

11th July 2003

FOR IMMEDIATE RELEASE

Reach Exploration Limited Announces Farm-out of Licence P1048 in the Moray Firth, UK North Sea.

Reach Exploration Limited today announced the formation of a joint venture to explore Licence P1048 in the southern Moray Firth, UKCS.

Premier Oil Exploration Limited will operate the Licence with 50% equity, Intrepid Energy North Sea Limited and First Oil Expro Limited will take 30% and 15% interests respectively. Reach will retain a 5% carried interest. The joint venture will reprocess the existing 3D seismic data with the intention of drilling an exploratory well in the first half of 2004.

Reach was awarded 100% and operatorship of Licence P1048 in July 2002 as a result of an application in the 20th UKCS Licensing Round. Four part blocks, 20/10b, 20/15a, 21/6a and 21/11b constitute P1048 and Reach has identified five high potential prospects/leads on this acreage.

Isabel Davies, Managing Director of Reach Exploration Limited, said: "We are very excited to welcome Premier, Intrepid and First Oil onto Licence P1048 and know that the excellent technical skills and experience of these companies will be invaluable in the thorough exploration of this area. This farm-out shows that the DTI's initiatives for facilitating wider access to seismic data and acreage can achieve the desired result of increased levels of investment in exploration."

Reach is an oil and gas exploration company based in Aboyne, near Aberdeen, and is focussed on prospect generation and exploration in the UK North Sea.

Contact:

Isabel Davies, Managing Director

Phone: 013398 87792

Mobile: 07930 310940

Email: info@reachexploration.co.uk

Additional Information

1. Reach Exploration's focus is on prospect generation and acreage acquisition in the UK North Sea. It believes that tremendous value remains in the North Sea and that a solid technical approach to exploration with the emphasis on geological and geophysical skills will unlock this value.
2. Its directors have extensive experience of the upstream oil and gas industry, gained at Shell, Amerada Hess, Texaco, Clyde and British-Borneo. They include experienced geoscientists with proven records of successful exploration in the North Sea and other areas.
3. Further information is available at Reach Exploration's website at www.reachexploration.co.uk