

PRESS RELEASE

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**HANNON WESTWOOD 26th ROUND SCREENING STUDY
- SIGNIFICANT POTENTIAL AVAILABLE**

In advance of the opening of the next UKCS Round, anticipated in January 2010, Hannon Westwood has released its 26th Round Screening Study. Over the last decade, Hannon Westwood has been developing several databases in order to understand the resource remaining on the UKCS. To date, these include the reserves and production rates in producing fields, 448 undeveloped discoveries and 1,591 undrilled prospects. The Screening Study looks at all the unlicensed undrilled prospects and unlicensed undeveloped discoveries that are held within the Hannon Westwood databases.

Analysis of these databases shows that on currently unlicensed acreage there are 57 undeveloped discoveries with unrisks potential reserves of 513 mmbbls (281 mmbbls + 1388 bcf), six abandoned fields, with re-development potential, and 518 undrilled prospects, with 22.65 billion bbls (15.53 billion barrels + 42.76 tcf) of unrisks resource.

As the area of unlicensed acreage increases through further voluntary and statutory relinquishments, the volume of reserves and resources available for licensing in the 26th Round will also increase. This additional potential will be captured in a supplement to the study.

Chris Bulley, Executive Director, Hannon Westwood, comments:

“This will be the first Licence Round for two years and is the first since the oil price collapse and credit crunch, so it will be interesting to see the level of activity/applications/participation that is generated. There is significant potential on the UKCS still to be de-risked and realised and this Round provides an excellent opportunity to access both undeveloped discoveries and undrilled prospects. The recent drop in E & A drilling activity must be viewed as a temporary reduction if the full potential of the UKCS is to be realised before infrastructure abandonment conspires to reduce the areas where incremental reserves can be developed.”

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