

Pogo to be sold to fellow US independent Plains Exploration

27 July 2007 - Independent US oil firm, Pogo Producing Company, which holds over 25,700 square kilometres of exploration permits in New Zealand, is to be taken over by a fellow Houston-based independent, Plains Exploration & Production (PXP), in a US\$3.6 billion deal.

Following the acquisition, the larger PXP will have a proved reserve base of approximately 635 million barrels of oil equivalent, including Pogo's reported proven reserves of 219 million barrels of oil equivalent.

PXP have been primarily engaged within the United States with principal operation in California and along the Gulf of Mexico coast. In California, Plains (PXP) has legacy oil fields located in the Los Angeles, San Joaquin, and Santa Maria Basins onshore and offshore California.

In the Gulf, the company has properties onshore and offshore Louisiana as well as other offshore areas. It has been successful in exploration in the offshore Gulf of Mexico lower/middle Miocene trend prospects, which recently yielded three discoveries.

Most of the Pogo assets are wider spread through the US and are complementary to the profiles of the PXP assets, with long production lives and low decline rates. Pogo also holds exploration acreage in Vietnam as well as New Zealand.

In New Zealand Pogo holds the PEP 38 344 covering 21,460 square kilometres over half of the offshore East Coast Basin and three permits in offshore Taranaki; the 1013 square kilometres PEP 38 489; the 2732 square kilometres PEP 38 488; and the 478 square kilometres PEP 38 490.

James C. Flores will remain the chairman, president and chief executive officer of the new merged Plains Exploration & Production. Directors of both companies have unanimously approved the share and cash merger, though the merger remains subject to final approval of both company's shareholders.

Sources: Pogo and Plains