



GREYMOUTH PETROLEUM

Greymouth flows petroleum at Onaero field

Release at Auckland, New Zealand 29 August, 2011

New Zealand owned and operated Greymouth Petroleum confirmed today that Greymouth group company, Petrochem Limited, has flowed gas and condensate from the first stage of its Onaero field well operations programme now underway in PEP 38746. Gas and condensate has been tested, with choked production rates exceeding 1 MMscf/d and 40 barrels of condensate per MMscf.

Mark Dunphy, Greymouth CEO commented "This flow of hydrocarbons from the Onaero field has particular significance. An application to the Minister of Energy for a permit to produce Onaero field petroleum for sale is planned." The Onaero field is located onshore on the North Taranaki peninsular adjacent to other Greymouth permits (see attached map) and close to Greymouth and common carrier gas pipelines and Greymouth processing facilities.

Greymouth Petroleum group companies hold the Turangi, Ohanga, Kowhai, Onaero, Moturoa, Kaimiro, Ngatoro, Surrey, Windsor and Radnor oil and gas fields in Taranaki. In addition to these fields, Greymouth holds exploration permit interests in the Taranaki and Great South Basins. In Chile, Greymouth's Petromagallanes companies hold oil and gas field interests through the Straits of Magellan and on Tierra del Fuego.

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Map showing the location of PEP 38746

