



Oil Found in Falklands Waters

Rockhopper Exploration plc, one of the four companies that are sharing the 'Ocean Guardian' rig in a multi-well oil exploration campaign, is the first to have located oil. The company made an announcement to the London Stock Exchange, on the eve of the UK General Election, which 'indicated an oil discovery' had been made at its Sea Lion well, located 137 miles off the north coast of the Islands.

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Ocean Guardian rig at Invergordon, © Diamond Offshore Drilling International

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Members Log Over 100,000 Miles

Members of the Legislative Assembly have travelled 116,000 miles in their first six months in office and have attended a number of international meetings since they were elected in November.

- The Hon. Dick Sawle attended the Overseas Territories Consultative Forum and Council on 7 and 8 December 2009 in London, and from 7 to 19 March he attended the Westminster Seminar on Parliamentary Practices and Procedures, organised by the Commonwealth Parliamentary Association (CPA).
- The Hon. Sharon Halford visited the UK from 13 to 21 March, with fellow Public Accounts Committee members, to find out more about how

Public Accounts Committees promote good governance and careful financial management. She also attended the CPA's annual British Islands and Mediterranean Regional Conference, which took place from 10 to 14 May on the Isle of Man. This year's conference theme was 'Technology and Democracy: Successes and Challenges'.

- The Hon. Roger Edwards led a delegation in Brussels from 23 to 26 March for the annual Forum for Overseas Countries and Territories of the European Union.
- The Hon. Emma Edwards has travelled the furthest by attending the UN Committee of 24 Seminar in New Caledonia, travelling via London, from 18 to 22 May.

Record Turnout in First Election Held Under New Constitution

Nearly 80% of the electorate exercised their right to vote on 5 November 2009 in the first election to be held since the new Constitution was adopted on 1 January 2009. The Election achieved a record turnout of 1,232 representing 77.7% of the electorate. This compares favourably with the UK, which recorded a turnout of 65.1% at the recent General Election on 6 May.

empowered to pass legislation for the peace, order and good government of the Falkland Islands. The number of candidates standing for election had increased since the 2005 General Election, with 18 candidates standing for eight seats.

The turnout in Camp (the local term for the countryside) was an impressive 89.3%, as mobile polling stations travelled around the Islands by land and air to register the votes of the rural electorate.

Eight new Members were elected to the Falkland Islands Legislative Assembly, which is

www.falklands.gov.fk/assembly



Members of the Legislative Assembly

Focus On... Hydrocarbons Exploration

Oil Drilling Update

The oil rig 'Ocean Guardian' started an exploratory drilling programme in Falkland Islands' waters on 22 February. Since then the rig has drilled two wells. The first well, named Liz, was drilled in the North Falkland Basin for Desire Petroleum plc. Final logging has been completed and the well has now been plugged and abandoned as a gas discovery - which the Falkland Islands Government considers very encouraging.

The rig then passed to Rockhopper Exploration plc, which commenced drilling the Sea Lion well, also in the North Falkland Basin, on 16 April. When determining reservoir quality, the company reported that 53 metres of net pay in multiple zones had been located. 'Ocean Guardian' will now drill a well for BHP Billiton, the first to be drilled to the south of the Islands.

"It is hard to overstate the Islanders' Britishness"
– The Times

Falklands Become Focus of World Media

The international media spotlight was firmly on the Falkland Islands when the 'Ocean Guardian' rig arrived in Falklands waters in February. Journalists from around the world picked up on the story and filed stories in print, radio, TV and online media. Several TV crews visited the Islands and the British press, in particular, generated several full page articles.

Speculation of 'billions of pounds worth of black gold' (The Daily Mirror) grew apace, but Members of the Legislative Assembly were quick to refute inaccuracies by participating in

interviews, submitting letters to editors and writing articles. Statements from FIG were posted on the www.falklands.gov.fk website for use by the media.

While the world's media whipped up a frenzy over 'Argy-Bargy' (The Sun) when Argentina protested against the drilling, the UK reassured Islanders that they would be protected. The British press was also very supportive of the right of Falkland Islanders to drill in their own waters, recognising the significance of self-determination in modern diplomacy.

"The Falklands must remain British"

– New Statesman

Interview with Phyl Rendell, Director of Mineral Resources

Q Do the Islands need oil when they are almost self-sufficient and enjoy substantial revenue from fishing licences?

A The Falkland Islands Government is seeking to diversify and grow its economy so that it can reduce its reliance on the fishery.

Q What is the likelihood of finding commercial quantities of oil?

A There are no guarantees, but analysts say that the probability of finding oil or gas in commercial quantities is at best one in five.

Q How much oil is there?

A It's impossible to say at this stage but the geological indications are positive.

Q If oil or gas is found when will it be first commercially available?

A It could be ten years after a commercial discovery before oil production commences, and even longer for gas.

Q The Falkland Islands are a British Overseas Territory; will HMG receive a share of any oil revenue?

A All British Overseas Territories have ownership of their natural resources. But there is a long standing commitment from Falkland Islanders to make a greater contribution to defence costs if there are substantial revenues in the long term.

Q What are you doing to ensure the natural environment is preserved?

A We are careful to make certain that exploration is well regulated and conducted to best practice international standards so that it presents minimum risk to the environment. Before we grant a licence to an oil company they have to demonstrate that they have the technical knowledge, physical and financial capability to explore safely. As importantly, they have to submit a thoroughly researched Environmental Impact Statement covering all aspects of the drilling operations.



"The Falkland Islands are British and should remain so as long as their inhabitants wish"

– Wall Street Journal

"The Falkland Islands will be fully defended"

– BBC News Online

For further information on Falklands oil please visit www.falklands.gov.fk/Oil_&_Minerals.html

Oil Timeline

1970s - 1990s:

Seismic surveys indicate the existence of potential oil source rocks

1995-1996:

Licensing round which attracts interest from several companies including Shell and Amerada Hess

1998:

Rig Borgny Dolphin and gas shows, although

Renewable Energy Supplies 40% of Falklands Power



Sand Bay Wind Farm, © Glenn Ross

Three new wind turbines, which went online in February, will generate up to 40% of the total electricity consumed in Stanley. The first three turbines were installed in 2007 and resulted in the displacement of 26% of annual fuel consumption.

This figure compares favourably to the UK Government's goal for 20% of electricity to be renewable by 2020. As well as reducing their carbon footprint in order to protect the Islands' environment, the increase in renewable energy has meant that the cost of electricity has been reduced by six pence per unit for Islanders. The wind farm, near the Sand Bay Abattoir, saved £600,000 last year.

Phase Three of the development of the wind farm will be energy storage, achieved by charging a 2MWh battery during optimal wind times and discharging the battery when wind is not available. This will ensure that energy production is kept more constant.

The authorities at the Mount Pleasant military base (MPC) have confirmed their interest in developing a wind farm. Subject to agreement, it is planned that the Power and Electrical Section of the Public Service Department will install the turbines at Mount Pleasant and the Ministry of Defence will pay FIG for the energy used. Benefits to the base include fuel savings and helping to meet energy saving targets.

Best Loligo Season Since 2000

'The best for ten years' is how fishing companies in the Falklands are describing the first Loligo squid fishing season of the year, which ended on 14 April. Catches in the last few weeks of the season exceeded 28,000 tonnes and were described as 'good quality' by the companies. Loligo is the Falklands' native squid which is most often sold to Spain (where it is known as 'calamares'), Italy, Greece and, increasingly, Eastern Europe.

www.falklands.gov.fk//Fisheries.html

Seabird Mortality Set to Decline

The Falkland Islands have recently adopted their second Plan of Action to reduce seabird mortality due to trawling activity. The first Plan was approved in 2004, following the work of the Seabird at Sea Team, involving collaboration between Falklands Conservation, RSPB and FIG. It is hoped that the Plan will build on the success of the long-line Fishery's 2004 plan, when a 90% reduction in seabird deaths was recorded.



Black-browed albatross, © Georgina Strange

Tourism Expects Brighter Future

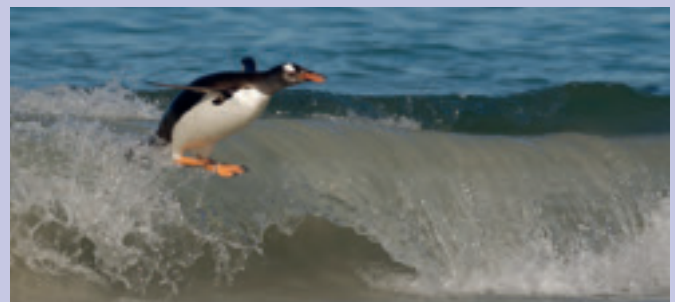
With the global tourism outlook improving, overall tourist arrivals in the Falklands are forecast to increase inbound tourism by 17% in the 2010/11 season.

The new General Manager of the Falkland Islands Tourist Board (FITB), Paul Trowell, who arrived in the Islands at the end of the season, will focus on raising awareness of the Falkland Islands as a 'must see' destination and will have been

helped by two recent press articles which tipped Bluff Cove Lagoon Beach as one of the Sunday Times Travel magazine's '50 Best Beaches in the World' and Bleaker Island as one of The Times' top twenty 'Ultimate Escapes'.

'Falklands Exposed', a photo competition recently organised by the FITB, attracted over 1,300 entries from around the world.

www.falklands.gov.fk//Tourism.html



'Surfing Penguins', the winning entry in the wildlife category of the FITB photo competition, taken by Air Commodore Gordon Moulds MBE

News in Brief...

Commonwealth Games Queen's Baton Passed to Falklands



Falklands children (and penguins) posing proudly with the baton © Falkland Islands Overseas Games Association

The Falkland Islands were the southern-most stop for the 2010 Commonwealth Games Queen's Baton Relay team when it visited the Islands in February. The Baton will have been 'passed' to 71 Commonwealth countries during its pre-Games journey. The Relay Team was met by the Governor, Assembly Members and representatives from the Mount Pleasant military base before embarking on a busy schedule around the Islands, including the highest point, Mount Usborne.

Fundraising for Chile and Haiti

Falkland Islanders donated generously to victims of the earthquakes in Chile and Haiti. The final amount contributed for the Haiti Earthquake Appeal and forwarded to the Disaster Appeal Committee in UK was £11,243.64. The Falkland Islands Government donated £5,000 to the Haiti Appeal and £5,000 to the Chile Earthquake Appeal Fund, which to date has raised over £25,000.

Largest Team Taking Part

The Falkland Islands Overseas Games Association (FIOGA) plans to take its largest team yet to the Commonwealth Games in New Delhi in October 2010, with a team likely to number fifteen athletes covering three disciplines: shooting, badminton and lawn bowls.

FIOGA is very much looking forward to providing the team members with all the support they require to compete to the best of their ability and to meet the very substantial challenges ahead.

Diary Dates

14 June

Liberation Day

24 June

United Nations Special Committee on Decolonisation (C24)

2-9 July

Falkland Islands Defence Force Combat Shooting Team compete at Bisley

31 July – 7 August

Girl Guides attend Centenary International Camp in UK

First De-mining Campaign Almost Completed

A football match was held on the Sapper Hill minefield on 25 March, as de-mining experts demonstrated confidence in their work to the local community. A pilot clearance of four minefields in the Falkland Islands has almost been completed by British company BACTEC and a team of Zimbabwean de-miners, who were joined by a small team of Lebanese de-miners in February. The four target areas selected - Minefield 25 at Goose Green, Minefield 8 (West) at Fox Bay, Minefield 25 at Sapper Hill and Minefield 8 at Surf Bay - have all been safely cleared. Clearance has also started on a final section at Surf Bay, which is expected to contain 16 anti-tank mines.

As a signatory to the Ottawa Convention, the United Kingdom is required to remove and destroy all landmines on its sovereign territory, although there have not been any civilian injuries associated with landmines since the 1982 conflict.

New CBFSAI



Commodore Philip Thicknesse

Commodore Philip Thicknesse, the new Commander British Forces South Atlantic Islands, arrived in the Falkland Islands in December 2009, having already served in the Islands in 1982. As well as continuing to develop the wind farm project which his predecessor, Air Commodore Gordon Moulds MBE, initiated and championed (see page 3), he is also looking forward to working on joint civilian/military projects and developing the Mount Pleasant base.

If you would prefer to receive Falklands Focus by email, please contact pa@falklands.gov.fk.

For further information on the Falkland Islands please visit:

www.falklands.gov.fk



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