

Westech and NZOG ready to drilling Albacore-1 well

27 October 2009 - Westech Energy expects to begin drilling its Albacore-1 offshore north Taranaki well in November with New Zealand Oil & Gas as a 40% partner.

Albacore-1 will be drilled by the Ensko 107 jackup rig, which has been successfully drilling production wells at the Maari oil field.

Westech, a subsidiary of private Denver-based Energy Corporation of America, is the operator of the permit and until recently held a 90% interest in the permit (PEP 38491). NZOG joined the joint venture and Mighty River Power Gas Investments Ltd continues to hold unchanged the remaining 10%.

NZOG chief executive David Salisbury said his company's assessment is that the central northern Taranaki basin is a very prospective part of the basin. There are three separate play fairways within PEP 38491 - a Pliocene Fan and two Mangaa sands - and it contains half a dozen interesting prospects.

He said the Albacore prospect contains three separate target zones that may contain hydrocarbons.

The Albacore-1 well will target structures recently defined by 3D seismic at depths of 1,400 to 1,800 m.

Mr Salisbury said NZOG's internal analysis is that Albacore is more likely to contain oil than gas and, if successful, could support an offshore development similar to Tui.

NZOG now has interests in seven permits in the offshore Taranaki Basin and one in the Canterbury Basin. NZOG will be participating in the drilling of at least four wells this summer.

Westech Energy also holds the onshore Hawkes Bay PEP 38346 in the East Coast Basin.

Source: NZOG and Lindsay Clark

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