



Kea Petroleum plc
("Kea" or the "Group")

Commencement of Drilling at Kea's First Offshore Well –Tuatara-1

Kea Petroleum plc (AIM :KEA) is pleased to announce that the Kan Tan IV drilling rig has now been anchored out on the Tuatara-1 drill site in the southern area of the offshore Taranaki Basin of New Zealand; and the rig commenced drilling operations on Tuesday 27 July.

The Tuatara-1 well will be drilled in 50m water depth to a 2000m target depth, which is expected to be reached by mid August. The well will target the oil bearing potential of Miocene aged sandstones, which are expected to be encountered below 850 metres depth.

The Tuatara prospect is mapped, on modern 2D seismic, as a dip closed structural trap covering an area of approximately 10 sq km. The permit operator AWE New Zealand Limited, a subsidiary of the Australian Stock Exchange listed company AWE Limited ("AWE"), has calculated a median recoverable resource in the event of discovery of 80 million barrels of oil.

The Tuatara trap bears a marked geological resemblance to that of the Maari oil field, situated some 80km to the northwest, and displays similar Direct Hydrocarbon Indicators to those observed on seismic over Maari, which has produced at rates up to 40,000 barrels per day since commencing field production in late 2008. Fair to good oil shows at the equivalent sandstone level were observed in the only other well drilled in the permit area.

The NZ Minister of Energy has given his formal approval, under the Crown Minerals Act, to the acquisition by the Group's wholly owned subsidiary, Kea Oil and Gas Limited, of the 10% share in PEP38524, which contains the Tuatara Prospect. This completes the previously announced deal whereby Kea acquired this interest from AWE.

Chairman Ian Gowrie Smith said:

"We are delighted that operations have commenced at Tuatara-1, and are pleased to be a member of this exploration group in the company of three such successful Australian explorers. The PEP permit is a lightly explored area, and Tuatara-1 will be only the second well on a block which covers an area of 2,187 sq. km. In the event of success, several follow-up prospects have been defined from the existing 2D seismic.

In the event of an oil discovery at Tuatara, we are confident of the ability of operator AWE to progress the rapid development of the resource, bearing in mind its demonstrated prowess in doing so on the very successful offshore Tui oil field, further north in this basin. Kea's involvement in Tuatara-1 is a clear demonstration of its strategy to get involved in exploration projects which can be expeditiously brought into profitable production in the event of success, and to ally itself with like-minded and capable partners. We anticipate announcing other new ventures in the near future."

Partners to the PEP 38524 joint venture, via their wholly owned subsidiaries are:

Kea Petroleum plc	10%
Carnarvon Petroleum Limited	10%
Roc Oil Company Limited	20%
AWE Limited (permit operator)	60%

This release has been approved by non-executive director Peter Mikkelsen FGS, AAPG, who has consented to the inclusion of the technical information in this release in the form and context in which it appears.

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Notes to Editors:

Kea Petroleum is an AIM listed oil and gas exploration company with three petroleum exploration permits in Taranaki and Northland Basins of New Zealand. Kea listed on the London market in February 2010.