

Silverstone Energy gets green light for Victoria Field gas development

Exploration and production company, Silverstone Energy Limited, has announced the UK Government's Department for Business, Enterprise and Regulatory Reform has given approval to start a Field Development Programme in the Victoria Field.

The Victoria Field is located in Southern North Sea Block 49/17 and is the first phase of development of the Victoria and Viking B Extension accumulation.

Aberdeen based Silverstone SNS Limited, a subsidiary of Silverstone Energy Limited, holds 50% equity interest in the field and is operator. The remaining equity is held by ConocoPhillips and BP.

Silverstone's 50% ownership of the Victoria Field was earned through the successful 49/17 - 14 discovery well drilled by the company in January 2007.

The Phase 1 Victoria Field recoverable reserves are estimated to be 36 billion cubic feet of gas.* The field will be developed through re-entry of the discovery well and tie back to the Viking BD facility via the Vixen infrastructure operated by ConocoPhillips.

First gas is anticipated in September (2008) and gas will be exported 130km (80 miles) through the Viking Transportation System subsea pipeline to the Theddlethorpe Gas Terminal on the Lincolnshire coast. The Victoria facilities have been set up to enable rapid development of the additional fault blocks which make up the Victoria and Viking B Extension, subject to performance of Phase 1.

Silverstone chief executive officer, Matt Brister, said approval for the company's first Field Development Programme was a significant milestone in the evolution of Silverstone which was founded three years ago.

He commented: "Much work has gone into getting us to this point and we look forward to implementing the project safely and cost effectively and first production in September. We expect to drill at least four more exploration wells in the next 12 months."

Silverstone chief operating officer, Steve Horton, said: "I would like to thank the Silverstone team for their good work to date and co-venturers ConocoPhillips and BP for their assistance and support."



Steve Horton, chief operating officer, Silverstone Energy

Silverstone has two other discoveries on its books from wells drilled in 2006. The fourth Silverstone exploration well in the ConocoPhillips/BP V Fields and Viking Field area is scheduled for the first half of 2008. ■

** Using conversion rates from the BOS O&G Handbook 6th edition, 36 billion cubic feet of gas is approximately 6 million barrels oil equivalent.*