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Falkland Oil and Gas Limited
("FOGL" or "the Company")

Completion of Site Survey Programme

FOGL, the oil and gas exploration company focused on its extensive licence areas to the South and East of the Falkland Islands, is pleased to announce the successful completion of the site survey programme.

The MV Fugro Meridian conducted site surveys in four areas that were jointly selected by the operator BHP Billiton and FOGL. The vessel, which is operated by Fugro Surveys Limited, acquired high resolution 2D seismic data in order to assess drilling hazards in the top few hundred meters of sediment below the sea bed. Bathymetric and sea bed imaging surveys were conducted to generate a detailed picture of the sea floor. The data can then be used to assess sea bed stability, locate sites for rig anchors and provide a picture of potential sea bed habitats. In addition numerous gravity cores and grab samples of the sea bed were recovered to calibrate the sea bed imaging and provide accurate data on sea bed composition and local fauna for inclusion in the environmental impact assessment. The surveys were completed last week.

The British Antarctic Survey vessel, the James Clark Ross, was contracted to deploy wave and current meters. Data from these instruments will be used in the environmental assessment and in the design specifications for rig mooring and riser design. This deployment was completed in December but the monitoring is ongoing.

A geotechnical boring programme was also undertaken, by the MV Fugro Saltire, to establish the composition and physical properties of the top 200 metres of sediment below the seabed. Information derived from this survey will be used to assist in the detailed conductor and casing design of the wells.

The Company will now utilise the data acquired in the surveys to undertake detailed well designs which will then form part of the regulatory approval. The site survey data will also be utilised in the environmental impact assessment that will be submitted to the Falkland Islands' Government in the coming months.

Tim Bushell, Chief Executive of FOGL, said:

"I am pleased that the site survey has been successfully completed on time and in budget and this completes the final phase of offshore activities prior to drilling."

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