

ANNOUNCEMENT OF STRATEGIC INVESTMENT IN VENTURE

7/19/2007

UNITED KINGDOM (July 19, 2007) --

Venture Production plc, the Aberdeen based, UK independent oil and gas production company, today announces that 3i Group plc and its affiliates ("3i") and ArcLight Capital Partners, LLC and its co-investors through an affiliate ("ArcLight") (3i and ArcLight together being "the Investors") have agreed to make a significant strategic investment in Venture.

In aggregate, 3i and ArcLight will, subject to Venture shareholder approval, make a total investment of over £200 million in Venture. Combined with their existing interests this new investment is intended to give each an approximate 9.9% stake in Venture on a fully diluted basis.

The 3i and ArcLight investments will consist of several elements as follows:

- £151 million in newly issued 3.25% unsecured convertible bonds ("CBs") due 2010. The CBs are convertible into newly issued Venture ordinary shares at a conversion price of 915p per share. After an initial holding period of six months the CBs will be convertible into 16.5 million new shares equivalent to 11.6% of Venture's fully diluted share capital. The issue of the CBs will be subject to Venture shareholder approval. The conversion price represents a premium of 20.6% to the closing price on 18th July, 2007 the last trading day prior to this announcement and a 27.3% premium to the volumetrically weighted average share price over the one month prior to this announcement;
- Conversion of ArcLight's existing North Sea Gas Partners ("NSGP") interest into new Venture ordinary shares. ArcLight will convert its interest in NSGP into 6.03 million newly issued Venture ordinary shares at a price of 772p per share;
- 3i's existing investment in Venture. This consists of 3.59 million shares, which were acquired in 2006 as a result of the sale of CH4 Energy Limited ("CH4") to Venture. CH4 was a Southern North Sea gas production company in which 3i had a significant investment; and
- Additional market purchases. 3i and ArcLight intend to acquire additional Venture shares through market purchases to take each of the Investors' stakes in Venture up to approximately 9.9% on a fully diluted basis.

The Investors have indicated that in principle (subject to terms and their respective internal approvals) they have an interest in providing additional future funding through further equity capital subscription, alongside other sources of equity and debt capital, to support Venture in its North Sea growth strategy.

As part of this strategic investment, provided that 3i and ArcLight each achieve a fully diluted interest of at least 9.0%, they will each be entitled to maintain a non-executive director on Venture's Board.

The transactions described above will, taken together, bring in two strategic long term investors into Venture, both of whom have extensive experience of investing in the upstream energy sector. This investment will both strengthen the Company's immediate capital base and provide additional financing capacity to support its medium to long term North Sea growth strategy, particularly for potential acquisitions.

Commenting on the news, Mike Wagstaff, Chief Executive of Venture said:

"We are delighted to be able to announce these substantial investments by two of Venture's long term financial partners. Today's investment commitment totals over £200 million and represents a huge vote of support for Venture's business model and strategy, its team and our competitive position within the North Sea as we enter what we expect to be a period of consolidation within the basin. In addition, the investment in the Company represents a validation of the going concern value of Venture and the future growth potential of our business. I look forward to developing and growing Venture's business alongside both 3i and ArcLight over the coming months and years."

Graeme Sword, Partner and Head of 3i's Oil, Gas and Power team explained:

"3i is delighted to be making this further growth capital investment in Venture. We have been a strong supporter of the business and the management team since Venture was founded in 1997. We believe that there is considerable opportunity for both new investment and consolidation in the North Sea and with 3i and ArcLight's investment in the company, Venture is the right platform to take full advantage of this trend."

Commenting on the sale of NSGP for shares and the additional new investment in Venture, Robb Turner, Senior Partner at ArcLight, stated:

"Our significant involvement with Venture and its management team over the last two years has demonstrated to us that the company is uniquely positioned to be successful as an operator, developer and asset acquiror in the North Sea. Through this series of transactions we will gain greater exposure to Venture's overall corporate strategy and value creation potential, and be better able to support the Company's growth. We view Venture as a core relationship for ArcLight, and we will welcome the opportunity to consider future investment in Venture should the company's growth require additional strategic investment."