

## **FOR IMMEDIATE RELEASE:**

**23rd November 2006**

### **REACH ANNOUNCES SIGNIFICANT OIL DISCOVERY IN UKCS WELL 13/27A-4 AND FARM-IN APPRAISAL WELL ON BLOCK 13/26A**

Reach Exploration (North Sea) Limited today announces an oil discovery in Moray Firth well 13/27a-4. This well was drilled and flow tested in February and March 2005 and since then the results have been held confidential. 13/27a-4 was drilled by Operator Petro-Canada UK Limited with the rig Global Santa Fe Arctic 2. The well flowed 33.4° API black oil from Upper Jurassic Sandstones.

The 13/27a-4 well lies 4 km to the north-east of well 13/26a-2, which encountered hydrocarbons in 4 reservoir zones, 3 of which were flow tested. Pressure data from the Upper Jurassic Sandstones in these two wells indicate that they may be part of the same oil accumulation. Petro-Canada and Reach have farmed into the adjacent Licences P637 and P1154 (current equity owners being Talisman and Nexen) which cover blocks 13/26a and 13/26b and will further appraise the discovery on block 13/26a in the 2<sup>nd</sup> Quarter 2007. The farm-in well will be operated by Talisman Energy (UK) Limited. The Field lies approximately 18km west of the Talisman-operated Ross Field.

Isabel Davies, Managing Director of Reach, commented "We believe that the discovery will prove to be significant and are very pleased that we are now able to announce this important find. This discovery was made on our first Promote Licence and further highlights the great benefits brought to the North Sea by the initiatives pursued by the Department of Trade and Industry. We are very excited to be forming this new Joint Venture with Talisman, Nexen and Petro-Canada."

Since this discovery, Reach and Petro-Canada have significantly added acreage in the area and, in partnership with Samson (North Sea) Limited, will commence a 4 well exploration programme in 2007. Earlier this year, a new 1,145km<sup>2</sup> 3D survey was acquired for the consortium across these blocks by the WesternGeco Diamond 3D vessel.

Notes to editors:

1. Reach is an oil and gas company focused on acquiring exploration and development opportunities in the UK North Sea. Reach has been active in the 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup> and 24<sup>th</sup> UK Licensing Rounds.

# reachexploration

2. Reach was awarded 100% equity in Licence P1084, Blocks 13/27a and 13/28b in 2003 as a Promote Licence in the 21<sup>st</sup> Licensing Round. Petro-Canada farmed into the Licence in 2004 and drilled the 13/27a-4 well in 2005.
3. Promote Licences are granted by the Department of Trade and Industry to companies specialising in the application of geological and engineering skills in order to identify previously overlooked hydrocarbon potential.
4. For further information contact Miles Newman, Exploration Director, on telephone number 44-1330-826503 or by email at [miles@reachexploration.co.uk](mailto:miles@reachexploration.co.uk). Please also see the website on [www.reachexploration.co.uk](http://www.reachexploration.co.uk).