

For immediate release

27 February 2008

**Black Rock Oil & Gas PLC**  
**(“Black Rock” or the “Company”)**  
**Financing of Las Quinchas Association Contract**

Further to the announcement on 20 February 2008, the Board of Black Rock Oil (stock code: BLR), the AIM-traded oil and gas exploration and production company, is pleased to announce that the Company has agreed the terms of an arrangement to develop further the Company’s interests in the Las Quinchas Association Contract. Prospero Hydrocarbons Inc (“Prospero”), a private Canadian based oil exploration and development company, has agreed to invest up to US\$4,000,000 (in tranches matching the cash calls required in respect of Las Quinchas) for an equity interest of 49 per cent. in Las Quinchas Resource Corp which now holds the Company’s interests in the Las Quinchas Association Contract in the Middle Magdalena Valley of Colombia. Additionally, Prospero’s management will assist in technical evaluations and a nominee of Prospero will join the Board of the Company.

Dr John Cubitt, Managing Director of Black Rock Oil & Gas plc, commented:

“We are delighted to have concluded this increased participation with Prospero and look forward to working with them on our Colombian assets.”

**Transaction Summary**

Black Rock has assigned its interest in the Las Quinchas Association Contract to a wholly-owned Barbados-based subsidiary, Las Quinchas Resource Corp (“Las Quinchas Resource”) which has entered into a subscription agreement with Prospero. Initially Prospero has subscribed for 425,298 shares of common stock in Las Quinchas Resource, representing 0.83 per cent. of the issued share capital of Las Quinchas Resource for a cash consideration of US\$347,182. Prospero has agreed to invest a further US\$3,652,818 for shares representing up to 49 per cent. of Las Quinchas Resource as and when Las Quinchas Resource requires funding for the continued development of Las Quinchas, including Acacia Este. In consideration for each payment by Prospero, Las Quinchas Resource will issue Prospero further shares of common stock in Las Quinchas Resource.

Black Rock has provided a number of representations and warranties pursuant to the Las Quinchas Agreement.

Black Rock and Prospero have also entered into an investors’ agreement in respect of Las Quinchas Resource (the “Las Quinchas Investors Agreement”). Pursuant to the Las Quinchas Investors Agreement, each of Black Rock and Prospero can appoint one director to the Board of Las Quinchas Resource. The Las Quinchas Investors Agreement contains certain drag and tag rights, and grants Black Rock and Prospero a right of first refusal over each other’s shareholding in Las Quinchas Resource in the event that any party which owns more than 50 per cent. of Las Quinchas Resource subsequently seeks

to sell, transfer, assign or otherwise dispose of its shareholding in Las Quinchas Resource.

Following full subscription by Prospero under the Financing (and the financing in respect of the Alhucema E&P Contract announced on 20 February 2008), Black Rock will retain a 51 per cent. shareholding in Las Quinchas Resource and will continue to consolidate its Colombian interests in its consolidated accounts. As at 30 June 2007, Black Rock's Colombian interests had a net book value of £2,990,150 and made a loss before taxation of £327,200.

### **Qualified Person**

Dr John Cubitt (a Director of the Company) has been involved in the oil and gas production industry for more than 26 years. Dr John Cubitt is a registered Chartered Geologist (CGeol) and has a BSc and PhD in geology. He has compiled, read and approved the technical disclosure as it relates to Black Rock in this regulatory announcement.

For further information, please contact:

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