



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

Drilling on Oil Prospect to start First Week April

Kea Petroleum is pleased to advise that drilling of its Wingrove 2 well is expected to commence in the first week of April and take approximately 15 days. Wingrove 2 is a shallow oil prospect in Taranaki, New Zealand. Kea Petroleum is an oil and gas exploration company with three petroleum exploration permits in Taranaki and Northland Basins of New Zealand.

Wingrove-2

Preparatory work, including pre-collaring and surfacing casing installation, at the onshore Wingrove-2 wellsite has been completed in anticipation of the arrival of Ensign Rig 19 and its crew, from Shell's nearby Kapuni field. It is expected that the rig will arrive at the Wingrove-2 wellsite by the end of March 2010. Exploratory drilling at Wingrove-2 is due to take approximately 15 days, after which time the rig will be mobilised to Kea's 4,000m Beluga-1 well.

Wingrove-2 will be a deviated well, designed to test the updip potential of the good oil shows seen in the basal Mount Messenger Sands, and the oil pay encountered in shallower sands in the previously drilled Wingrove-1, which flow-tested waxy oil at a rate of 50 bopd. The Directors believe that modern completion and production techniques will enhance the production rates for the waxy oil which is expected to be intersected in Wingrove-2. These techniques are anticipated to enable commercial production of the oil sands already established by Wingrove-1 and enhance oil productivity, if encountered, in the Mount Messenger target.

It is anticipated that commercial oil production could be initiated within six months of a successful discovery, with oil being transported to the export tank farm at Port Taranaki.

Seismic Surveying

A 75km seismic surveying commenced on 11 March 2010 in permits PEP 51153 and 51155. The survey is being carried out by South-East Geophysical, under the direct supervision of Kea, to provide additional seismic data on several prospects already identified in both permits, with a view to providing additional drilling targets in the areas. Results and incorporation of the survey into the Group's existing data is expected by the end of Q2 2010.

In addition, geochemical surveying at Kea's onshore Northland permit PEP51339 is currently underway. Early results indicate the presence of higher order hydrocarbons, supporting the potential of oil and/or gas to have migrated from offshore into this substantial 2,157 sq km but as yet unexplored onshore area.

Commenting on today's update, Ian Gowrie-Smith, Chairman of Kea, said:

"We are very pleased to set the date for the drilling of Wingrove-2. At Wingrove-2 there exists a genuine near term opportunity to commercialise our findings should, as we anticipate, the drilling provide a discovery."

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