



GREYMOUTH PETROLEUM

Greymouth Petroleum delivers first Turangi gas sales into the Maui Pipeline

Release at Auckland at 1700h, 2 October 2006.

New Zealand owned and operated Greymouth Petroleum announced that today it has delivered first gas from its Turangi field for sale into the Maui onshore pipeline.

The Turangi-1 well, drilled in 2005 in Permit PMP 38161 on the North Taranaki peninsular, discovered the Turangi Gas Condensate Field. Turangi encountered multiple Kapuni group sands. Well testing confirmed the discovery of a sizeable condensate rich gas field. Independent petroleum engineering reserves assessments have predicted proven and probable petroleum reserves of 154 Petajoules of gas and 5.10 Million barrels of condensate are producible from the areas of PMP 38161.

John Sturgess, Greymouth's Chief Operating Officer said; "Greymouth is delighted to deliver first Turangi gas for sale through the Maui onshore pipeline. We have been advised that Greymouth is the first third party gas seller to win access to, and effect gas sales through, the Maui pipeline." The Maui pipeline became the subject of an open access regime following the issuance by the Maui pipeline owners of an Information Memorandum inviting submissions from the New Zealand Gas Industry on 6 May, 2004. The open access regime was subsequently promulgated on 1 October, 2005.

Turangi development planning has been "fast tracked" by Greymouth so that PMP 38161 gas reserves can be made available to maintain fairly priced fuel supplies to residential and backbone NZ gas users in all industry sectors.

Greymouth thanks all parties involved in facilitating Greymouth's access to the Maui pipeline including Government officials, the pipeline owners and operators, and Greymouth's contractors.

GREYMOUTH INTERESTS

Greymouth produces oil and gas from the Kaimiro (PML 38091, 100% interest) and Ngatoro (PMP 38148, 100% interest) fields, which together comprise some 86.162 km² and are held under long term petroleum mining rights. In addition to the Turangi Mining Permit PMP 38161, which comprises 28.072 km², Greymouth has four New Zealand exploration permits including a 98% operated interest in the Motoroa PEP 38464 block, a 100% operated interest in PEP 38739, a 100% interest in PEP 38747, and a 100% interest in PEP 38773. Together these exploration permit interests cover from coast to coast in Taranaki.

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Attachment: Greymouth Pipeliners at work

