



GREYMOUTH PETROLEUM

Greymouth Petroleum acquires significant Bridge Petroleum shareholding

Release from Wellington at 0900h, 6 June, 2007

New Zealand owned and operated Greymouth Petroleum confirmed today that, for an undisclosed sum, it has completed the acquisition of more than 90% of the shares in Bridge Petroleum Limited. The acquisition of Bridge Petroleum shares represents the first step in a recapitalization of Bridge, required to enable Bridge to meet imminent seismic, drilling and petroleum contract commitments.

Bridge Petroleum was formed in 2002, majority owned by foreign shareholders. In 2004, Bridge issued shares to New Zealand private equity investors, in advance of an aborted Initial Public Offering of shares. Bridge has petroleum interests including the Radnor mining permit (PMP 38157) and an adjacent exploration permit (PEP38751) together abutting Mount Taranaki.

In April, 2006, Bridge and a subsidiary of Canadian listed TAG Oil Limited (CDNX:TAO.V), concluded a Heads of Agreement for TAG to operate exploitation drilling in the Radnor-1 well bore. TAG's exploitation operations resulted in major failure of the Radnor-1 well, and TAG has since relinquished Radnor operations. No subsequent formal agreement was concluded with TAG and uncertainties exist concerning aspects of TAG's operations, participation and the venture agreements. Bridge Petroleum's objective is to resolve the TAG uncertainties so that forward seismic and drilling operations may proceed.

Mark Dunphy, Chief Executive of Greymouth Petroleum, noted, "We are pleased to have been able to acquire this substantial shareholding in Bridge Petroleum. We look forward to working with management and other shareholders of Bridge Petroleum so that Bridge can develop as an independent New Zealand owned and managed company."

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