

## Disclosure Statement

14 July 2010

### Kupe Field initial 2P Reserves increase

Genesis Energy, a 31% owner of the Kupe Oil and Gas Joint Venture, advises that following a detailed reserves review, initial proved and probable (2P) reserves in the Kupe Field have been increased.

The initial 2P sales gas reserves have increased by 8%, LPG reserves by 5% and light oil (condensate) reserves by 27%.

The Kupe Field, located in PML38146 in the offshore Taranaki Basin, New Zealand, is a gas-condensate filled reservoir in the Farewell Formation. The reserves review has integrated new petrophysical, fluid sample and well test information from development wells drilled in 2008 with full field static and dynamic reservoir models. These models have been updated to enable matching of the new technical information with limited early field production data.

As a result of this modelling initial, 2P reserves have been revised to 74.2 million BOE (431 PJe) consisting of 273 PJ of sales gas, 1114 kilotonnes of LPG and 18.6 million barrels of light oil.

Production since commissioning commenced on 3 December 2009 until 30 June 2010 has totalled 2.9 million BOE (17 PJe) (10 PJ sales gas, 32 kilotonnes of LPG and around 1 million barrels of light oil). The remaining 2P reserves at 30 June 2010 are therefore 71.3 million BOE (414 PJe), (263 PJ sales gas, 1082 kilotonnes LPG and 17.6 million barrels of light oil).

The reserves review has also clarified the anticipated requirements for additional capital expenditure later in the field's life. It is now expected that this will include two additional production wells and full field compression. These costs and precise timing will be refined over the following 12 months.

Commenting on behalf of the Kupe Joint Venture, Origin Energy New Zealand General Manager, Mr. Chris Bush said "Following a successful commissioning and early commercial production, we are delighted to announce a significant increase in field reserves which enhances Kupe's ability to continue to make a significant contribution to New Zealand's gas and LPG supply needs for the next 15-20 years".

The Kupe Gas Project itself, a complex offshore and onshore production system was officially opened on 18 March 2010 and became fully operational post commissioning on 22 March 2010. It will provide 10-15 per cent of New Zealand's current annual gas demand and more than 50 per cent of the country's LPG demand.

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**Kupe Gas Project participants are:**

Origin Energy Resources (Kupe) Limited 50 per cent (Operator)

Genesis Energy 31 per cent

New Zealand Oil & Gas Limited 15 per cent

Mitsui E&P Australia Pty Ltd 4 per cent

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