

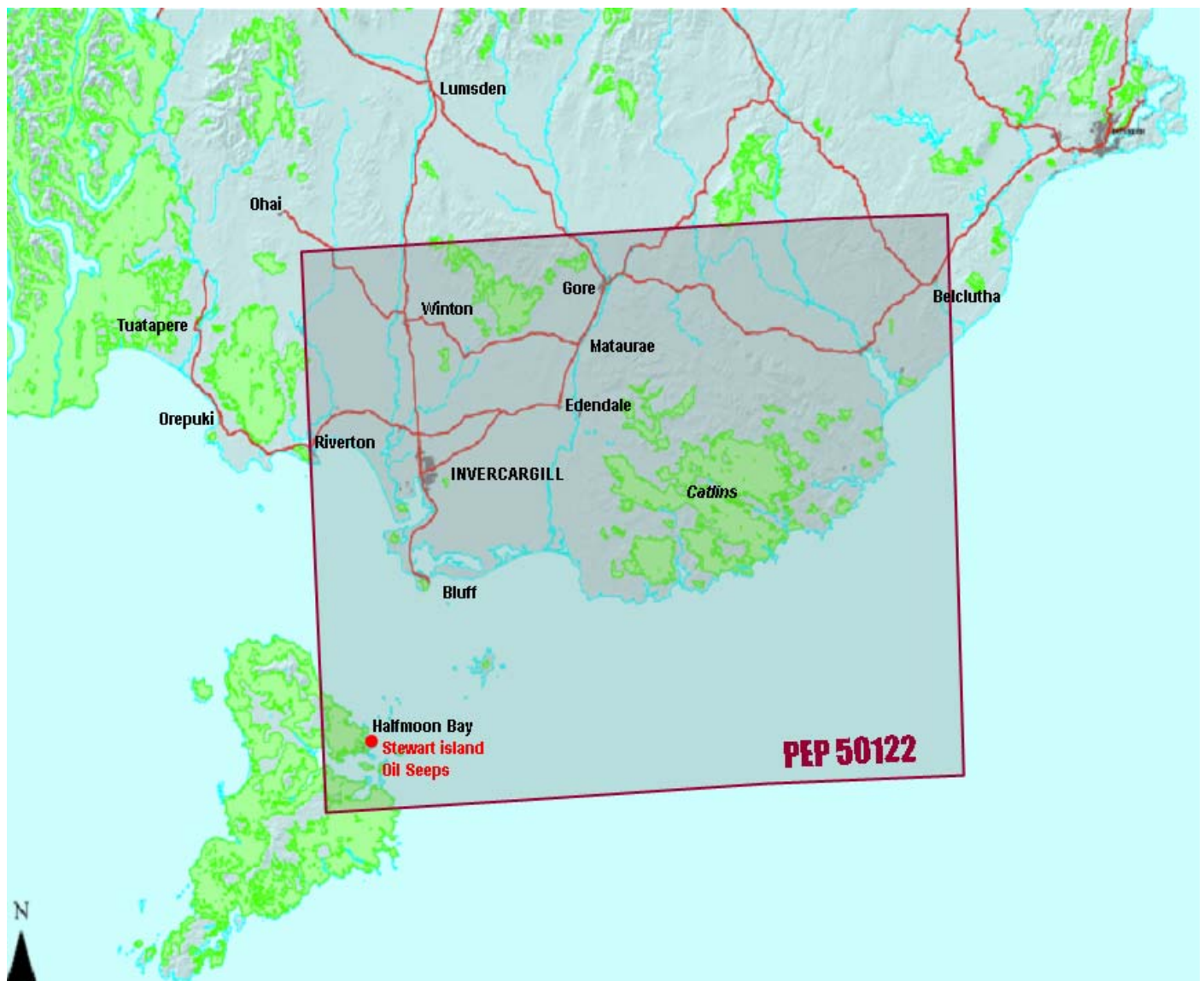


GREYMOUTH PETROLEUM

Greymouth Petroleum awarded Great South Basin stake

Release by Greymouth Petroleum at 12 noon, 26 July, 2007

New Zealand owned and operated Greymouth Petroleum confirmed today that it has been awarded a new petroleum exploration permit PEP 50122, covering the Northern Margin of the Great South Basin. The new permit starts to the north of Winton and Gore, extends beyond Invercargill and Bluff and includes parts of Stewart Island (including the area of reported oil seeps in Half Moon Bay). A map showing the location of the Permit is attached.



The permit covers an area of 15,740 sq km, of which 7,700 sq km is located offshore. Over the first three years of the permit programme, Greymouth will conduct studies and acquire new seismic data, ahead of well drilling activities.

John Sturgess, Greymouth Petroleum, Chief Operating Officer said "Greymouth Petroleum considers that the gas and oil potential of this new permit is significant. Greymouth's objective is to be the first company to deliver cheap fuel to backbone energy users in the South Island." Greymouth Petroleum has successfully operated a market in the North Island for spot gas since October, 2006. Greymouth anticipates that the markets for spot, excess and shortfall gas will develop further in the next 12 months, as gas customers become aware of the flexibility, price and other advantages of this new gas market. This spot market initiative has translated into real cost savings for early spot market participants. Greymouth expects these savings to continue to filter down to gas and electricity consumers through all of calendar 2008.

Greymouth Petroleum is one of three Operators selected by the Minister following the Government's offer of permits to explore New Zealand's Great South Basin. The following map shows the location of permits held respectively by Operators, Exxon Mobil, OMV and Greymouth Petroleum.

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