

Origin and Contact Make A Swift Move

O rigin Energy and Contact Energy have acquired Swift Energy's New Zealand oil and gas assets for approximately US\$87.8 MM (NZ\$115 MM). The purchase includes their two main producing areas in the onshore Taranaki Basin and additional permits and inventory.

The assets are the Tariki, Ahuroa, Waihapa and Ngaere (TAWN) fields, Rimu, Kauri and Manutahi fields, the Waihapa and Rimu Production Stations, oil and gas pipelines from Waihapa production station to New Plymouth, offshore exploration permits and an inventory of equipment and supplies.

Under a separate arrangement between Contact Energy and their majority shareholder Origin Energy, Contact will contribute approximately NZ\$54 MM to the total purchase price for the right to own and develop the Ahuroa field as an underground gas storage facility and purchase the remaining gas and LPG reserves in the Ahuroa reservoir. Contact has been investigating gas storage as a means of addressing the loss of flexibility under its gas contracts.

Origin Energy Managing Director Grant King said the purchase of the assets would deliver greater operational synergies with the Kupe gas field, increased exploration opportunities and immediate production and earnings. "The

TAWN and Rimu/Kauri/Manutahi assets are an attractive mix of mature producing fields with prospects for in-fill drilling and potential oil and gas upside. We have also acquired a 50% interest in two exploration permits, which lie immediately offshore from the Rimu production facility and adjacent to our Kupe gas field development", King said.

Contact Energy Chief Executive David Baldwin said "the deal demonstrates the value of a close working relationship between Origin and Contact, giving Contact a much sought after potential gas storage option, delivering greater flexibility in managing its long-term natural gas supply options." ■