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**REACH EXPLORATION ANNOUNCES FARMOUT OF UKCS LICENCE
P1183, BLOCKS 31/26B AND 39/1B, AND THREE WELL DRILLING
PROGRAMME IN THE UK NORTH SEA**

Reach Exploration (North Sea) Limited today announces firm plans for a three well drilling programme for the second half of 2005. Two exploration wells will be drilled consecutively by the GlobalSantaFe Arctic 2 semi-submersible rig on block 31/26b operated by Endeavour Energy UK Ltd. The first well is due to spud within the next few weeks. These wells will target the Turnberry and Turriff Prospects close to the producing oil fields of Fife, Flora, Fergus and Angus. Reach acquired a 40% interest in Licence P1183, which covers blocks 31/26b and 39/1b, in the 22nd UK Seaward Licensing Round in September 2004 and have farmed out an interest to Challenger Minerals (North Sea) Limited and Palace Exploration Company (United Kingdom) Limited. Reach will retain a 5% carried interest.

The third well in the programme will target the Palomino Prospect on Premier-operated block 21/6a, Licence P1048. Palomino is a dip-closed structure with reservoir objectives in Jurassic Fulmar and Triassic Skagerrak sandstones. Oilexco North Sea Ltd has signed an MOU with Premier Oil Exploration Limited to farm in to P1048 and plans to drill this well in December, 2005.

Isabel Davies, Reach's Managing Director, said "We are very pleased to confirm the rest of our exploration programme for 2005, following on from Petro-Canada operated well 13/27a-4. These 3 wells are relatively low risk with the possibility of discovering large reserves. 2005 will see Reach participate in 4 exploration wells and confirms Reach as one of the most active explorers in the UK. "

Notes to editors:

1. Reach Exploration (North Sea) Limited is an oil and gas company focused on identifying and acquiring exploration and development opportunities in the UK North Sea.
2. Sister company Reach Exploration Limited owns 5% equity in Premier-operated Licence P1048, covering four blocks, 20/10b, 20/15a, 21/6a and 21/11b. This company will participate in the Palomino well.

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3. Reach Exploration (North Sea) Limited owns equity in six Licences covering 8 blocks in the UK North Sea.
4. Reach Exploration is based near Aberdeen, Scotland.
5. For further information contact Miles Newman, Exploration Director, on telephone number 44-1330-826503 or by email at miles@reachexploration.co.uk.