

FOR IMMEDIATE RELEASE:

4th October 2006

REACH FARMS OUT EXPLORATORY WELL ON UKCS BLOCK 30/23B TO SVENSKA

Reach Exploration (North Sea) Limited and Svenska Petroleum Exploration U.K. Limited have completed an agreement which will see Svenska participate in an exploratory well on UKCS Block 30/23b, Licence P1228. The well will test a Jurassic reservoir target in the Balgownie Prospect, which is expected at approximately 9800' depth. The Balgownie Prospect lies along trend from the producing Janice and James Fields that are 17 km and 12 km respectively to the north-west. Svenska has a 6.45% interest in these fields. Svenska will earn 25% equity in the Licence and Reach will retain 15%.

Endeavour Energy UK Limited, the Operator of Licence P1228 plans to drill the well in the 2nd Quarter 2007.

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 20th, 21st, 22nd, 23rd and 24th UK Licensing Rounds.
2. Reach was formed in 2002 and is based near Aberdeen, Scotland.
3. Reach owns equity in 18 Licences covering 29 blocks in the UK North Sea. Reach is currently working on two development and six appraisal projects.
4. For further information contact Miles Newman, Exploration Director, on telephone number 44-1330-826503 or by email at miles@reachexploration.co.uk. Please also see the website on www.reachexploration.co.uk.