary Value) of the prospect.

At the time of the admission to AIM, Scott Pickford built an economic model for the prospect. Using that model, the NPV of a 107 million barrel recoverable field at an oil price of \$50 per barrel is over \$1,000 million, should the oil price fall to \$30 per barrel, the NPV would fall to \$323 million.

The prospect is now ready to drill. As a result, we have upgraded its status and named it Ernest. The prospect is named both after the son of Director Richard Visick who was born in the run up to the AIM admission, and after Explorer Ernest Shackleton, who had a strong connection to the Falkland Islands.

Lead K

2D

The 2D seismic confirms the presence of a number of relatively shallow rollover leads in the area of target K. More seismic is required to further define the extent of the structures in the area.

CSEM

The CSEM resistivity data show a resistive body which appears to be coincident with a structural closure. However, it is not the original structure targeted in the survey,

but a flanking structure to the north east. This is an interesting and encouraging result and further investigation is required in the area.

2D seismic - other areas

2D seismic was also acquired over a broad area in the south of licences PL023 and PL024. Interpretation of these data is continuing and is allowing Rockhopper to focus its future exploration efforts in the most prospective parts of these licences.

New 3D seismic acquisition programme

Our 3D seismic programme with CGG Marine in licences PL032 and PL033 will now begin at the end of October, some 2 months earlier than anticipated. This will accelerate our work programme and could lead us to have a number of additional drillable targets by the middle of 2007. At that point, we will be ready to join any drilling programme in the Falkland Islands subject to funding.

Images of the co-rendered 2D and CSEM data over Ernest and K will be placed on the Rockhopper website: www.rockhopperexploration.co.uk.

NB: This statement has been approved by the Company's geological staff who include Keith Williams (Exploration Director), who is a Member of The European Association of Geoscientists & Engineers (EAGE) 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

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 (RKH) 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 5,800 sq. km. These licences have been granted by the Falkland Islands government.

Background

Rockhopper contracted Offshore Hydrocarbon Mapping plc in January 2006 to conduct two CSEM surveys over its acreage in the North Falkland Basin during January and February 2006. The surveys covered targets Ernest (formerly known as J1) and lead K. Those areas were also the subject of a new 2D seismic survey, acquired during January and February 2006.

Both targets (Ernest and K) are located in relatively shallow water of less than 200m in licences PL023 and PL024, an undrilled part of the North Falkland Basin near the Islands representing an independent play type from those plays and targets in the more northern part of the basin. The targets are both relatively shallow and this, combined with the shallow water depth, would make any wells drilled relatively quick and inexpensive should a rig be drilling in the area.