

Black Rock Oil & Gas PLC
(‘Black Rock’ or the ‘Company’)
Update on Colombia

The Board of Black Rock announces that the dispute with the Company's Colombian joint venture partner, Kappa Resources Colombia Limited ('Kappa'), has been successfully resolved following two days of meetings in Colombia. The disputed default notice has been withdrawn and Black Rock has agreed to make a payment of approximately US\$600,000 in December and a further payment of approximately US\$ 1,000,000 in January 2007 to Kappa to fulfil its obligations in the Las Quinchas farm-in. The Joint Venture is now continuing with the steam injection test of the Arce Field and preparing for the drilling of the Acacia Este exploration well.

In April 2005, the Company acquired the option, through a farm-in subject to the satisfactory completion of a work program commitment to earn a 50 per cent. non-operated equity interest from Kappa in the 249,000 acre Las Quinchas Association Contract located in the Middle Magdalena Valley of Colombia and entered into a joint operating agreement (the 'JOA') with Kappa. Though previously stated in our press release of 21 November 2006 Black Rock has not yet fulfilled the farm-in obligations, and thus does not have a 50% interest in the Las Quinchas Association Contract as previously reported. With the proposed December and January payments Black Rock will have fulfilled the farm-in obligations, and will then have the right to exercise its option to earn a 50% interest in the Las Quinchas Association Contract. Until these further agreed payments have been made, Black Rock will be unable to exercise its option. As part of the original agreement Black Rock, agreed to farm into the Alhucema Exploration & Production (E&P) Contract.

As previously announced on 21 September 2006, the construction of the facilities on the Arce Oil Field required for the agreed steam injection testing programme had commenced. The long-term test is now underway and is expected to be completed in approximately 6 months.

Kappa has also advised the Company that it expects to start drilling the Acacia Este prospect in the Las Quinchas Block in January/February 2007. Drilling and testing is expected to take 4 to 6 weeks. On completion of this well, assuming a minimum cost of US\$1.5 million, Black Rock will have earned, subject to approval from Ecopetrol, a 50% non-operator equity interest in the Las Quinchas Block.

Black Rock and Kappa are now working together to establish a comprehensive work programme and budget for 2007.

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