



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

Award to Kea of Petroleum Exploration Permit PEP 52333

Kea Petroleum plc (AIM :KEA) is pleased to announce that the New Zealand Minister of Energy has granted to Kea Oil and Gas Limited, a wholly owned subsidiary of KEA, a 100% interest in Petroleum Exploration Permit PEP 52333, situated offshore and onshore in the northern part of the Taranaki Basin, New Zealand.

PEP 52333 is an onshore/offshore area of 232.5km², situated on the eastern margin of the North Taranaki Basin. The large Pohokura producing gas-condensate field sits in the adjacent permit, approximately 25km to the southwest, with most likely reserves quoted by NZ's Ministry of Economic Development at 993 BCF of gas and 56 million barrels of condensate (light oil).

The new permit contains the Mercury Prospect, a turbidite sand target originally mapped some twenty years ago by a Shell consortium, which at that time calculated an upside resource potential of 435 million barrels of oil, with a median resource potential of 16 million barrels of oil. The Pluto-1 well, drilled about one km north of Mercury by the Shell consortium, has extensive oil shows at the target Miocene sands level near 1300m depth.

As the first step in its programme of work, Kea will reprocess and remap the existing vintage seismic, and apply more modern analytical techniques to the data, before conducting a 3D seismic survey over Mercury to better define an initial drilling location on the prospect.

A commitment is required within three years to drill a well in the fourth year of the permit term. The directors of Kea consider such well could be drilled as an extended reach well from the shoreline to the east, in like manner to the Manaia-1 well, successfully drilled last year by an OMV consortium further to the west in the offshore basin.

Chairman Ian Gowrie-Smith says:

"We are very pleased to acquire this valuable permit area. Together with our earlier acquired PEP 381204 it consolidates our acreage position in the nearshore basin along trend to the north of our existing onshore Taranaki permits, and adjacent to very substantial proven oil and gas fields. Mercury is an exciting play of a type in which numerous discoveries have been made internationally, and which the existing data identifies as having huge upside potential. We are confident that modern 3D seismic data will enable us to refine that potential. The possibility of testing this target with a well deviated from the nearby onshore, and the very close proximity of such location to pipeline infrastructure, opens up tremendous potential for bringing oil and gas into profitable production. When the time comes to drill a well, we anticipate that other explorers will wish to join us in funding a well to test Mercury."

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 five petroleum exploration permits in Taranaki and Northland Basins of New Zealand and a 10% interest in the PEP 38524 joint venture. Kea listed on the London market in February 2010.