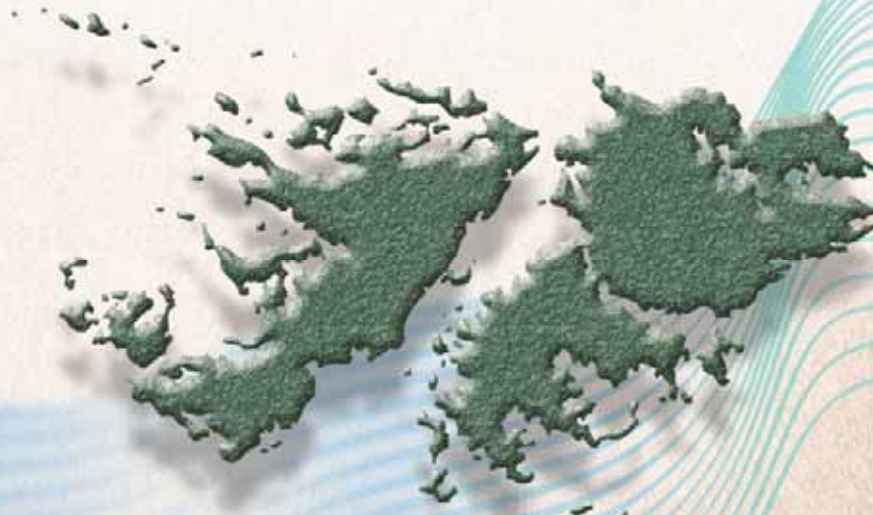


**Desire**  
Petroleum plc



**North Falkland Basin**

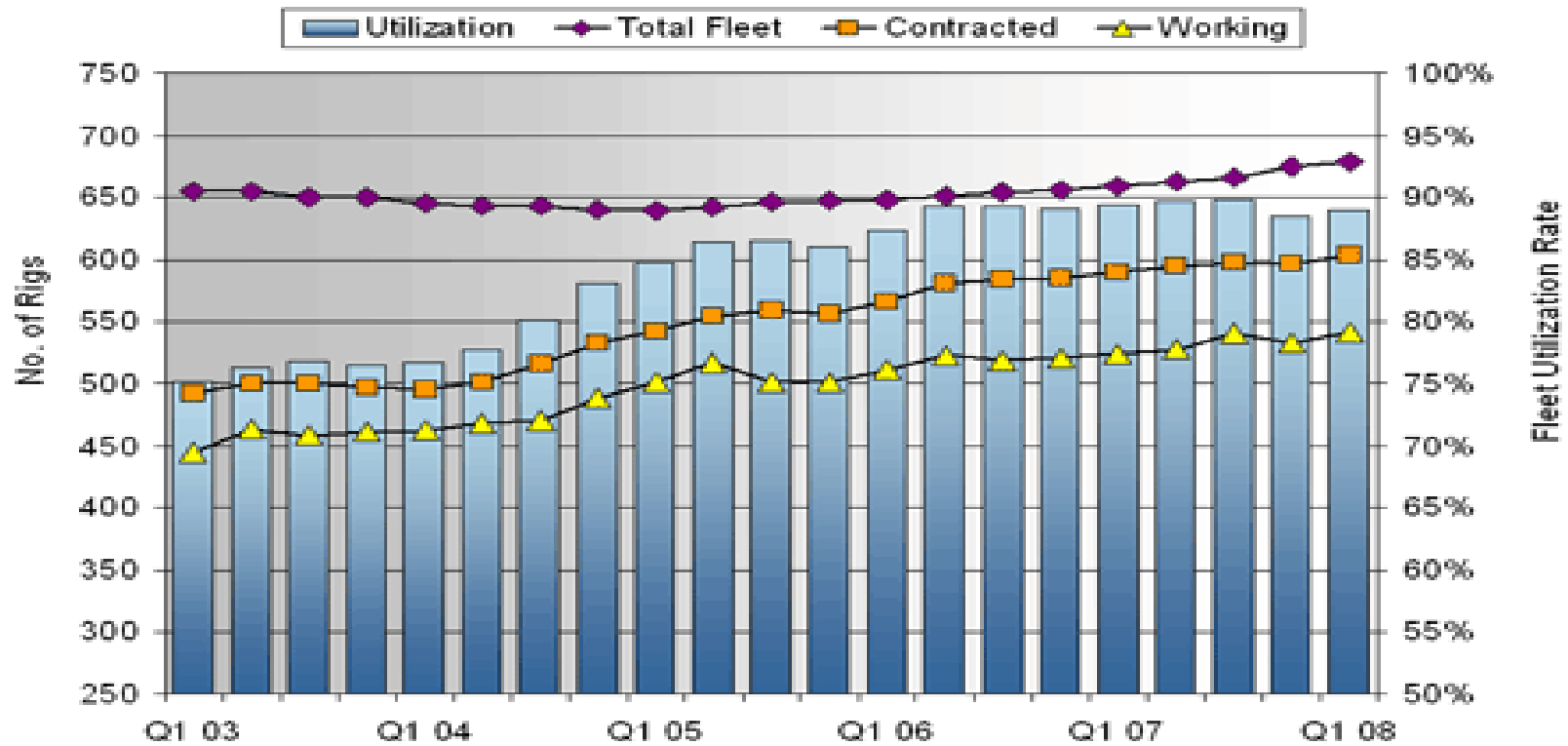
# Rig Market

- Still tight with high utilisation.
- Rates showing no sign of weakening.
- Contractors still looking for term (2+ years).
- Falklands not an attractive proposition due to its remote location.

*Desire*

# Rig Market

## Worldwide Offshore Rig Count & Utilization Rate Quarterly Average - 2002 to Present



*Desire*

# Rig Options

- Despite the difficulties in the market there are opportunities and discussions are ongoing.
- Farm out deal has strengthened Desires position markedly.
- Essentially three options for implementation:
  - Stand alone Desire/Partner programme
  - NFB combined programme
  - FI combined programme
- Any one of the three options could form part of a much larger multi-operator programme.

*Desire*

# Well Design

- Considerable amount of technical work already undertaken.
- NFB wells not technically complex.
- Relatively fast drilling times.
- Not a deep water environment.
- Weather conditions considerably less severe than the SFB – comparable to the North Sea.

*Desire*