



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

Kea Secures Rig for First Australia Well and Wingrove update

Kea Petroleum plc (AIM:KEA) is pleased to announce that it has signed a Letter of Intent, subject to contract, with Atlas Drilling Co Pty Ltd of Australia for the use of the Atlas Rig #2 to drill the Hoadleys-1 well in licence area ATP 837P in Queensland's Surat Basin. Under the terms of the deal for the Surat Basin licence (previously announced in March) Kea is earning a 50% interest in this licence and will become the licence Operator by part funding Hoadleys-1 and another well. Rig#2 is presently drilling elsewhere, and is expected to arrive at ATP837P in late June, with the Hoadleys-1 well expected to be drilled during July.

One of Australia's largest onshore oil fields, the Moonie Field, is situated only 20km to the south and along trend from the Hoadleys location; but there has been surprisingly limited subsequent seismic and drilling exploration along this trend; and the Hoadleys-1 well is based on the first 3D seismic acquired outside of the Moonie Field area. This well has, therefore, the potential to open up a new discovery fairway. Two additional structures have been identified on the 3D seismic near to Hoadleys, which both offer good follow-on potential in the event of Hoadleys success, while further 3D seismic coverage remains to be acquired in ATP 837P.

The Hoadleys structure is mapped at Precipice Sands level (the Moonie oil producer level) as a low relief trap covering several sq km updip from the old Forke's Creek-1 well, which intersected good reservoir in the Precipice Sands. The Company's gross median resource estimate for Hoadleys, in the event of success, at Precipice Sands level near 2000m depth, is around a million barrels of oil, with an upside potential several times larger than this. The 3D seismic has also identified a large dip-closed structure at 3000m depth beneath the Hoadleys location, with a gross median resource potential of some tens of BCF of gas in the Permian Kianga Formation, which is the reservoir in the Cabawin gas field, some 20km north along trend to Hoadleys. Consideration will also be given to drilling this deeper trap after Hoadleys-1 has tested the Precipice Sands.

In operations in onshore Taranaki, New Zealand, the completion of the Wingrove-2 well for production is advanced, despite being delayed by adverse weather conditions. The test zones are perforated, downhole heating equipment is installed and the hydraulic rod pump system is presently being commissioned. In the next few days, the Titan workover rig will be released from the site, site process equipment works will be completed, and downhole heating will commence, leading to first production of the waxy oil over the course of the following two weeks.

Chairman Ian Gowrie-Smith says:

"We are very pleased that our onshore Australia drilling programme is running to schedule, and look forward to commencing our Surat Basin work with what we hope will be success at Hoadleys-1. We are also looking forward to our long-anticipated first oil from Wingrove, which we anticipate will lead to a number of appraisal and development wells later this year on the sizeable Wingrove structure."

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 / 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 interests in six petroleum exploration permits in Taranaki and Northland Basins of New Zealand. Kea listed on Aim in February 2010.