

The second coming of Black Rock

It may have taken almost a decade for Black Rock Oil and Gas plc to drill its first well, and a dry well at that, but the new management has momentum and is hoping for success now the company has a real exploration program.

Late in 2003, Black Rock was widely written off as a shell, little more than a cashbox.

After some time on the shelf a new investor block and management came in, making the Alternative Investment Market-listed company from its slumber.

After joining the board of Black Rock in January 2004, managing director Ivan Burgess spent five months adding acreage as the company sought to find its voice.

That process is on going, as the company is still fine-tuning its profile.

It is seeking larger equities in bigger projects, including those in marine areas, and is seriously considering taking on operation.

Initially the company planned to complete a dual listing on the Australian exchange but that is now not a priority with the UK market being so vibrant, Burgess said.

Additionally, the cost of maintaining a dual listing was both difficult and expensive for a small company, and there was the additional burden of ensuring regulators in both jurisdictions are maintained.

"For the right stock in London there seems to be good potential rewards for shareholders," Burgess said.

With the UK market "hot to trot" Burgess said it made sense to offer opportunities that market understood.

Since Burgess joined the company, Black Rock's trading has seen increased volumes, and the share price more than tripled to a princely 2.2 pence, easing back off only recently.

After his first 100 days in the chair, Burgess said Black Rock's ambitions have not changed.

It has honed its approach however, and he

has increasing comfort with operating in the London market, where Black Rock has its registered office.

And the company's entire role in the Australian oil and gas search is under review because Australian acreage does not appear to excite the UK market.

In Australia, Black Rock has equity in the Emu and Carnarvon Basins, and has acquired equity in two Cooper Basin blocks.

The Tap Oil-operated Gyron-2 appraisal well will be the second well in which Black Rock will participate this year.

The well will test a 29-metre hydrocarbon column intersected by the initial well.

Burgess hopes it will be of major interest to shareholders.

With the Australian plays now under review, Burgess said the company was open to doing a deal that would see it exit the Cooper Basin.

As in all cases however, if the right project comes along "...one needs to keep an open mind," he said.

"The northern hemisphere will be our major focus at this point in time."

To illustrate the point, Burgess said he will be "...putting considerable effort getting to know other London players," spending extended periods in England in the near future.

Burgess said you need to be where the market is and to be known by the players.

"How can you gain their respect if they do not know you?" he said.

Immediately following the RNU Good Oil Conference Burgess will fly to London for a meeting to discuss drilling on the Isle of Wight where planning permission has already been applied for.

The proposed Sandhills-2 is a follow-up to an untested hydrocarbon intersection in the Jurassic Great Oolite by the initial Sandhills well.

The company will be free carried through the drilling of the well.

Sandhills-1, on a leveraged basis, sees Burgess anticipating the market interest in the well.

"We have half the share price of our nearest TV partner, and if you compares shares on issue and market cap, it's interesting - I think there's very good opportunity there.

"(We have) also been careful to select UK acreage, picking up two blocks in Southern England (125 and 126), and are waiting in the results of three 12th round onshore licensing bids for September where we have lodged applications."

There is also another project on the boil in Kent on which Burgess hopes to complete negotiations on soon.

As the re-invention of Black Rock proceeds, Burgess said the company could look towards Africa which is understood by the European market.

A wall clock on Burgess' office showing Dallas time indicates the US is as good a place one might see Black Rock show up.

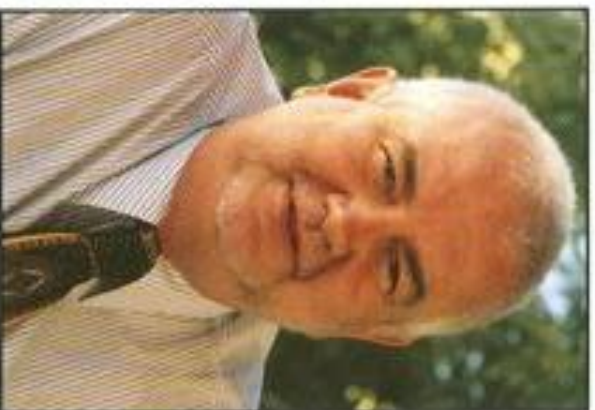
Burgess stressed Black Rock was only in the market for quality acreage.

"The company will not just apply for acreage without it having real prospectivity. All acreage held by the company is in basins where economic quantities of hydrocarbons have been discovered."

Underscoring the point, Black Rock's UK onshore acreage is in the same region as Europe's second largest oilfield, Wytch Farm.

Burgess noted he had been asked by a number of Aussies on how they could invest in Black Rock. He said many Australian brokers deal with UK counterparts and investors should therefore be able to buy stock through their normal broker.

By
Hoyden Black



▲ Ivan Burgess