

Rockhopper set to develop oil field off Falkland Islands following completion of deal

A Wiltshire-based oil exploration firm said it is “on the cusp” of developing a major oil field off the coast of the Falkland Islands. The Salisbury-headquartered AIM-listed company said the transaction for Sea Lion between UK-based Harbour Energy and US gas and oil firm Navitas Petroleum had been completed.

Navitas is acquiring Harbour’s stake in the Sea Lion oil field development project, which is 35% owned by Rockhopper. According to the Wiltshire firm, Sea Lion is capable of producing more than 120,000 barrels of oil per day.

The deal was approved by the UK and Falkland Island governments earlier this year, with the authorities also granting a two-year extension to all licences held by Rockhopper in the North Falkland basin, meaning they will all now run until November 2024.

The news comes a month after the [business was awarded €190m \(£162m\) in damages](#) from the Italian government after the country cancelled an oil rig project. Rockhopper will receive the cash, plus substantial interest, from Italy over a decision in 2015 to ban oil exploration near its coastline.

Rockhopper said the arbitration award, after collection, would make a “material contribution” towards its share of Sea Lion development costs. It also confirmed on Thursday (September 29) it had raised raised US\$10.4m (£9.63m) in capital in the six months ending June 30, 2022.

“Following completion of our transaction with Navitas, the capital raise, and the successful arbitration outcome, we

stand on the cusp of what we believe will be the most exciting period at Rockhopper for some years, culminating, we hope, in the development of a material scale energy resource in a British Overseas Territory,” said Keith Lough, chairman of Rockhopper.

“We have a committed and capable partner with proven financing capability, which has recruited an exceptional and highly experienced development engineer to run the Sea Lion project.”

Rockhopper said it believed the oil field could provide “a meaningful source of financial benefit” to the Falkland Islands and “a strategically and financially important resource” to the UK amid the global financial uncertainty. The firm said the lower upfront cost of the Sea Lion development was being worked up and financing sought.

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