

WESSEX EXPLORATION PLC

Commencement of Trading on PLUS

The directors of Wessex Exploration plc (“Wessex”, “the Company” or “the Group”) are pleased to announce that trading in the entire ordinary share capital of the Company has commenced today on the PLUS-quoted market (“Admission”).

| | |
|---|------------------------------|
| Type of Issue: | Introduction |
| Number of ordinary shares in issue (“Ordinary Shares”): | 304,364,824 |
| Expected Start Price: | 1.75p |
| Par Value: | 0.1p |
| Market Capitalisation on Admission: | £5.326 million |
| Sector Classification: | Oil and Gas |
| Stock Symbol: | WX.P |
| Corporate Adviser: | Westhouse Securities Limited |

Introduction

Wessex is a hydrocarbon exploration company with projects in Southern England, offshore Guyane (formerly French Guiana), Juan de Nova (Mozambique Channel) and the Saharawi Arab Democratic Republic (North West Africa). Although at an early stage in development the directors consider that these assets offer an excellent upside for investors as the Company’s work programmes progress.

The Company was incorporated on 22 June 1999 in the United Kingdom as a private limited company and was re-registered as a public limited company on 25 November 2009.

The Business of the Company and Key Licences

1. Guyane

Northpet Investments Limited (“Northpet”) is a 50/50 joint venture between Wessex and Northern Petroleum plc. The company is registered in the UK, and has a 2.5% interest in the Exclusive Exploration Licence covering an offshore area of Guyane (previously French Guiana).

The Guyane Maritime licence is operated by Hardman Petroleum France S.A.S., a subsidiary of Tullow Oil plc (“Tullow”) and is valid until 1 June 2011. Tullow has commenced a 2,500 square kilometre 3D seismic survey on the licence prior to making a drilling decision by the middle of 2010, which could potentially see at least two wells drilled on the acreage in 2011/12. At current prices the cost of drilling two wells would be approximately US\$150 million. The Company’s share of this would be approximately US\$2 million.

Tullow has completed a thorough re-evaluation of the licence. In addition to the Matamata Prospect in the far north of the permit, they have found deep water stratigraphic leads similar to Tullow's Jubilee Field discovery in Ghana, on the conjugate margin in Africa. The current licence area totals 35,221 square kilometres.

On 11 November 2009 Tullow announced that it had reached an agreement to farm down a 33% interest in this licence to Shell. The agreement includes the option to acquire an additional 12% stake at a later date. Further to this, on 8 December 2009 Tullow announced that it had farmed down a 25% interest in the licence to Total S.A. Both these announcements are positive for Wessex illustrating the potential high value and importance of this exploration project.

2. Juan de Nova

Subject to French Government approval, Wessex holds 70% of the Juan de Nova Est permit in the Mozambique Channel northwest of the island of Madagascar. Jupiter Petroleum Limited holds the remaining 30% of the permit. The permit area lies approximately 100 km west of the large heavy oil occurrences of Tsimimoro and Bemolanga, now being exploited by Madagascar Oil Limited, in partnership with Total S.A.

The permit is underlain by a thick stratigraphic section of Paleozoic and Mesozoic rocks, and appears to have multiple petroleum systems. Technical evaluation has already commenced and farm-in partners will be sought in due course.

3. United Kingdom

Wessex has interests in three Petroleum Exploration and Development Licences ("PEDLs") in the southern UK as follows:

(i) PEDL 089

The licence consists of the sub-blocks SZ/29a, SZ/29b, SZ/39c, SZ/39d, SZ/39e and SZ/39f.

The Department of Energy and Climate Change ("DECC") on 26 October 2009 gave its approval to an assignment of interests in the licence, as follows:

| | |
|-----------------------------|-----|
| NWE Mirrabooka (UK) Pty Ltd | 60% |
| Wessex | 30% |
| GB Petroleum plc | 10% |

At the same time DECC also approved NWE Mirrabooka (UK) Pty Ltd ("NWE Mirrabooka") to be the operator of these blocks.

PEDL 089 is located in southern Hampshire near the towns of Lymington and New Milton, on the mainland opposite the western end of the Isle of Wight. The PEDL is now in its second exploration period.

The Wessex Basin is a large geological structure covering most of southern England and extending offshore into the English Channel. In the west, the main part of the basin contains the giant Wytch Farm oil field with a recoverable reserve of approximately 470 million barrels.

(ii) PEDL 238

The licence area is located near Bournemouth on the English South Coast and is held 50% by NWE Mirrabooka and 50% by Wessex subject to approval by the Secretary of State and the DECC. The operator is NWE Mirrabooka.

The operator has so far undertaken two phases of high-resolution ground gravity surveys that have identified leads for further de-risking.

(iii) PEDL 239

The licence area covers the Western and Southern portions of the Isle of Wight. The licence is held 75% by NWE Mirrabooka and 25% by Wessex subject to approval by the Secretary of State and the DECC. The operator is NWE Mirrabooka.

In early 2009, the operator undertook a state-of-the-art airborne gravity survey measuring the variation of gravity in three dimensions, rather than the single dimension measured by a ground gravity meter. This results in a finer resolution and a more detailed assessment of the subsurface geology.

Over the next 12 months the work programmes on the three licences will continue to focus on data gathering and interpretation. In addition Wessex will seek to introduce new companies to the acreage by identifying prospective opportunities for further detailed seismic acquisition. The farming out process will reduce the capital exposure of the current partners for the future seismic and/or drilling programme.

4. Saharawi Arab Democratic Republic

Maghreb Exploration Limited, a wholly owned subsidiary of Wessex, holds a 50% interest in the Guelta and Bojador blocks in the Saharawi Arab Democratic Republic ("SADR"). Comet Petroleum SADR Ltd. holds the remaining 50% interest.

The UN considers the SADR to be a Non-Self-Governing Territory and as such there is an ongoing dispute between the POLISARIO, the group that proclaims sovereignty of SADR and Morocco, which currently considers the territory its own.

Until the sovereignty of SADR is resolved the UN has determined that only exploration activities can be undertaken. Therefore only limited work will be undertaken on this asset amounting to approximately US\$30,000 per annum.

Strategic Objectives

Wessex has an exploration focused strategy with an emphasis on securing assets with one or more of the following attributes:

- There is the presence of a proven petroleum system, or the components for a petroleum system, in an under-explored area
- The presence of one or more oil majors in the same general area, exploring for what may result in significant new discoveries, thus adding value to Wessex's acreage
- There is the presence of an anomalous or incomplete exploration cycle in an area, resulting from legal, access or operational hurdles blocking normal exploration and development

Wessex intends to add shareholder value by proving up leads and plays in the licence areas held. The Company seeks to balance shareholder exposure to risk and capital outlay with appropriate reward from exposure to de-risking prospects and to high impact exploration wells.

Directors

David Bramhill (Non-Executive Chairman)

Mr. Bramhill has over 40 years of experience in the natural resources industry. He has directed and managed several energy companies and was the former managing director of Oil Quest Resources plc which he followed with the formation and successful flotation of Nighthawk Energy plc on AIM.

Mr. Bramhill had previously consulted in an engineering capacity for over 20 years on projects for Shell, ExxonMobil, Petrofina, BP and numerous other international energy companies.

Frederik Dekker (Managing Director)

Mr. Dekker has over 40 years experience in the oil industry, predominantly with Union Oil (later Unocal). With a background as a geologist, he offers extensive experience in the establishment and administration of exploration operations in various countries worldwide.

Mr. Dekker later founded Wessex International Limited, providing consultancy services to operators such as Hardman Resources Limited, now a subsidiary of Tullow. In these roles, Mr. Dekker has built numerous and strong working relationships with local governments, legal, environmental and regulatory bodies. Significant achievements in his career include initiating inter-country dialogue on mineral rights, leading to the establishment of internationally recognised median lines, for instance, between Thailand and Vietnam.

Tim Heeley (Non-Executive Director)

Mr. Heeley is the Commercial Director of Nighthawk Energy plc, a post he has held for one year, following six years of experience in the City, most recently as Head of Oil and Gas Research at stockbroker Daniel Stewart & Co. Previously he was Senior

Manager of Standard Bank's oil and gas team and Vice President of oil and gas at Panmure Gordon.

Prior to working in the City, Mr. Heeley enjoyed an eight year career in the E&P sector as a project development engineer working with such companies as Shell, BP, ExxonMobil and BG on numerous international hydrocarbon projects. Mr. Heeley is a Chartered Energy Engineer, a Fellow of the Geological Society, a member of the Energy Institute and the Society of Petroleum Engineers.

Additional Information on the Board

In addition to the directorships of the Company, the directors hold, or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of Admission:

| <i>Director</i> | <i>Current directorships/partnerships</i> | <i>Past directorships/partnerships</i> |
|-----------------|--|--|
| David Bramhill | Bluebird Energy Ltd Nighthawk Energy plc Osceola Hydrocarbons Ltd | Africa Oil Limited Corby Limited Oil Quest Resources plc (now Encore Oil plc) |
| Frederik Dekker | Maghreb Exploration Ltd Thermal Surveillance Ltd Wessex (Guyane) Ltd Wessex International Ltd | N/A |
| Tim Heeley | N/A | Oceanic Engineering Consultancy Limited |

Directors' and others' interests

The interests of the directors and the persons connected with them, all of which are beneficial, as at the date of this Announcement and as expected to be immediately following Admission are as follows:

| | No. of issued Ordinary Shares | % of issued Ordinary Shares |
|-----------------|-------------------------------|--------------------------------|
| David Bramhill | 4,000,000 | 1.31 |
| Frederik Dekker | 98,271,506 | 32.29 |
| Tim Heeley | 4,000,000 | 1.31 |
| Total | 106,271,506 | 34.92 |

The issued share capital consists of 304,364,824 Ordinary Shares which are the only securities of the Company in issue at the date of this Announcement.

Save as disclosed above, and in the table below, the directors are not aware of any interest (within the meaning of Part 22 of the Companies Act 2006) in the Ordinary Shares which, immediately following Admission, would amount to three per cent. or more of the issued Ordinary Shares.

| | No. of issued Ordinary Shares | % of issued Ordinary Shares |
|--------------------------------|-------------------------------|-----------------------------|
| Osceola Hydrocarbons Limited * | 54,049,934 | 17.76 |
| David Racher | 24,000,000 | 7.89 |
| Total | 78,049,934 | 25.64 |

* David Bramhill, Non-Executive Chairman of Wessex, is also a director of Osceola Hydrocarbons Limited

Reasons for Admission

The directors believe that the benefits of Admission include:

- The increased ability to raise funds in the future to enable the Company to assess and acquire interests in additional exploration and development projects and/or raise additional working capital or development capital for the Company
- The Company's profile being enhanced within the oil and gas sector including increased credibility with overseas authorities

Financial Information

The Company's audited accounts for the three years ended 30 June 2009 can be viewed at www.wessexexploration.com, the Wessex website.

In the period since the year ended 30 June 2009 the Company has raised £1,156,900 via the issue of 77,126,718 Ordinary Shares at a price of 1.5p per share.

The Company has no outstanding instruments convertible into or conferring a right to subscribe for Ordinary Shares.

Risk Factors

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority:

Exploration, Drilling and Operational Risks

There is no certainty that oil or gas will be discovered (or discovered in commercial quantities even if it is) or developed to profitable production.

The business of exploration and production of oil and gas involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to prevent. Few properties that are explored are ultimately developed into producing oil and gas fields.

Significant expenditure is required to establish the extent of oil and gas reserves through seismic surveys and drilling and there can be no certainty that oil and gas reserves will be found. The exploration and development of oil and gas assets may be curtailed, delayed or cancelled by unusual or unexpected geological formation pressures, oceanographic conditions and hazardous weather conditions including storms or other factors.

There are numerous risks inherent in drilling and operating wells, many of which are beyond Wessex's control. The Group's operations may be curtailed, delayed or cancelled as a result of environmental hazards, industrial accidents, occupational and health hazards, technical failures, shortage or delays in the delivery of rigs and/or other equipment, labour disputes and compliance with governmental requirements.

Drilling may involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells, which, though yielding some hydrocarbons, are not sufficiently productive to justify commercial development or cover operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Even where commercially viable quantities of oil or gas are discovered, these may fall significantly below anticipated levels.

The Group's rights to exploit its oil and gas assets are limited in time. There is no guarantee or assurance that such rights can be extended or that new rights can be obtained to replace any rights that expire.

Capital Expenditure Estimates

The estimated capital expenditure requirements for the various assets in which the Group is interested are estimates based on anticipated costs and made on certain assumptions. Should those capital expenditure requirements turn out to be higher than currently anticipated (for example, if there are unanticipated difficulties in drilling or connecting to infrastructure or price rises) the Group may need to seek additional funds which it may not be able to secure on reasonable commercial terms or at all or it may need to divert funds from other projects to satisfy the increased capital expenditure requirements. If this happens, the Group's business, cash flow, financial condition and operations may be materially adversely affected.

Joint Venture Party and Contractor Risks

The Group is exposed to various risks related to its co-venturers, joint venture parties and contractors retained by the operators of the assets that may adversely affect its current and proposed activities and current and proposed interests, including:

- Financial default, non-compliance with obligations or default by a participant in any joint venture or farm-in/farm-out arrangement to which it is, or may become, a party;

- Insolvency or other managerial default by any of the contractors used by any joint venture or farm-out/farm-in party in the proposed exploration activities; and
- Insolvency or other managerial default by any of the other service providers used by any joint venture or farm-out or farm-in party for any activity.

The Group's dependence on its operating co-venturers and other working interest owners for these projects and its limited ability to influence operations and associated costs could have a material adverse effect on the Group's financial position and performance.

Non-Achievement of Anticipated Timetables

Drilling rigs or other equipment may not be available at the time envisaged (due to, for example, delays in making appropriate modifications, adverse weather conditions, insolvency of the owners or total loss) or may fail to perform in accordance with the directors' expectations in regard to the timetable. There is no guarantee that replacement equipment will be available on reasonable commercial terms or at all.

Failure to meet the expected timetables may result in the Group being unable to generate cash from those assets may result in the withdrawal of financing facilities or the Group's ability to service those debts. Circumstances such as this would have a material adverse effect on the Company's business, prospects, financial condition and operations.

The Group's anticipated timetables in all of its current and expected operations are directors' estimates based on a number of variables not all of which are under the Group's direct control. The Group is dependent upon the operators of its assets to act in accordance with agreed plans in respect of each of the assets but the Company has no control over such persons save under contractual terms which may be costly and time consuming to enforce. If the timetable estimates prove to be wrong or the operators or any of them do not take the actions in relation to maintaining or developing the assets then it may lead to delays or further problems which may have a material adverse effect on the Group's business, prospects, financial condition and operations.

Reliance on Key Personnel

In common with other services and businesses in this industry sector, the Group's business is dependent on recruiting and retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Group is, and will continue to be, to a significant extent, dependent on the expertise and experience of the directors and senior management and the loss of one or more could have a material adverse effect on the Group. The Group does not carry any keyman insurance.

Environmental Risks

The Group's interests are subject to the environmental risks inherent in the oil and gas exploration and production industry. The Group and its operating co-venturers are subject to environmental laws and regulations in connection with all of their

respective businesses. Although the Group intends to comply in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other circumstances that could subject the Group to significant liability.

When a Group member obtains operatorship of an asset, the Group's exposure to environmental liabilities will increase. Furthermore, the Group or its operating co-venturers may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Group or its operating co-venturers from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its, or its operating co-venturers' operations in any area.

Increase in Drilling and Production Costs and the Availability of Drilling Equipment

The oil and gas industry historically has experienced periods of rapid cost increases. Increases in the cost of exploration, production and development would affect the Company's ability to invest in prospects and to purchase or hire equipment, supplies and services. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. The reduced availability of equipment and services may delay its ability to exploit reserves and adversely affect the Company's operations and profitability.

Delays in Production, Marketing and Transportation

Various production, marketing and transportation conditions may cause delays in oil and gas production and adversely affect the Group's business. The inability to complete wells in a timely manner would result in production delays and could have a material adverse effect on the Group's financial position and future results of operations.

The marketability and price of oil and natural gas that may be acquired or discovered by the Group or its operating co-venturers will be affected by numerous factors beyond the control of the Group. The Group is also subject to market fluctuations in the prices of oil and natural gas, deliverability uncertainties related to the proximity of its reserves to adequate pipeline and processing facilities and extensive government regulation relating to price, taxes, royalties, licences, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. Moreover, weather conditions may impede the transportation and delivery of oil by sea.

Ability to Exploit Successful Discoveries

It may not always be possible for the Group to participate in the exploitation of any successful discoveries which may be made in any areas in which the Group has an interest. Such exploitation will involve the need to obtain the necessary authorisations from the relevant authorities, which may require conditions to be

satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. In addition, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Group. As described above, such further work may require the Group to meet or commit to financing obligations for which it may not have planned.

Commercial Risks

Even if the Group or its operating co-venturers recover quantities of oil and gas, there is a risk the Group will not achieve a commercial return. The Group or its operating co-venturers may not be able to transport the oil and gas to commercially viable markets at a reasonable cost or may not be able to sell the oil or gas to customers at a price and in such quantities as would cover operating and other costs.

Foreign Exchange Risk

The Group operates internationally and is exposed to the effects of changes in currency exchange rates. In particular, oil prices (and therefore the potential future revenues of the Group) are typically denominated in United States dollars, whereas the majority of the Group's costs are currently incurred in the currency of the United Kingdom, United States Dollars and the Euro. The Company does not currently hedge these currency risks.

Commodity Prices

The profitability and cash flow of the Group's operations will be dependent upon the market price of oil and gas. This has fluctuated widely, particularly in recent years. Oil and gas prices are affected by numerous factors beyond the Company's control, including economic and political conditions, levels of supply and demand, the policies of the Organisation of Petroleum Exporting Countries, currency exchange rates and the availability of alternate fuel sources. If the price of oil and gas products should drop significantly, the economic prospects of the projects in which the Company has an interest could be significantly reduced or rendered uneconomic.

Financing Risks

Execution of the Company's business plan will depend upon the Group's ability to obtain financing through the joint venture of projects, public financing, debt financing or other means. There is no assurance that will be successful in obtaining the required financing. Any additional equity financing may be dilutive to existing Shareholders and debt financing, if available, may involve restrictions on financing operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

If any or all of the above risks actually occur, the Company's business, financial condition, results or future operations could be adversely affected. In such circumstances, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the directors, or which the directors currently do not deem to be material, may also have an adverse effect upon the Company.

The directors of Wessex accept responsibility for this announcement.

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