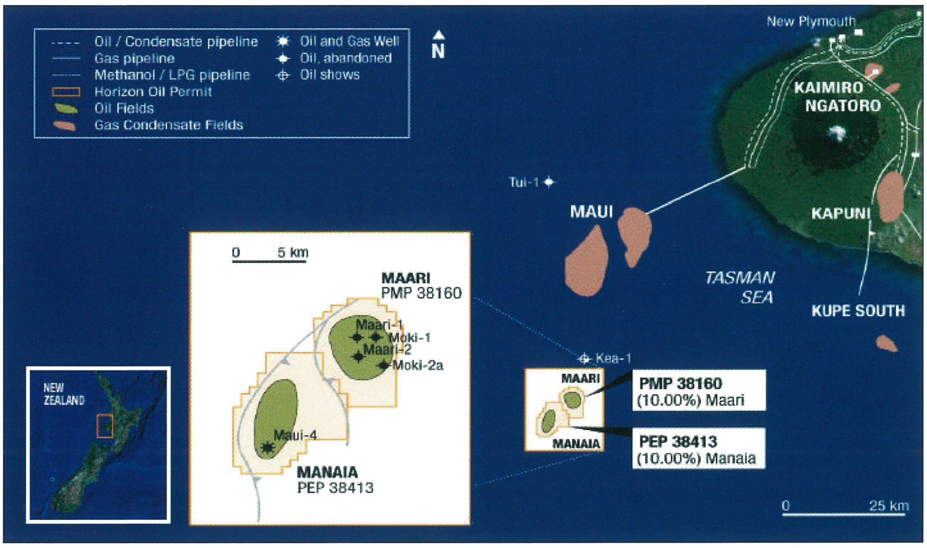
# Reserve Upgrade For Maari Field




*PMP 38160 (Maari Field) and PEP 38413 (Manaia), Offshore Taranaki Basin (New Zealand)*

New Zealand's Maari production lease may contain almost 75% more recoverable oil than the 50 MMbbl on which the final investment decision was based, according to an independent analyst's report for minority partner Horizon Oil.

Australian investment group Wilson HTM said in its report that the greater Maari area in the offshore Taranaki Basin, which incorporates the Maari and Manaia prospects, has an updip potential that could increase the field's current reserves of 50 MMbbl to about 87 MMbbl.

Wilson HTM believes the upside potential from the M2A sands zone above the main Moki sands structure at Maari is about 12 MMbbl.

It adds that the latest interpretation of the nearby Manaia prospect, about 10 km southwest of Maari, indicates an upside potential of about 25 MMbbl.

Both updip figures were calculated as a gross mean recoverable reserves potential, Wilson HTM said.

Its report also says studies of 3D seismic data show the original 1970 Manaia prospect discovery well, Maui-4, was drilled off-crest.

Maui-4 discovered an under-saturated oil accumulation in poor quality Mangahewa Formation sands that tested 575 bopd. Two small Moki accumulations were also found in the Maui-4 well.

The partners, headed by operator Austrian firm OMV, are scheduled to use the jack-up Ensco Rig 107 to drill eight Maari development wells (five production and three water injection) later this year.

Wilson HTM said the Maari partners were also due to appraise the Manaia and M2A zones using the Ensco 107. Manaia had the potential as a subsea tie-back to the Maari production facilities of an unmanned platform and the floating, production storage and offtake (FPSO) vessel *Raroa*.

"AVO and inversion work also suggests that reservoir quality and/or hydrocarbon saturation may improve updip from Maui-4", Wilson HTM said.

OMV and partners approved the A$399 MM development of Maari in late 2005, with first oil from the 50 MMbbl field scheduled for late 2008 and a production plateau of about 35,000 bopd achieved several months later. Overall project costs have since increased to at least $A520 MM.

Total field production is expected to decline by about 25-30% per year.

*Near complete Maari wellhead platform in Lumut, Malaysia, awaiting loadout to New Zealand*

The Maari partners are operator OMV NZ (69%), Horizon Oil (10%), Todd Petroleum Mining (16%) and Cue Energy Resources (5%).