

Origin/Contact Acquisition of Swift New Zealand assets

19 December 2007



Overview

Contact/Origin acquisition of Swift New Zealand assets

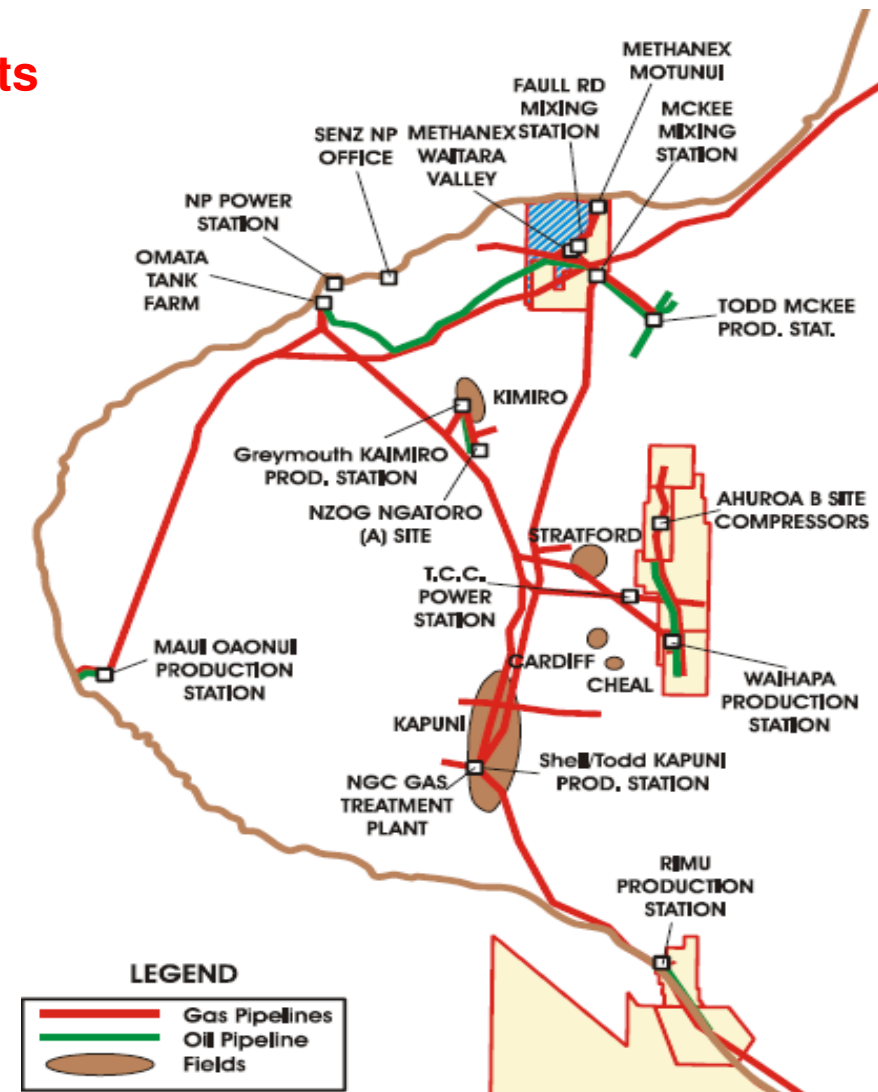
- **Contact and Origin have agreed to acquire the New Zealand assets of Swift Energy**
- **The purchase price is US\$80.3m together with overriding royalties and working interests in respect of certain fields**
- **Contact will contribute approx. NZ\$54m to the purchase price relating to:**
 - the right to develop a gas storage facility in the Ahuroa field; and
 - payment for all gas and LPG in the Ahuroa reservoir as at the completion date – this will enable the remaining gas to form “pad” gas for the storage facility
- **Origin will own the remaining production and exploration assets and Contact will purchase any other gas and LPG produced in the Tariki, Waihapa or Ngaere mining permits**
- **The acquisition is conditional on certain approvals such as Overseas Investment Office and MED and is expected to be complete during the first quarter of 2008**

Swift New Zealand assets

Overview of Swift New Zealand assets

Swift's New Zealand assets comprise:

- The Tariki, Ahuroa, Waihapa and Ngaere fields (TAWN)
- Waihapa Production Station
- Rimu and Kauri fields
- Rimu Production Station
- Separate oil & gas pipelines from Waihapa Production Station to New Plymouth
- Two offshore exploration permits



Gas storage

Development of a gas storage facility

- Contact has been investigating gas storage for a number of years as a means of addressing the loss of flexibility under its gas contracts
- Gas storage is used in many international gas markets as a means of addressing demand and supply imbalances
- With Origin's assistance Contact has confirmed that the Ahuroa reservoir is technically suitable for a gas storage facility
- As part of its due diligence of the Swift assets Contact has confirmed the economics associated with the development of a gas storage at Ahuroa and will be proceeding with its development as soon as the acquisition is completed
- This will involve:
 - Amendment to some existing resource consents and seeking some new consents
 - Alterations to the Ahuroa mining permit
 - Design of additional equipment (compressors) and planning well workovers and drilling of additional wells
 - Testing the reservoir through injection of gas from the TAWN area
- It is expected that the additional investment will be approx. \$150m to be spent over the next two years (excluding the cost of the additional gas to be injected) and Contact is hopeful that the facility can be operational by mid 2010

Contact/Origin relationship

Summary of arrangements between Contact and Origin

- Contact and Origin have worked together to agree the basis upon which an offer was made to acquire the Swift New Zealand assets
- Contact's existing knowledge of the assets, particularly TAWN, together with its ability to leverage the value of storage have been combined with Origin's upstream expertise to ensure the Contact/Origin group was best placed to succeed
- Contact determined, through an independent evaluation, the amount it is prepared to contribute to the acquisition in order to secure the option to develop storage. This process was overseen by the Independent Directors Committee
- The arrangements between Contact and Origin provide for the following:
 - Contact to have an exclusive right to use the Ahuroa reservoir to undertake storage
 - Origin to provide certain services to Contact including project management of the development of storage, operation and maintenance services and use of certain facilities such as LPG stripping
 - The sale of gas and LPG produced from the TAWN area
 - Contact to provide access to Origin the storage reservoir once developed
- Contact believes that this transaction has provided clear illustration of the synergies which can be gained from the relationship



contact