

Green Gate passes on some permits

Widespread Energy's Green Gate relinquishes some licenses

Widespread Energy holds 11.8% of Green Gate Ltd, a Nelson based, privately owned New Zealand oil and gas exploration company.

Following a recent strategic review undertaken by Green Gate management in the light of collapsing oil prices and disordered equity markets, the following decisions were made by Green Gate.

1. PEP 50237 (Solander Basin), PEP 38263 (offshore Canterbury Basin) and the offshore portion of PEP 38260 (Canterbury) have been relinquished.
2. The onshore portion of PEP 38260 (including acreage surrounding the Kate-1 well drilled earlier this year in conjunction with ASX listed Gas2Grid), PEP 38523 (Murchison) and the recently awarded onshore Taranaki licence PEP 51150 have been retained.

Green Gate managing director Stacey Radford announced on Friday that he had high hopes for PEP 51150 - Green Gate's first move into New Zealand's only commercial oil and gas region.

Green Gate has already identified several prospects, including one at drillable status, in the PEP 51150 permit, north of the offshore Kupe field and abutting Origin Energy's Rimu-Kauri-Manutahi and Waihapa fields.

Green Gate also has access to NZ based drilling rig NRG Rover, and plans to utilise that to drill the first well "within the next 15 months," Radford added.

Green Gate is Widespread Energy's largest single investment, and the relinquishment of the three South Island frontier PEP areas by Green Gate (forshadowed in our recent interim report) is a setback, but not surprising in this new era of sub USD50 oil prices.

WEN still holds and is progressing other significant energy sector opportunities, including:

1. The Kotuku oil seeps near Lake Brunner (PEP 38526) at Kotuku (near Lake Brunner),
2. PEP 50439, offshore west coast of the South Island,
3. The Chatham Rise rock phosphate project (further detailed in the recent interim report).

Accordingly, although the Widespread Energy board is disappointed at the withdrawal by Green Gate from three frontier exploration permits, in the context of Green Gate retained licences and other ongoing investments held by Widespread Energy it's pretty much business as usual.

For and on behalf of the Board,

Chris D Castle

Onekaka, 7 December 2008