

Turangi Permit Highlights Taranaki Potential: Duynhoven

New Zealand's Associate Minister of Energy, Harry Duynhoven, said the award of a permit to Greymouth Petroleum to produce oil and gas from the Turangi discovery confirmed that onshore Taranaki will continue to have a major role in New Zealand's energy future.

"It is exciting to see a New Zealand owned and operated exploration and production company make a discovery of this kind, which is significant in terms of its short term contribution to the country's energy needs and its medium term implications for ongoing exploration in onshore Taranaki", Duynhoven said.

The petroleum mining permit (PMP 38161) covers a 28 km² area located 25 km northeast of New Plymouth and immediately onshore from the large Pohokura gas field due to come into production this year. It was awarded in March 2004 as an exploration permit to Greymouth Petroleum on the basis that a well would be drilled within the first 12 months of the permit term.

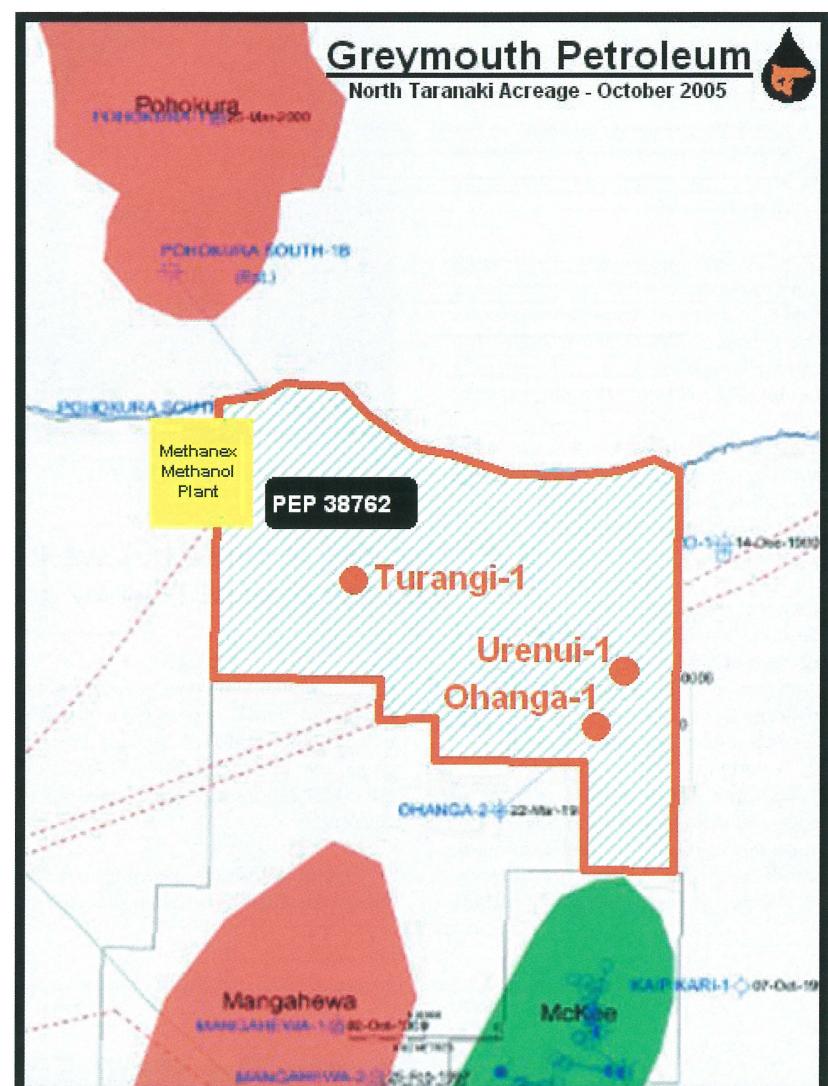
The Turangi field is part of the Kapuni Group (Mangahewa Formation) and, with estimated ultimate recoverable reserves (P50) of 4.8 MMbbl of condensate and 144 PJ gas, is the third largest onshore gas discovery in New Zealand's history, behind the Kapuni and McKee fields.

"The discovery reinforces the geological prospectivity of Kapuni Group targets in the Taranaki Basin and it demonstrates the importance of continuing exploration in onshore Taranaki to meet our short term energy needs", Duynhoven said. "While offshore exploration for major fields remains critical to New Zealand's long term energy needs, the government also recognises the importance of smaller, but material, onshore

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Greymouth Petroleum Chief Operating Officer, John Sturgess, said works for the Turangi Field development are well advanced and the commissioning of gas export now awaits interconnections to the open access



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sand sequences. The Turangi development will involve the co-development of Ohanga area gas, discovered by earlier wells in PEP 38762."

"We are delighted with the results of Turangi-1. It confirms that material hydrocarbon reserves can be identified by New Zealand owned and operated oil and gas explorers. Discovery of these gas reserves increases the potential for further sizeable NZ gas finds and reduces the prospect that New Zealand will need to import gas from overseas." ■

gas trunklines and finalising condensate offtake arrangements.

"Planning for long term field development will progress following the award of Petroleum Mining Permit (PMP) 38161", Sturgess said. "Information gathered during the initial production phase will assist to determine the feasibility of long term gas cycling in the richer