
GEL Expands Into Offshore By Joining Pacific Tiger

Houston-based GEL Exploration Inc has farmed in to offshore north Taranaki licence PEP 38463 and will become joint operator with Pacific Tiger Energy in a two well drilling programme into the Awakino South and Mangatōa prospects.

GEL will contribute about \$23 million (\$US10 million) to the work program and earn a 75% working interest in the permit. Pacific Tiger will retain a 25% interest. The work program will comprise the drilling of two wells and acquisition of 3D seismic in the next 12 months. Drilling and seismic operations will commence in the second quarter of this year and Pacific Tiger and GEL will jointly operate the work programme.

"The GEL investment is a confirmation of our belief in the hydrocarbon potential of our permit. We share a conviction with GEL that recent discoveries in the Taranaki Basin are indicative of a highly prospective geological trend that is manifested in PEP 38463", said Michael Cvetanovic, President and CEO of Pacific Tiger.

He said the recent large Pohokura gas/condensate and Rimu oil discoveries suggested that significantly more oil and gas had been generated in the Taranaki Basin than previously thought.

GEL's offshore investment follows the company's recent increase in onshore activities where it has imported its own drill rig to drill initially two wells in the North Island and two wells in the South Island.