



GREYMOUTH PETROLEUM

Greymouth Petroleum and Ngati Te Whiti confirm oil and gas discoveries at Moturoa

Release at Port Taranaki at 1200h, 13 May 2007.

The Greymouth Petroleum and Ngati Te Whiti Hapu Joint Venture (JV) announced today that their Moturoa-5 and Moturoa-6 wells, drilled in late 2006 (pictured below) and early 2007, in permit PEP 38464 in Port Taranaki, encountered multiple oil and gas sands.

Moturoa-5 was drilled as a deviated well to a Measured Depth of 2,571 metres. Hydrocarbons were encountered in a number of sections in the well. Moturoa-6 was drilled to a Measured Depth of 1,250 metres. Moturoa-6 was then sidetracked horizontally (Mot-6 ST#1 and Mot-6 ST#2) to test the lateral extent of one of the oil reservoirs discovered. Gas has also been discovered in both wells in a number of intervals.

Well testing of Moturoa-6 ST#2, at in excess of 200 barrels of oil per day, has confirmed the discovery of significant extensions to New Zealand's first oil and gas field. Due to tank top conditions, oil testing operations have been curtailed. Shell NZ, the owner and operator of the Omata Tank Farm, is claiming the JV has no ongoing rights to store Moturoa crude at the tank farm and has advised it will not accept further JV crude deliveries.

Gas zone testing operations are now being considered by the JV. Also, planning for long term field development and an application for a Petroleum Mining Permit will progress following today's announcement.

New Zealand's Moturoa oil fields were amongst the first produced anywhere in the world. In 1865, the first petroleum lease was granted and the Alpha well (pictured) was commenced using picks and shovels, with a tripod/derrick erected over the well, when it got deeper. In 1866, the discovery of oil at Moturoa was announced. Over the next 130 years, 65 Moturoa wells were drilled, from which 250,000 barrels of oil was produced.

Oil production operations at Moturoa were suspended after the Refinery in New Plymouth, which was associated with the Moturoa field, was purchased by Shell BP Todd and then closed down. Increasing subsurface pressures in recent years has re-activated petroleum production from faults and a number of poorly abandoned wells in the Moturoa area.



The Greymouth Petroleum Ngati Te Whiti Moturoa exploration permit interest was granted in 1997. The Republic New Plymouth-4 (RNP-4) well, drilled in 1976, was brought back into oil production by the JV in 2000. RNP-4 has remained on production since 2000, and has been valuable in the collection of data utilised in the recent drilling programme. Cumulative production from RNP-4 totalled 5000 bbls over the 7 year period; by contrast cumulative production from MOT-6 ST#2 was 1600 bbls in the short period allowed.

John Sturgess, Greymouth's Chief Operating Officer said; "We are delighted with our drilling results with Moturoa-5 and Moturoa-6 which have confirmed that material additional hydrocarbon reserves exist and are producible from this area of the Taranaki. By applying state-of-the-art drilling techniques, we have been able to achieve the best oil flow rates ever recorded in this important area. The petroleum reserves potential of this permit is being redefined by this programme. "

Peter Love, Chairman of the Board of Trustees of The Ngati Te Whiti Hapu (Society Inc.) acknowledged the contributions of his people, and thanked the Port of Taranaki, the Taranaki Regional Council and the New Plymouth District Council for their support in this historic venture.

GREYMOUTH INTERESTS

Greymouth produces oil and gas from the Turangi (PMP 38161), Kaimiro (PML 38091) Ngatoro and Goldie (PMP 38148) fields, which together comprise some 114.2 km² and are held under mining permits. Greymouth has exploration permits interests approximating 1,043 km² and cover from coast to coast, and extend offshore, in Taranaki.

NGATI TE WHITI INTERESTS

Ngati Te Whiti, Taranaki hapu of Te Ati Awa has the same rohe as in 1841. Ngati Te Whiti holds land interests in the Moturoa area, including at Nga Motu.

For information: call Peter Love, Ngati Te Whiti Hapu on 027 201-6853