



Ocean Guardian on its way



The Ocean Guardian in Invergordon prior to departing for the Falklands

Semi-submersible drilling rig Ocean Guardian (above) has begun its journey to the Falklands and is expected to arrive in late January, with drilling scheduled to begin on February 1st. Desire Petroleum plans to drill a minimum of four wells, while Rockhopper Exploration will drill two. The campaign is expected to last between 6 to 8 months.

Fund Raising

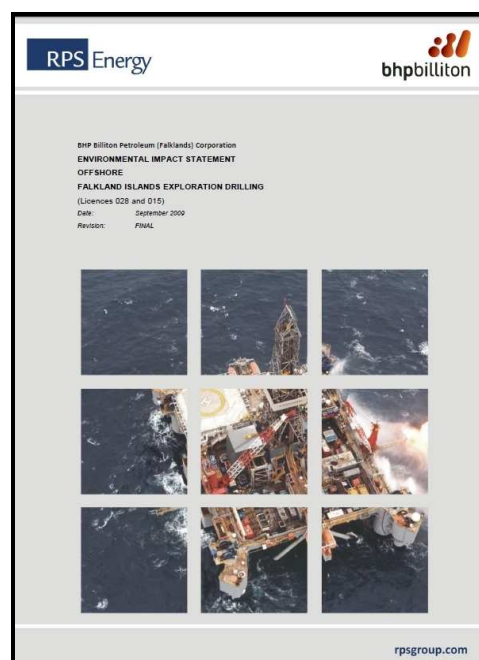
The four AIM-listed companies operating in the Falklands have raised in excess of £250m in the City of London in recent months to fund drilling operations in the Islands. Borders and Southern Petroleum have performed particularly well raising some £113.1m.

The funds put the company in good stead to contract a deep-water rig or drill-ship and drill exploratory wells in the South Falklands Basin, where no wells have been drilled to date.

Environmental Impact Statements

Both Desire and Rockhopper had their Environmental Impact Statements (EIS) approved by ExCo, and have since submitted addenda providing more information about the rig and season-specific impacts. Copies of the addenda can be obtained from the Department of Mineral Resources and the deadline for public comments is January 8th 2010.

Meanwhile, BHP Billiton has also submitted its EIS, which is currently undergoing the public consultation process prior to submission to ExCo in the new year.



BHP Billiton EIS

Visitors

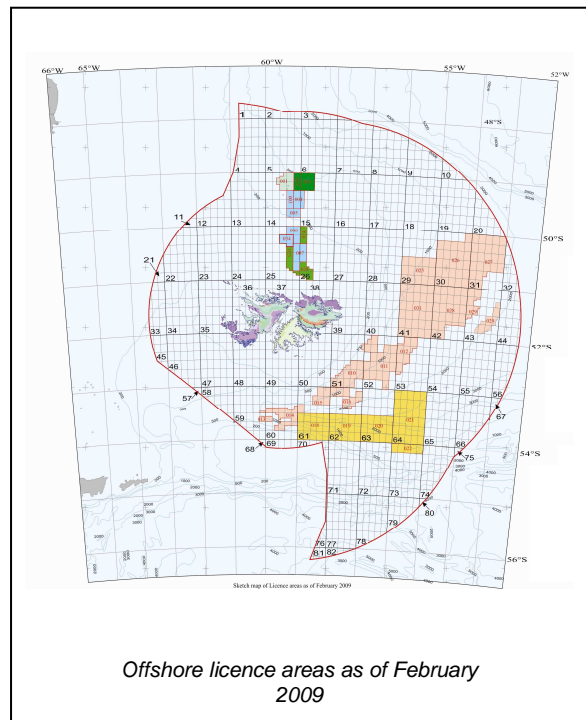
The new year will see a number of oil operators visit the Falklands to meet with FIG. Representatives of both Desire Petroleum and Rockhopper Exploration will arrive in the Islands in January, while directors from Borders & Southern plan to visit the Islands in late February. In addition, FIG consultant Dr Phil Richards of the British Geological Survey (BGS) will also travel to the Islands in January to brief the new Legislative Assembly.

What we do

As the regulatory body for hydrocarbon exploration in the Falklands, the main role of the Department of Mineral Resources is to ensure that all companies comply with FIG legislation, complete their licence obligations and operate safely and to best practice. With a drilling campaign upon us, there is a whole raft of documentation that we need to process before companies are given permission to drill: Environmental impact statements, oil spill contingency plans, well applications, emergency response procedures, and financial statements to name but a few. These documents are reviewed in conjunction with the FIG Treasury, Environmental Planning Department, the UK Department of Energy and Climate Change, the Health and Safety Executive and the British Geological Survey to ensure all drilling operations are carried out safely.

In addition, the operations will be subject to ongoing scrutiny throughout the drilling campaign.

Latest Map of Offshore licence Areas



New Mineral Resources Committee

Following the election of a new Legislative Assembly in November, Emma Edwards MLA has taken up the Chair of the Mineral Resources Committee. Jan Cheek MLA will act as deputy chair as well as being the Executive Council member on the Committee. Only two legislative assembly members (MLA) will sit on the Committee this assembly.

The remainder of the committee remains unchanged with the Director of Mineral Resources, the Chief Executive and the Attorney General.



Emma Edwards MLA

For further information about mineral exploration in the Falkland Islands please contact the department for a free brochure, CD ROM and map on email: rcordeiro@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 pchristie@mineralresources.gov.fk or prendell@mineralresources.gov.fk A list of geological brochures, maps and reports for sale is also available from the department.