



Kea Petroleum plc
(“Kea” or the “Company”)

Kea to Case and Test Beluga-1

Kea announces that the Beluga-1 well, drilled on the Company's onshore Taranaki, New Zealand exploration permit PEP 51155, is currently being cased across the Tariki Sands, in preparation for flow testing.

Beluga-1 was drilled to a depth of 4,100 metres and intersected the main Tariki Sands target below 3,500 metres along the hole. Wireline logs conducted over the last few days have indicated likely gas pay in the main Tariki Sands target of which the thickness of the gross sand interval of 40 metres would suggest a reduced reservoir potential when compared to the Competent Persons Report by MBA Petroleum Consultants published on 11 February 2010. The Directors believe that the Tariki Sands have been penetrated closer to the updip pinchout line, and therefore that the indicated net gas pay of approximately 11 metres does not fully reflect the potential of the reservoir as a whole. Elevated pressures have been recorded indicating a valid trap.

If the flow testing is successful, the trap which Beluga-1 has intersected could prove commercially viable due to the relative ease of connecting to a nearby pipeline infrastructure and selling to Methanex New Zealand Limited (a subsidiary of Methanex Corporation of Canada) (“Methanex”) under Kea's 15 year gas offtake agreement.

Beneath the Tariki Sands, the upper few hundred metres of the Mangahewa Sands of the Kapuni Group were intersected as a secondary target. Although several substantial reservoir quality Mangahewa Sands, some with partial gas saturations, were encountered, the well was drilled off-structure at this level. The existing 3D seismic indicates that a future well could potentially penetrate an updip trap about one kilometre to the south, where these Mangahewa Sands may be gas charged and productive. A decision on drilling a deep well to test this trap from the Beluga site is expected to be taken over the coming months.

Methanex has supported the decision to case the Beluga-1 well, following which the rig is expected to be released from site and planning for flow-test operations is expected to commence.

Ian Gowrie-Smith, Chairman of Kea, commenting on the news said;

“Whilst the intersection of this particular well with both the Tariki and Mangahewa Sands may prove sub-optimal, it is none the less encouraging that the Tariki Sands appear to be gas charged and in trap. The Mangahewa Sands we encountered could also prove an interesting drill target elsewhere on the licence at a later stage. We now feel considerably more confident of the prospects of being able to deliver gas to Methanex from this licence. We look forward to the results of the flow testing of Beluga-1.”

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.

For further information please contact:

Kea Petroleum plc
David Lees, Executive Director

Tel: +44 (0)20 7340 9970

RBC Capital Markets
Matthew Coakes / Brett Jacobs / Daniel Conti
Martin Eales (NOMAD)

Tel: +44 (0)20 7653 4000

Buchanan Communications
Tim Anderson / James Strong

Tel: +44 (0)20 7466 5000

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.

Methanex Corporation of Canada is the world's largest supplier and producer of methanol to major international markets. The subsidiary Methanex New Zealand Limited owns two methanol production facilities in the province of Taranaki on the west coast of the North Island: one at Motunui, with two production trains and another single train plant in the Waitara Valley. The total production capability of the two locations is 2.4 million tonnes of methanol per annum. Due to limited supply and the price of gas in the New Zealand market, Methanex has, since 2004, been operating these facilities as 'flexible assets', adjusting their operation based on supply and methanol market requirements. Methanex currently operates one plant at its Motunui facility which has the capacity to produce 900,000 tonnes of methanol per annum. To date, Methanex has secured ongoing gas supplies under relatively short term contracts. For more information please visit www.methanex.com.