

Mitsui E&P New Zealand takes stake in three more Taranaki permits

12 January 2007 - The large Japanese-based resource company Mitsui has expanded its interests in petroleum exploration in New Zealand through taking a 25% interest in three offshore Taranaki permits held by Houston-based explorer Pogo Producing Company.

Subsidiary Mitsui E&P New Zealand Ltd. (MEPNZ) has acquired interests in three exploration areas operated by Pogo New Zealand Ltd, PEP 38488 covering 2732 sq km, PEP 38489 covering 1013 sq km and PEP 38490 over 478 sq km.

Mitsui's interests in the three permits were acquired from Mighty River Power whose previous 50% interests have now been reduced to 25% with Pogo's stake remaining at 50%.

Mitsui has been active in investing in exploration and production in New Zealand since 2003 when the company first established here. Mitsui has built up its interest in the offshore Taranaki Tui crude oil field (PMP 38158) to 35% by this year. Mitsui also holds a 4% stake in the Kupe gas field permit.

In addition, the company has a 22.7% interest in the Hector prospecting area, south west of Tui where operator AWE is to drill an exploration well. This will probably be in the second quarter of next year, as part of its eight well campaign off Taranaki. Mitsui, an alliance partner of AWE, will be a partner in seven of those eight wells.

Mike Dworkin, Mitsui asset manager for the Tui field, said from Perth that the company is trying to grow its New Zealand and Australian operations through exploration as well as through acquisition.

He said that Mitsui tried to take a 25% to 45% interest in most of its permits. To date it was a non-operator in all of its permits in this region.

Mr Dworkin said the New Zealand operations to date were largely operated out of the Mitsui E&P Australia Pty. Ltd office in Perth which had a small staff.

An associated company Mitsui & Co had won the contract for marketing of oil from the Tui field, he said.

Source: Mitsui.