

Worldwide Interest Expected For Petroleum Permits In Great South Basin

As a result of what the New Zealand Ministry of Economic Development states has been "repeated requests from major international companies", it has announced that bidding for 40 new petroleum blocks in the Great South Basin will formally open on February 1st 2006.

The Ministry confirmed that a large area which has been previously reserved in the Great South Basin was to be divided into identical graticular blocks measuring 80 km by 113 km – each block on offer being approximately 9,000 km². The planned closing date for bids will be August 31st 2006.

The Ministry will be making available copies of re-processed data relating to these blocks, together with 3300 km of 2D seismic data to be obtained this summer (first quarter 2006) under the Government-sponsored DUN 06 seismic survey.

The standard requirements relating to minimum staged work programmes will apply to the bidding process. These requirements will be included in the formal blocks offer announcement on February 1st 2006.

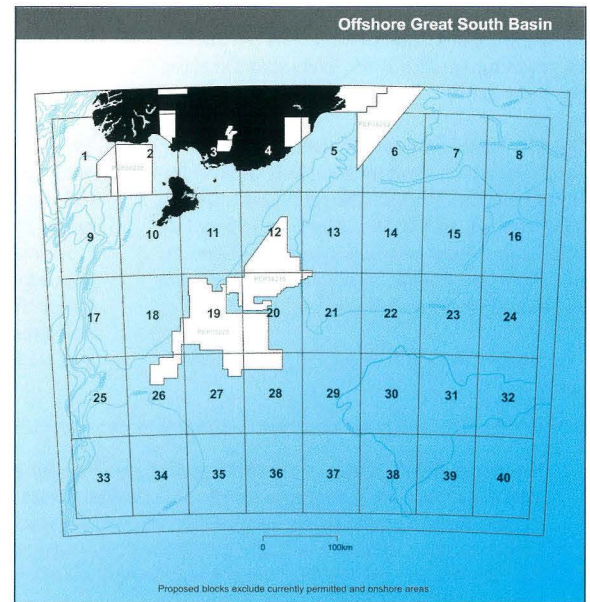
The Ministry intends to seek comment from industry regarding the desirability of bidding on

combined blocks, and the method by which any combined blocks bid would be assessed. This will be undertaken in the first half of 2006, and any additional assessment rules for combined block bids will be confirmed and advertised by the Ministry by June 30th 2006.

The Ministry believes that it is likely a number of large companies will want to establish a presence in the Great South Basin. They are therefore offering enough blocks to ensure there are opportunities for all bidding companies, while also offering successful bidders an exploration area large enough to ensure the prospect of large scale potential that the region requires.

The Ministry said it recognised that the region's remoteness meant that any development would take longer than other basins which had recently been opened for exploration.

"However, the Great South Basin is commonly acknowledged to have enormous potential and, as such, the sooner large scale exploration commences there, the sooner we will be in a



more informed position to know how the basin might contribute to New Zealand's long term energy needs."

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