

Acquisition boosts reserves, adds production offshore the Philippines

15th February 2006: Forum Energy plc, the AIM-quoted energy group with gas, oil and coal assets in the Philippines, has agreed to acquire Basic Petroleum and Minerals Inc (BPMI), whose interests include several producing fields in the North West Palawan Basin.

The acquisition, which is subject to shareholder approval of BPMI's parent company, Basic Consolidated Inc. (BCI), and Philippine government approval, will provide Forum with initial net production of approximately 40 barrels of oil per day (bopd), and varying interests in nine oil fields offering significant additional production and reserve potential.

Forum Chief Executive David Robinson said: "This acquisition creates an exceptional opportunity for us as we seek to grow our company and create maximum value for our shareholders. It will complement our already strong asset base in the Philippines, giving us immediate oil production with tremendous potential to increase it through improved production technology."

Under the terms of the agreement, Forum will pay US\$5 million over the next 12 months in a combination of cash and shares (subject to hold periods) to acquire 100% of BPMI. Further cash payments of up to \$2 million will become available if the acquired interests produce more than 5.4 million barrels of oil. BCI may also ultimately receive up to \$10 million of cost recovery amounts that come with the interests, but not until Forum has recovered 100% of its invested capital.

The BPMI assets include interests in nine offshore fields as follows: Nido (8.47%), Matinloc and Pandan (12.41%), North Matinloc (19.46%), Libro (28.6%), Tara (10%), Bonita (7.03%), West Linapacan (9.1%), Galoc (2.28%) and a 27.7% interest in SC41 situated within the Sulu Sea and covering some 4,820 square km. SC41 is thought to have significant exploration potential.

Forum's existing assets, focused entirely in the Philippines, include the highly promising Sampaguita gas discovery within the GSEC101 (Reed Bank) offshore licence area, and the SC40 (Cebu) licence with known onshore and offshore gas and oil discoveries, where the Libertad gas field was recently declared commercial. The company also holds two coal operating contracts on Cebu Island with estimated proven and probable reserves of 4.9 million tonnes.

For further information please contact:

David Robinson, Chief Executive, Forum Energy plc:	+44 (0)1932 445 344
Adam Westcott, Noble & Company Ltd:	+44 (0)131 225 9677
Ian Foster, First City Financial Public Relations:	+44 (0)20 7436 7486
	+44 (0) 7739 185 050