



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

Beluga-1 exploration well - Set to Drill into Targets

Kea advises that the Beluga-1 well has now set and cemented casing to below 3200m, in preparation for drilling ahead through the main target zones of the well.

Following appropriate pressure testing, the rig has recommenced drilling below this depth. Initial target sandstones are expected to be encountered in the next few hundred metres, and it is anticipated that the well will reach its target depth of 4,000m by mid June.

Dr David Bennett, Chief Executive Officer, said: "We are pleased with progress to date. The drill hole is on target, on time and on budget. The next 800 metres are the crucial ones involving several target zones starting with the Tariki sands and concluding with the Kapuni."

Drilling of Beluga-1 commenced on 9 May. It is being drilled from a site west of the Waitara River near the township of Tarata. In January 2010 Kea entered into a funding & participation agreement and a separate gas off-take agreement with Methanex New Zealand Limited (a subsidiary of Methanex Corporation of Canada, the world's largest supplier of methanol to major international markets). Under these agreements Methanex agreed to contribute up to US\$10million to drill and complete the Beluga-1 well, in Kea's permit PEP 51155. In the event of a commercial gas discovery, Methanex has agreed to purchase and Kea has agreed to sell the gas under a 15-year gas off-take agreement.

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.