

BLACK ROCK OIL & GAS PLC

Acquisition of Wildlook Enterprises Pty Ltd Proposed issue of 1 warrant for every 5 existing ordinary shares Exploration update Notice of EGM

Introduction

On 16 January 2004, Black Rock Oil & Gas PLC ("Black Rock" or "the Company") announced the appointment of Ivan Burgess as a non-executive director of the Company and the intention to allot to him a maximum of 25,000,000 new ordinary shares in connection with oil and gas exploration projects. Subsequently, on 23 March 2004, the Company announced that Ivan Burgess had agreed to become managing director of the Company.

The Directors (other than Ivan Burgess) have, subject to approval by Shareholders, agreed terms for the proposed acquisition by the Company from Ivan Burgess (and certain of his family interests) of the entire issued shares of Wildlook Enterprises Pty Ltd ("Wildlook Enterprises"), which owns a data base of oil and gas exploration prospects, for a consideration of 18 million new ordinary shares and 7 million warrants. The directors (other than Ivan Burgess) consider it is in the Company's best interests to acquire Wildlook Enterprises and important for the Company's strategy of acquiring further projects. Further details of the proposed acquisition are set out below.

It was announced on 2 April 2004 that the Company had raised £250,000 before expenses by a placing of 20,000,000 ordinary shares at 1.25p per share. The purpose of the placing was to provide funding for the drilling programme of the Company's farmin project with Magellan Petroleum Australia Limited in PEL 94 in the Cooper Basin of South Australia which is expected to commence about 10 June 2004.

As a consequence of the placing, the Company has remaining authority to issue only a small number of ordinary shares without pre-emptively offering them to all existing shareholders on a pro-rata basis. Whilst the directors believe it would be desirable, when issuing ordinary shares for cash, to offer such shares to all shareholders pro-rata to their existing holding, the logistics and cost of such an exercise make it impractical except for large fund raisings.

The directors therefore consider that it is in the Company's interests to be able to issue further ordinary shares for cash in the future on a non-pre-emptive basis so that the Company can continue to upgrade and support this drilling programme. In order to mitigate the dilutive effect of such a non pre-emptive issue of shares for cash, the directors are proposing to issue warrants to all qualifying shareholders (being shareholders on the Company's register at the close of business on 4 June 2004), further details of which are set out below.

The Company is consequently now seeking shareholders' approval for the acquisition of Wildlook Enterprises and the granting of further authority to allot securities and to allow for the issue and exercise of all the warrants. This requires the authorised share capital of the Company to be increased, the directors to be authorised to allot the relevant shares under Section 80 of the Companies Act 1985 and the statutory pre-emption rights contained in section 89(1) of the Companies Act 1985 to be disapplied.

Acquisition of Wildlook Enterprises from interests associated with Ivan Burgess

The Board, other than Ivan Burgess who has taken no part in the discussions on behalf of the Company, have agreed terms for the proposed purchase of the entire issued share capital of Wildlook Enterprises for a consideration of 18 million new ordinary shares credited as fully paid and 7 million warrants. Wildlook Enterprises is a company with an issued share capital of A\$40,003 all of which is owned by Ivan Burgess and his family interests. The vendors will give certain usual warranties regarding Wildlook Enterprises in the acquisition agreement.

Because the proposed acquisition of Wildlook Enterprises is a transaction to which section 320 of the Act applies (being a substantial property transaction with a director, namely Ivan Burgess) the prior approval of shareholders is required prior to the entering into of any contract to purchase Wildlook Enterprises. The directors are seeking such authority at the EGM. In accordance with the AIM rules, the directors, other than Ivan Burgess, have consulted with Nabarro Wells & Co. Limited, the Company's nominated adviser, and consider that the terms of the acquisition of Wildlook Enterprises are fair and reasonable insofar as shareholders are concerned.

Wildlook Enterprises has not traded other than to negotiate the rights to two oil and gas exploration projects being EP-364 and PEDL 112 (which are described below), one application area, purchase from Ivan Burgess of a data base relating to oil and gas exploration projects, and to retain exclusive rights in any petroleum interests Ivan Burgess may be introduced to from his contacts and sources in North America and Africa to 30 June 2005.

Since his appointment Ivan Burgess has already used this data base to introduce six oil and gas exploration projects to Black Rock, being interests in PEDL 125, PEDL 126, EP-325, EP-41 part 1, PEL 94 and PEL 110 (which are described below).

Exploration update

Following completion of the acquisition of Wildlook Enterprises, Black Rock will have a portfolio of eight new oil and gas exploration projects.

UNITED KINGDOM

Onshore Southern England

All UK licences below are operated by Northern Petroleum Plc.

PEDL 125 Black Rock interest: 10%

PEDL 125 is situated adjacent to the Horndean and Singleton Fields in Southern England, geologically within the Weald-Wessex Basins. There is a lead located in PEDL 125 where an oil play may have been bypassed in the Great Oolite in the Hedge End 1 well. Seismic analysis near the well suggests considerable updip potential and initial estimates of potential recoverable mean volumes are 3 to 9 million barrels of oil. A second follow-up lead, Eastleigh, is also located in this block.

PEDL 126 Black Rock interest: 10%

PEDL 126 is situated adjacent to the Horndean and Singleton Fields in southern England, geologically within the Weald-Wessex Basins. Six potential structures have been identified in PEDL 126, between and adjacent to the known fields. Wells in the area have similar oil water contacts within the Great Oolite reservoir, indicating that the prospects may be connected. The High Copse and Hylters prospects lie between the two fields and have estimated recoverable volumes of 1.1 to 3.3 and 3 to 9 million barrels of oil, respectively. Three additional prospects extend southwest from the Singleton Field. The Chilgrove, Hasler's Steading and Walderton prospects each have estimated recoverable volumes in the range of 0.6 to 1.9 million barrels of oil, 3.8 to 11.4 million barrels of oil and 1.6 to 5 million barrels of oil, respectively.

Northwest and updip of the oil-water contact in the Horndean Field is a broad low relief closure, known as Hinton Manor Extension, which possibly links the Horndean Field and Hinton Manor. To the north of these is a further prospect named Clanfield. These prospects have estimated recoverable volumes in the range of 0.4 to 1.3 million and 1.0 to 3.2 million barrels of oil, respectively. Although these structures have great potential because of the postulated single oil water contact, further work needs to be carried out on the play prior to drilling.

PEDL 112 Black Rock interest: negotiating 13.33%

This exploration licence is located in the County of Kent on the margin of the Weald-Wessex Basin. Seismic evaluation has indicated potential structuring which requires further evaluation prior to drilling.

In addition to the above licences, Black Rock has participated in three United Kingdom 12th Round application areas.

AUSTRALIA

Offshore Carnarvon Basin, Western Australia

EP-364 Black Rock interest: 15% (Operator: Tap Oil NL)

EP-364 is situated on the edge of the Peedamullah Shelf within the Barrow Sub-basin of the Carnarvon Basin. Ivan Burgess was associated with the discovery of the Cyrano Oil Field within this permit. The discovery well was drilled on a bright seismic amplitude anomaly at the Mardie Greensand level. Cyrano 1 intersected a 19 metre gross oil column in the Mardie Greensand and a 10 metre gross light oil column at the top of the Barrow/Airlie Formation. The commerciality, however, of this field is dependent on identifying an oil water contact and possible further discoveries in the area. An appraisal well, Cyrano 2, is scheduled to be drilled during September 2004 to evaluate the commerciality of the field. This well should provide information on the oil water contact of the field and reservoir development in the Mardie Greensand through the acquisition of core data.

Beneath the primary reservoir at Cyrano, a tilted fault block has been defined at top Triassic Unconformity level. This structure, named Roxanne, relies on development of sands within the lower Jurassic lower Dingo Claystone, sealed intraformationally. A thin Dingo Claystone dated to Oxfordian age was present at Fennel 1 and the lower section of this contained highly pyritic fluvial sandstones. This structure can be investigated by deviating Cyrano 2 down the fault plane to a depth of approximately 750 metres and therefore represents a low cost test of this project.

EP-325 Black Rock interest: 15% (Operator: Strike Oil NL)

Exploration Permit EP-325 and adjacent EP-41 part 1 (described below) are located in the Exmouth Sub-basin of the Carnarvon Basin. The sub-economic Rivoli Gas Field is contained within EP-325. Drilled in 1989, Rivoli 1 encountered an 11 metre gas column within a minor oil leg in good quality sands at a depth of 1,882 metres. A further seismically defined prospect, Champion, is considered to be oil prone and scheduled for drilling during September 2004. Primary reservoir sands in this region have excellent characteristics. The Rivoli Deep Prospect has gas potential in the Jurassic Learmonth Formation and underlies the Cretaceous Rivoli Gas Field.

The Champion Prospect is 9 kilometres offshore in 19 metres of water and is ready to drill. The first well to be drilled, Champion 1, will fulfil the only outstanding permit commitment for EP-325. The structure is a robust, elongated four-way dip anticlinal structure of 7 square kilometres with 30 metres vertical closure. The primary target is the Cretaceous Birdrong Sandstone, which is expected to be in excess of 25 metres thick with excellent reservoir characteristics typical of other wells in the area. Further satellite prospects are present in the Rivoli and Champion areas and the operator has estimated that, in an all gas situation, the prospects of EP-325 and EP-41 part 1 have potential to contain 141-177 billion cubic feet of gas.

EP-41 part 1 Black Rock interest: 15% Option (Operator: Victoria Petroleum NL)

Some of the leads and prospects (e.g. Rivoli South, Rivoli Southwest and Champion West) that are follow-ups to the Champion 1 well in EP-325 either lie within or on the border of EP-41 part 1. Black Rock has an option on this area in order to participate in future wells (up to 15%) should Champion 1 be successful.

Cooper Basin, Onshore South Australia

Until recently, acreage in the South Australian sector of the Cooper Basin was held under licence by Santos Limited for a long period of time. Following relinquishment and re-gazetting of the Cooper Basin areas, a number of small commercial oil discoveries have been made by a several companies.

PEL 94 Black Rock interest: 15% (Operator: Beach Petroleum Limited)

PEL 94 is situated in the southern oil prone margin of the productive Cooper Basin of South Australia. The recent drilling success rate by a number of companies in the Cooper Basin has been high. PEL 94 has four prospects and leads with an average estimated size of 10 million barrels of recoverable oil. The first well, Myponga 1, will be drilled in this permit which is expected to commence in June 2004. The well will target reservoirs of the Murta and Namur Sandstones which are productive elsewhere in the Cooper Basin. Previous drilling within the licence encountered a thin sub-commercial oil pool in the Murta Sandstone. A potentially commercial pool was intersected in the adjacent licence and reservoired in the Cadna-owie Formation. Seismic coverage within the permit is adequate, increasing the prospect for further leads to be mapped.

PEL 110 Black Rock interest: 10% (Operator: Beach Petroleum Limited)

PEL 110 is located on the margin of the Cooper-Eromanga Basin. Hydrocarbon generation in this region is considered to have occurred to the north-west within the Patchawarra Formation. Seismic data indicates the licence has the potential to contain both structural and stratigraphic traps. In 2003, the Semaphore 1 well intersected hydrocarbon shows in both Jurassic and Triassic aged rocks. Further seismic acquisition will be undertaken in the licence prior to drilling.

The Company anticipates the following drilling programme for 2004 and 2005. This timetable may vary due to operational constraints. Success by one or more wells is likely to result in additional drilling to that listed.

PEL 94	Australia	Myponga 1	June 2004
PEDL 113	Southern England	Sandhills 2	August 2004
EP-325	Australia	Champion 1	September 2004
EP-364	Australia	Cyrano 2	September 2004
PEDL 125	Southern England	to be named	to be advised
PEDL 126	Southern England	to be named	to be advised
PEL 110	Australia	to be named	likely mid 2005

Issue of Warrants

In order for shareholders to maintain an additional interest in the Company and to mitigate the dilutive effect of non pre-emptive issues of ordinary shares for cash to fund the proposed drilling programme mentioned above, it is proposed that warrants be issued to qualifying shareholders on the basis of

1 warrant for every 5 existing ordinary shares

held by them and registered in their name at the close of business on 4 June 2004. Any fractional entitlements to warrants will be rounded down to the nearest whole number.

The warrants will be exercisable on the following basis:

- up to 30 June 2005 at a price of 1.5p per warrant;
- up to 30 June 2006 at a price of 2p per warrant; and
- up to 30 June 2007 at a price of 2.5p per warrant.

The warrants will not be quoted on AIM or any recognised stock exchange but will be freely transferable.

EGM

A circular to Shareholders including a notice of EGM has been posted to Shareholders. The EGM will be held at 10 a.m. on 1 July 2004.

Copies of the circular are available from Nabarro Wells & Co. Limited, Saddlers House, Gutter Lane, London EC2V 6HS until 1 August 2004.

8 June 2004

For further information:

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