



GREYMOUTH PETROLEUM

Greymouth flows Kowhai field gas

Release at Auckland, New Zealand 26 August, 2008

New Zealand owned and operated Greymouth Petroleum confirmed today that Greymouth group company, Petrochem Limited, has flowed first gas from its Kowhai field well operations programme underway in PEP 38742, situated onshore on the North Taranaki peninsular. Gas has been successfully drillstem tested (DST) from the Matapo Sandstone Formation, with rates exceeding 1 MMscf/d and limited pressure drawdowns.

Mark Dunphy, Greymouth CEO commented "This flow of Matapo gas from the Kowhai field has particular significance. It is the first commercial flow of hydrocarbons from the Matapo sandstone in Taranaki. An application to the Minister of Energy for a petroleum mining permit to produce Kowhai field gas for sale is planned." The Matapo sandstone reservoir is present across large areas of the Taranaki Basin. It was first identified, cored and tested in the Urenui-1 well situated in Greymouth's Turangi mining permit (drilled by Aquitaine, 1970). The Kowhai Field is located adjacent to other Greymouth permits (see attached map) and close to Greymouth and common carrier gas pipelines and Greymouth processing facilities.

Greymouth Petroleum group companies hold the Turangi, Kowhai, Moturoa, Kaimiro, Ngatoro, Surrey, Windsor and Radnor oil and gas fields in Taranaki. In addition to these fields, Greymouth holds exploration permit interests in the Taranaki and Great South Basins. In Chile, Greymouth's Petromagallanes companies hold oil and gas properties through the Straits of Magellan and on Tierra del Fuego.

For further information: contact Lara Walker, Greymouth Petroleum, (09) 373 4222.



