

Black Rock Oil & Gas PLC

Exploration Agreement with Magellan Petroleum Australia Limited

Black Rock Oil & Gas PLC (“Black Rock” or “Company”) announces that it has extended its international relationship with Magellan Petroleum Australia Limited (“Magellan”) by signing an exploration farmin deal which will see the Company drill two wells in Magellan’s Australian acreage.

The companies are targeting the Cooper Basin in central Australia, where a number of oil and gas exploration companies have had success in recent years. Under the terms of the deal, Black Rock will fund part of the Malleus 2D Seismic Survey and the cost of a well to earn 15% of exploration permit, PEL 94, which is situated in the South Australian portion of the Cooper-Eromanga Basin systems. The partners will be drilling the Murta and Cadna-owie Formations which are producing in the adjoining Aldinga discovery by Magellan/Beach in the adjacent PEL 95 permit and, Santos Wanchoocha Field to the north.

Black Rock will also fund part of the costs of drilling of an exploration well to earn a 10% interest in PEL 110. The companies will be targeting reservoirs of Triassic age which are production from the James, Keleary and Telipea Oil Fields operated by Santos Ltd in adjoining permits. The deal is subject to Black Rock also seeking quotation on the Australian Stock Exchange Limited (ASX).

Magellan and Black Rock have a long association. The two companies are partners in exploration licenses PEDLS 098, 099 and 113 situated in southern England. Sandhills 2 is expected to be drilled in PEDL 113 on the Isle of Wight later this year.

BACKGROUND

PEL 110

This permit is located in the northern portion of the Cooper-Eromanga Basin systems, about 130 kilometers north-northeast of Moomba and covers an area of about 1,452 square kilometers. Several leads are known to exist in the southern portion of the permit, closest to the known source area and there are also additional large structures in the central and northwestern part of the block.

Samaphore 1 was drilled in 2003 and, whilst plugged and abandoned, encountered several hydrocarbon shows throughout the Jurassic and Triassic section, indicating that hydrocarbons are being sourced in the permit. Several oil fields are present in adjacent permits. The James, Keleary and Telopea Oil Fields are all operated by Santos and have had economic production from the Triassic section. This same reservoir and trap geometry constitutes a major play in the southern portion of PEL 110.

PEL 94

This block is located about 75 kilometers southwest of Moomba and covers an area of about 2,691 square kilometers. The Maslins 1 exploration well was drilled by Magellan and Beach in the southern portion of the permit during 2002. Whilst the well was plugged and abandoned, it encountered non-commercial quantities of oil reservoired in the Cretaceous Murta Member, indicating the generation, migration and entrapment of oil in the region.

The main objectives in the permit are the Cretaceous Murta Member and Namur Sandstone and to a lesser degree the Hutton Sandstone. The Murta and younger Cadna-owie Formations have proved productive in the Aldinga discovery by Magellan and Beach in the adjacent PEL95, and at Kobari and Wanchoocha to the north. The latter two fields are operated by Santos Limited. Seismic and drilling is planned for 2004.