

Austral Pacific Energy to drill Cheal-3 well

20 February 2004 - Austral Pacific Energy Ltd (formerly Indo-Pacific Energy Ltd) plans to drill a third Cheal well in February in PEP 38738 onshore Taranaki after production tests showed limited oil and gas flows from the re-opened Cheal-1 well.

Dave Bennett, CEO of Austral Pacific, said analysis indicates that Cheal-1 is only accessing limited gas reserves from within a few hundred metres of the wellbore. Oil reserves could not be estimated, despite steady oil production during the extended production test late last year and recent additional downhole pressure testing.

The tests show Cheal-1 production averaged 50 barrels of oil per day and 500,000 cubic feet of gas per day.

Dr Bennett said a means of selling or disposing the gas will now be sought in order to enable long term oil production to continue.

Cheal-3 will be drilled from the same well site but deviate to the north some 500m in order to test whether oil and gas pay extends across the structure.