



GREYMOUTH PETROLEUM

Greymouth Petroleum holds official opening for Greymouth Rig#1 and makes commitment to finance establishment of Taranaki Drilling School

Press Release by Greymouth Petroleum at 1130h 14 June, 2005

Greymouth Rig #1 has been officially opened by the Taranaki Member of Parliament and Associate Minister of Energy Harry Duynhoven today, following a powhiri by the Puketapu Hapu.

Rig #1, nicknamed the 'Orange Toughy' was constructed in the Greymouth engineering workshop in the Bell Block, with construction, design and engineering support and assistance from leading Taranaki firms over the past 12 months.

Rig#1 has been rated by the American Petroleum Institute (API) to pull 180,000 lbs in accordance with American Petroleum Institute (API) specifications, and certified in compliance with API standards. Rig #1 is powered by 600 HP Caterpillar engines.

Trial operations for Rig#1 have included the drilling of Tiwakawaka-1, the completion for production testing of Ngatoro-12, and the workover of Ngatoro- 4. These operations have allowed the refinement of Rig #1 design and integration of purpose built ancillary equipment.

Today's opening and launch was held at the Ngatoro- 3 wellsite, where Rig #1 is about to commence well workover operations. Rig #1 is also capable of deep gas well servicing activities. Workovers of Greymouth's deep gas wells, including the Kaimiro-1 well, are planned for the second half of this year, following the resolution of remaining non-technical issues.

Greymouth is committed to further investment in oilfield infrastructure and service sectors that are presently inadequately supported in New Zealand, but with particular emphasis in the Taranaki region.

Greymouth also has announced today the commitment to finance the establishment of the Taranaki Drilling School. "New Zealand is critically short of qualified drilling personnel and the Drilling School is one area where Greymouth can lend its experience and support to immediately add value. This will add to the strong economic growth and wellbeing being experienced in Taranaki and New Zealand in general" said Mr John Sturgess.

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