

Borders & Southern
Petroleum plc

AGM 7th December 2006

Highlights 2005 / 2006

- 2D seismic processing completed
- Screening evaluation of new data completed
- Detailed first phase technical evaluation completed
- Specialist technical studies completed

- Defined new fold belt play within an untested basin
- Borders & Southern's acreage holds the majority of this new play
- Lead inventory has increased significantly in last 12 months

Financial Summary

	12 months ended 30 June 2006	12 months ended 30 June 2005
Profit (Loss)	(60,850)	(141,246)

Financial reporting period year end changed to 31 December

Cash Balance as at 30 June: £ 9.9 million

Share Price (p) - May 2005 onwards



Shares in issue: 127,687,500

Market Capitalisation: £ 50.7 million

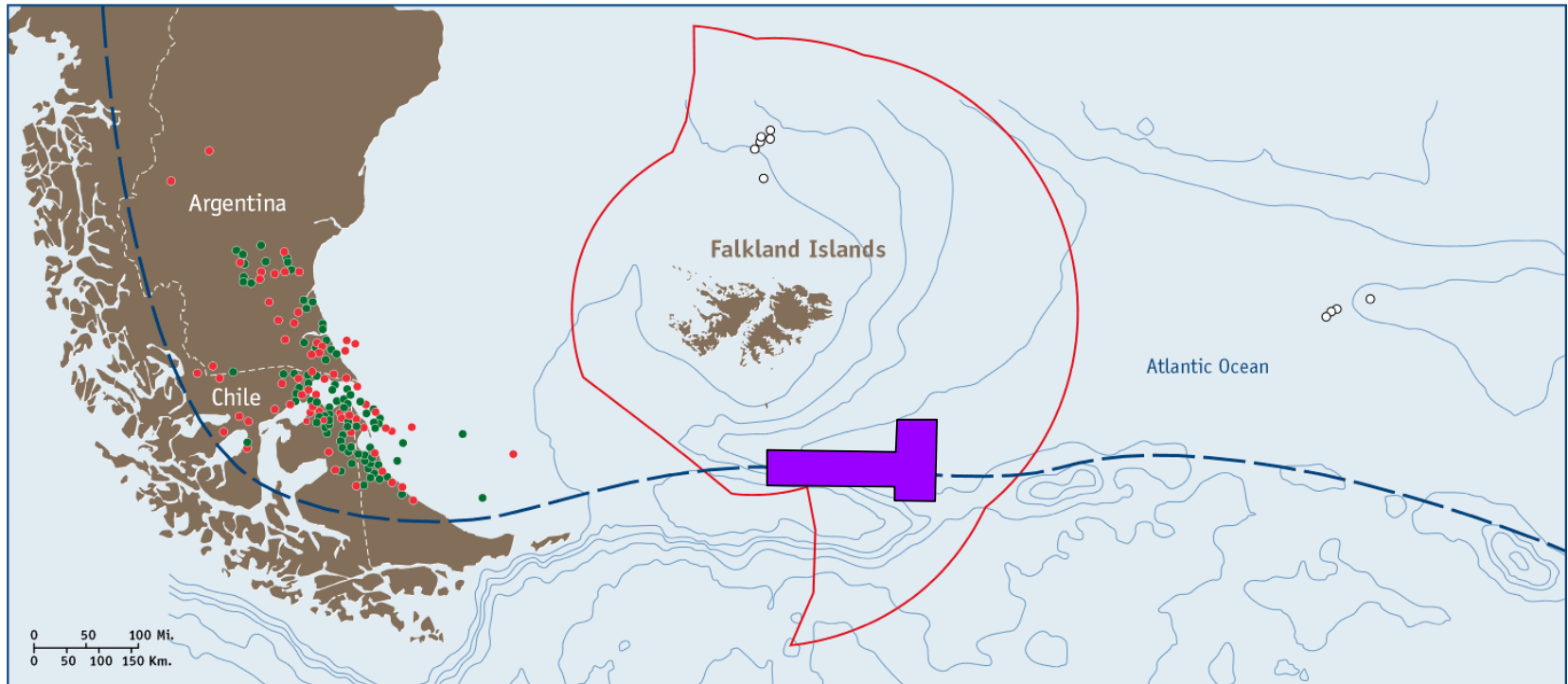
Strategy

Assemble a portfolio of international oil and gas exploration acreage, focusing on frontier exploration opportunities:

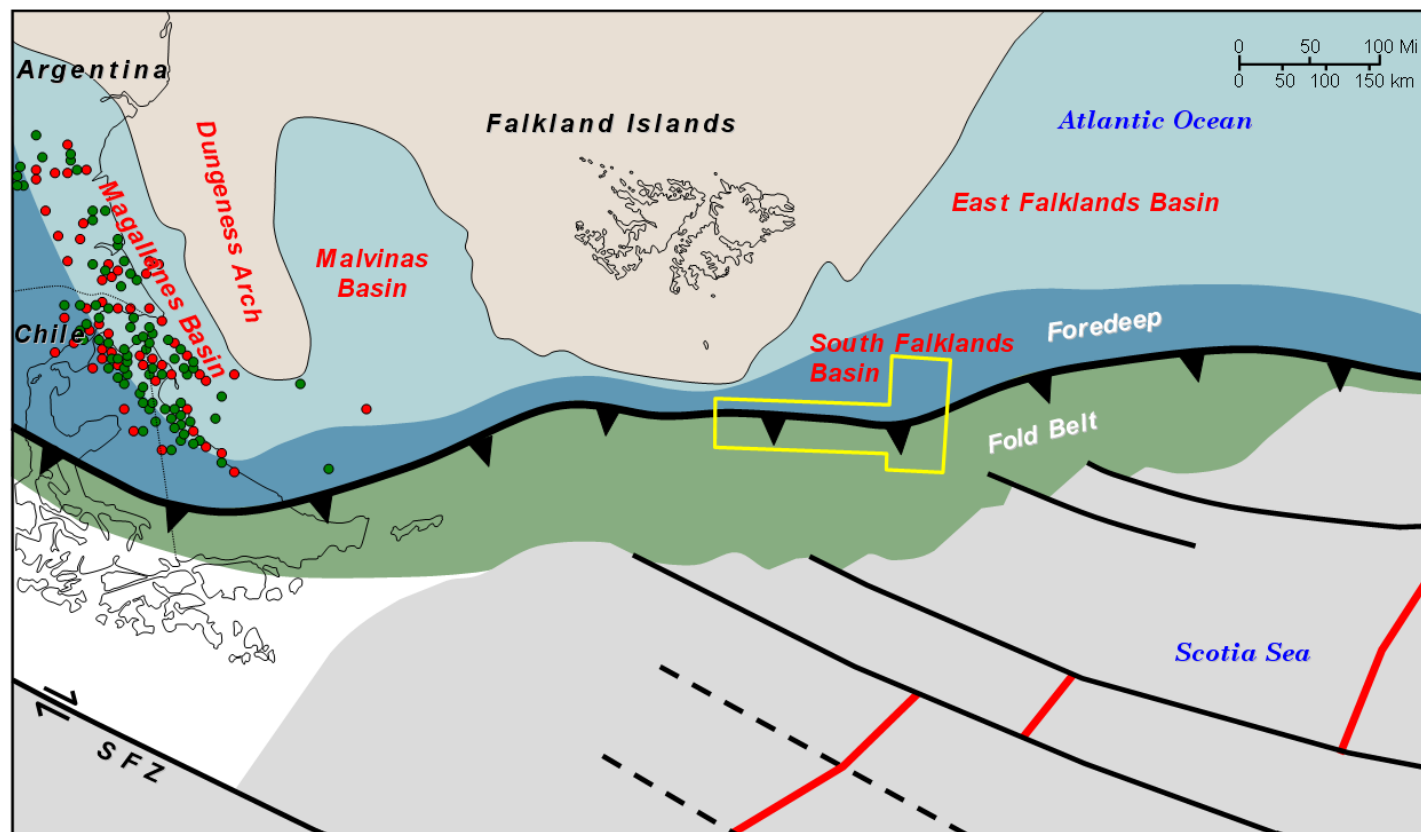
- basins where there is a high degree of confidence for a working source system
- targeting high impact prospects
- and displaying success case follow up potential

Borders & Southern intends to de-risk play fairways prior to seeking partners to assist in funding well programmes

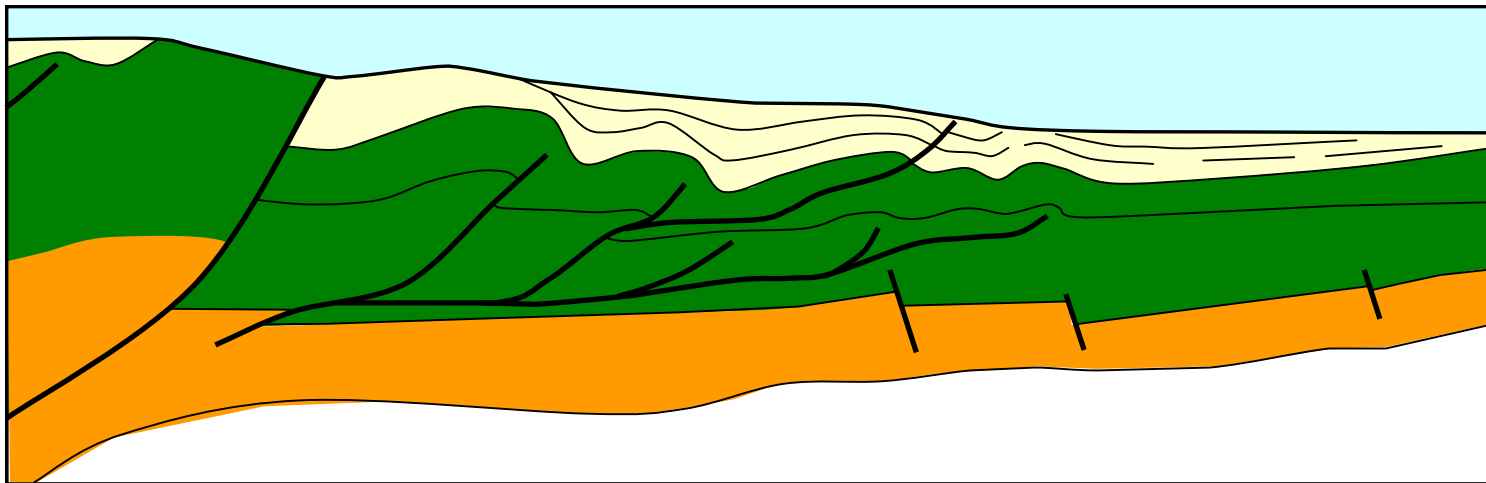
Falkland Island Licences



Regional Geology



Fold Belt Play



 Tertiary

 Cretaceous

 Jurassic

Falkland Islands Project Positives

- Excellent fiscal terms – 9% Royalty, 25% Corporation Tax
- Excellent support from the Department of Minerals
- Operations have gone well, prospectivity is looking very good
- Strong lead inventory – multiple plays, numerous targets

Ongoing Activity

- Continued technical work aimed at further risk reduction
- Currently assessing 3D seismic acquisition needs
- Conversations with other Falkland Islands operators about future rig sharing and operational cost savings
- Partners will be brought at the appropriate time

- Continued screening of new opportunities

- Annual results to be presented in April 2007
- Full operational and strategic update

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