



GREYMOUTH PETROLEUM

Greymouth acquires Swift's Kowhai discovery

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New Zealand owned and operated Greymouth Petroleum confirmed today an agreement with Swift Energy to acquire the remaining portion of Swift's New Zealand assets, including Swift's 80% working interest in the Kowhai gas condensate discovery, for an undisclosed sum.

Mark Dunphy, Greymouth CEO commented "The acquisition of the Swift interest in the Kowhai discovery is a valuable addition to Greymouth's gas and condensate properties in the North Taranaki." The Kowhai discovery is contained within PEP 38742, adjacent to Greymouth's Turangi Mining Permit, and is located close to a number of other Greymouth permits (see attached map). Today's Swift acquisition follows the Q4, 2007 purchase by Greymouth of Petrochem Limited, which holds the remaining 20% working interest in the Kowhai gas condensate discovery.

Greymouth expects Kowhai gas will be offered for sale as spot gas in the market established by Greymouth in 2006. The markets for spot, excess and shortfall gas have continued to grow and will develop further in 2008, as gas customers become aware of the flexibility, price and other advantages of this new gas market. The spot market has resulted in material cost savings for early spot market gas buyers. Greymouth expects these savings will continue to filter down to gas and electricity consumers through the balance of calendar 2008.

Greymouth's gas supplies contribute to the operations of Greymouth Power, which is actively engaged in the construction of combined heat and power facilities and distributed generation and peaking plants in various locations. These facilities offer industrial and other energy consumers low cost energy and increased security of supply, amidst a market now experiencing high spot electricity prices, increased pressure on the national transmission grid and consumer pressure over build-outs of power pylon infrastructure.

Greymouth Petroleum holds the Turangi, Kowhai, Moturoa, Kaimiro, Ngatoro, Surrey, Windsor and Radnor oil and gas fields in Taranaki. Greymouth holds additional exploration properties in the onshore and offshore Taranaki Basin and the Great South Basin in New Zealand. In Chile, Greymouth's Petromagallanes branch operation holds significant exploration properties through the Straits of Magellan and on Tierra del Fuego. Greymouth has operating company affiliates involved in power generation, drilling services and environmental services.

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