



GREYMOUTH PETROLEUM

Greymouth Petroleum to Acquire 100% of Ngatoro and Goldie oil and gas fields

Press Release by Greymouth Petroleum at 1700 h 11 February, 2004

New Zealand owned and operated Greymouth Petroleum confirmed today that it has reached agreement with subsidiaries of New Zealand Oil & Gas Limited (NZOG) to acquire NZOG's 35% percent working and operated interest in Petroleum Mining Licence PMP 38148, incorporating the Ngatoro and Goldie oil and gas fields. The purchase transaction has an effective date of 1 February, 2004. Greymouth Petroleum will assume operations responsibilities at Ngatoro from the completion date.

John Sturgess, Chief of Operations of Greymouth Petroleum, noted, "We are pleased to have been able to conclude this agreement." This purchase allows Greymouth to derive the synergy benefits available from operating the Ngatoro oil and gas field production facilities in conjunction with Greymouth's other oil and gas production facilities situated at the adjacent Kaimiro Production Station. "We are now in a position to implement our own Development plans for these Ngatoro interests, which will allow significant reductions in oil field operating costs and generate long term benefits." Mr. Sturgess said.

The purchase by Greymouth is made subject to consent from New Zealand regulatory authorities. Completion is anticipated to occur by the end of February, 2004.

Greymouth is finalising planning works for a forward programme of exploration activities in a concerted probe for new deep gas reservoirs onshore in the Taranaki in the Kaimiro and Ngatoro Mining Permits (now both operated 100% interests) and in one other licence area. Further information on this programme will be available shortly.

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