

FOR IMMEDIATE RELEASE:

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REACH MAKES OIL DISCOVERY WITH WELL 13/21B-7, UKCS LICENCE P1267

Reach Exploration (UK) Limited is pleased to announce the successful completion of operations on Petro-Canada operated well 13/21b-7, the first exploration commitment well on acreage awarded in the UKCS 23rd Round in December 2005. Located in 89 metres of water in the Inner Moray Firth area, the well was drilled to a depth of 2,398 metres below sea level using the GSF Arctic III semi-submersible rig and completed on 28th December 2007.

The well encountered oil columns in two Lower Cretaceous sandstone reservoirs. The deeper reservoir contained a gross column of 21 metres, with 34.5 degree API oil recovered from wireline samples. The shallower reservoir contained a gross column of 58 metres. A drill stem test was performed over the shallower reservoir interval. This interval flowed clean oil (21 degree API) at unassisted rates of up to 200 bopd. Evaluation of the test data indicates that this reservoir has the potential to yield commercial flow rates through the application of horizontal wells and appropriate completion technology.

Based on these well results the joint venture partnership believes it has made a potentially commercial discovery. Appraisal of this discovery will be required in order to optimise the potential reserve base and development options.

The well was operated by Petro-Canada (50% WI) on behalf of partners Samson North Sea Ltd (35% WI), First Oil Expro Ltd (10%WI) and Reach Exploration (UK) Limited (5% WI).

Notes to editors:

1. Reach Exploration (UK) Limited is a wholly owned subsidiary of Reach Oil & Gas Limited, based in Banchory, near Aberdeen, Scotland.
2. Reach is focused on acquiring exploration and development opportunities in the UK North Sea and East Irish Sea.
3. Reach plans to drill a further 3 to 4 development and exploration wells in 2008.
4. For further information, please 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.