



## Rockhopper Announces Oil Discovery



*The Ocean Guardian in the North Falkland Basin.*

On the 6<sup>th</sup> May, Rockhopper Exploration announced that initial data from the Sea Lion prospect (well FI 14/10-2) indicated an oil discovery, which is the first in the North Falkland Basin. Additional data acquired through logging confirmed that they had encountered a good reservoir with 53m of net pay in multiple zones. Further testing will need to be undertaken in order to confirm whether or not the discovery is commercial. Rockhopper is now planning to suspend the well for further testing.

BHP Billiton, with partner Falklands Oil and Gas, will now use Ocean Guardian to drill the third well in the drilling programme on their Toroa prospect. This will be the first well to be drilled in the South Falkland Basin.

Managing Director of Rockhopper Exploration, Sam Moody, confirmed that the company still plans to drill its Ernest prospect later in the year.

Commenting on Rockhopper's discovery, Director of Mineral Resources, Phyl Rendell said, "we welcome the news from Rockhopper Exploration and await more detailed results once they have run further tests and analysed the data. Congratulations to all on the rig, and those onshore who have supported what has been a well run and safe operation. We look forward to the remaining wells to be drilled in this drilling round and to future exploration activities."

## Gas Discovery for Desire Petroleum



*Desire Petroleum CEO Ian Duncan next to oil exploration material stocked in the Falklands.  
(Photo: Upstream)*

Desire Petroleum plc reported on the 6<sup>th</sup> April that the Liz well had reached a total depth of 3,667 metres. Gas was found at two separate intervals while drilling, between 2961 and 3031 metres and below 3400 metres. Good oil shows were also recorded while drilling between 2540m and 2568m and 2654m and 2672m but logging and sampling confirmed that the reservoir interval was tight. The well has now been plugged and abandoned as a gas discovery.

Desire Petroleum said that detailed work is now required to evaluate the reservoir quality, to determine the trapping mechanism and to assess the potential of this discovery.

FIG's press statement welcomed Desire Petroleum's announcement regarding the Liz well. Hon Emma Edwards, Member of the Legislative Assembly, congratulated Desire Petroleum on completing the well and said that, "The Falkland Islands Government looks forward to receiving more detailed results."

Commenting on the announcement, Desire's Chairman Stephen Phipps said: "This well has proved complex and highly encouraging. Hydrocarbons have been found in two separate intervals, the geological model for the basin has been confirmed and at least two petroleum systems have been drilled, with hydrocarbon shows recorded over a wide interval. More sandstone was encountered than expected but typically of poor quality. However new reservoir targets have been identified and the challenge will be to predict where these may occur in better quality."

## Update: Environmental Impact Statements

The public consultation period with regard to Borders & Southern Petroleum's Environmental Impact Statement closed on 25<sup>th</sup> March 2010. The Falkland Islands Government has received an external review of the Statement undertaken by the Scottish Association for Marine Science. It is likely that the Statement will be forwarded for consideration at the June meeting of Executive Council. Although the public consultation has closed, the EIS can still be reviewed, or copies obtained, from the Department of Mineral Resources.

## Presentation to the Chamber of Commerce

On Wednesday 28<sup>th</sup> April, Peter Dixon-Clarke, Finance Director for Rockhopper Exploration, and Colin Anderson, AGR Petroleum Services Drilling Superintendent, gave a very informative presentation to the Chamber of Commerce.

Peter Dixon-Clarke spoke about Rockhopper Exploration and the work the company has achieved to date before handing over to Colin Anderson, who detailed the exploration process from licensing through to drilling and testing. Hans de Jong, Rockhopper Exploration's Drilling Adviser, explained the drilling process using the analogy of a needle and thread to give some sense of the scale of drilling operations.

The representatives from Rockhopper and AGR took the opportunity to express their gratitude to the Falkland Islands private sector and community for their assistance, patience and hospitality during the drilling programme.

The presentation was very well attended and the Mineral Resources Department is grateful to the Chamber of Commerce for agreeing to host the presentation at short notice.

## Ocean Guardian Inspection

Health and Safety Executive Inspectors, Nick Bailey and Derek Singer, will visit the Islands in June to undertake a health and safety inspection of the Ocean Guardian. Such inspections are routine, and ensure that conditions on the rig are as described in the Safety Case for operating in the Falklands Offshore Area. Prior to the Ocean Guardian operating in the Falklands a Safety Case was prepared by Diamond Offshore and approved by the Health and Safety Executive on behalf of FIG. The cost of the health and safety inspection will be borne by the Operators.

## Introduction to Petroleum Geology Workshops

FIG consultant, Dr Phil Richards of the British Geological Survey (BGS) will be visiting the Islands in the week Monday 7<sup>th</sup> – Friday 11<sup>th</sup> June to host Petroleum Geology workshops. These workshops will cover a brief introduction and explanation of Petroleum Geology and Exploration, and to discuss the next steps for the Falklands in respect of the hydrocarbons industry.

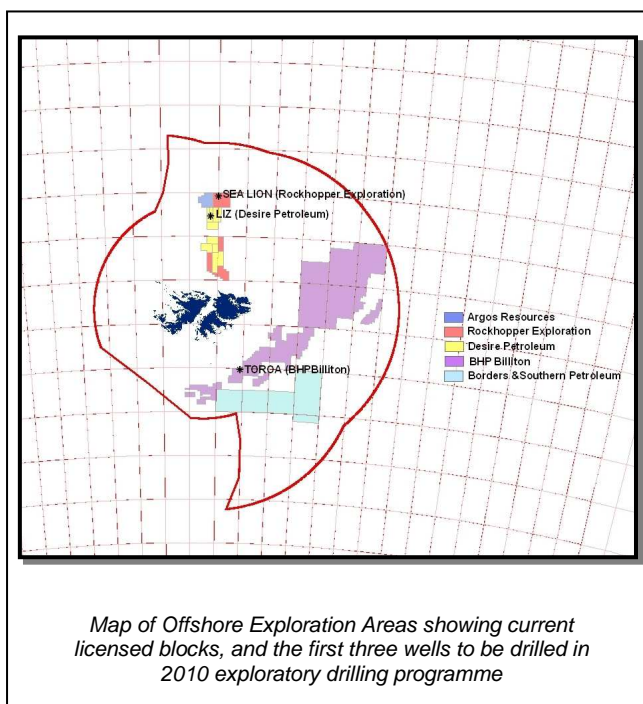
The content of these workshops will be aimed at non-Geologists. Everyone is welcome to attend all or some of these sessions. For more information, please contact Pippa Christie at the Department of Mineral Resources, on telephone 27322 or by emailing [pchristie@mineralresources.gov.fk](mailto:pchristie@mineralresources.gov.fk).

## Oil Exploration Fliers

Two new fliers on hydrocarbon exploration are now available from the Department of Mineral Resources. The first flier explains, in laymen's terms, how an exploration well is drilled. The second flier follows by explaining the next steps of hydrocarbon exploration in each 'worst case', 'middle case' and 'best case' scenario, and provides a time-line of activity should commercial quantities be discovered.

For a copy of either or both fliers please contact [nllloyd@mineralresources.gov.fk](mailto:nllloyd@mineralresources.gov.fk).

## Map of Offshore Exploration Areas



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