



Press Release

For immediate release: 25 July 2006

Offshore Hydrocarbon Mapping plc ("OHM" or "the Company")

OHM to conduct extensive CSEM survey for Falkland Oil & Gas

Offshore Hydrocarbon Mapping plc is to conduct an extensive Controlled Source Electromagnetic (CSEM) survey in the South and East Falkland Basins on behalf of Falkland Oil & Gas Limited (FOGL).

The programme will commence in late 2006 with the intention of acquiring CSEM data over many of the larger prospects identified by FOGL from seismic interpretation.

In FOGL's announcement of the contract award FOGL's Chief Executive Officer, Tim Bushell said:

"We are very excited by this new technology and its application in our licences. The use of CSEM imaging is an appropriate exploration tool given the large number of prospects and leads that we have identified. We believe that CSEM can help to significantly reduce risk, improve the chance of success and allow us to focus on the best prospects for drilling in 2008".

OHM's CEO Dave Pratt said:

"Following on from the recently announced results of our surveys on behalf of Rockhopper Exploration plc in the North Falkland Basin, we are delighted to have been awarded this extensive contract by FOGL. In terms of reducing exploration risk ahead of drilling, there is currently no better method than that chosen by FOGL."

A copy of the FOGL statement is set out below.

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

Falkland Oil and Gas to conduct electromagnetic survey

Falkland Oil and Gas Limited ("FOGL") has signed a Letter of intent with Offshore Hydrocarbon Mapping plc ("OHM") to undertake a Controlled Source Electro-Magnetic survey ("CSEM") over the company's licences in the South and East Falkland Basins.

The use of CSEM technology in this environment is particularly appropriate and exciting. CSEM is a method which investigates the electromagnetic properties of rocks and has a recognisable response when oil and gas is present. CSEM is an extremely cost effective method of high grading an extensive inventory of exploration prospects and leads. CSEM imaging works best under certain conditions, including deepwater (>500metres), simple sand & shale geological sequences, and large traps (prospects), all of which are prevalent within FOGL's South & East Falkland Basins. This programme has the potential to indicate which of our numerous prospects may contain hydrocarbons. Our strategy will be to obtain CSEM data over many of the larger prospects and based on the results, infill 2D seismic will then be acquired in order to determine the best sites for exploration wells.

This is the first part of our revised forward exploration programme recently discussed with the Falkland Island Government. FOGL had already begun preparatory work which will enable rapid implementation of a CSEM survey, further demonstrating FOGL's commitment to this exploration acreage.

We expect to commence both the CSEM and 2D seismic surveys before the end of 2006 and be in a position to announce the results early next year.

Tim Bushell, Chief Executive Officer commented:

"We are very excited by this new technology and its application in our licences. The use of CSEM imaging is an appropriate exploration tool given the large number of prospects and leads that we have identified. We believe that CSEM can help to significantly reduce risk, improve the chance of success and allow us to focus on the best prospects for drilling in 2008".

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Note to Editors

Controlled Source Electro-Magnetic imaging (CSEM) is potentially the most important new technology in the field of offshore oil & gas exploration since the advent of 3D seismic some twenty years ago. CSEM is an innovative offshore geophysical technique, employing electromagnetic remote-sensing technology to detect the presence and extent of hydrocarbon accumulations below the seabed. The CSEM survey uses a dipole source that is towed just above the seafloor to transmit an electromagnetic field into the earth. This field is modified by the presence of subsurface resistive layers and these changes are detected and logged by an array of receivers placed on the seabed.

Because hydrocarbon-bearing formations are highly resistive compared with surrounding formations, a CSEM survey can indicate the presence of oil and gas in offshore situations. CSEM imaging can significantly reduce the risk of drilling dry exploration wells creating considerable value for oil & gas explorers.

The technique was first used offshore Angola in 2000 and has since become a key deepwater exploration tool for the major oil companies. Very high success rates have been quoted by these companies, particularly when the results of a CSEM survey have been integrated with seismic interpretation.

For further information on OHM please see www.offshorehydrocarbonmapping.co.uk