

14 October 2021

KUPE COMPRESSION PROJECT SUCCESSFULLY COMPLETE

New Zealand Oil & Gas is pleased to confirm that the inlet compression project at Kupe has completed. Operator Beach Energy, along with Joint Venture partner Genesis Energy, has successfully procured, installed, and commissioned the new compressor at the Kupe plant and it is now available for full operation.

Consistent with previous communications, the completion of this project will reinstate the ability of Kupe to produce at a plateau rate of 77TJ/d for a sustained period. Reserves attributable to this project remain in-line with previous guidance.

The Joint Venture also continues to investigate options to drill another development well at Kupe to further increase recovery from the field.

“This is another milestone in the excellent journey that is Kupe” Andrew Jefferies CEO of New Zealand Oil & Gas says, “This compressor will allow us to suck harder on the straw and extract further volumes from the Kupe Gas Field bringing us back up to plateau rates at a time the country clearly needs it.

This major project has been achieved safely, on budget, and on time despite the headwind of COVID. Well done to Kupe Operator Beach Energy and all those amazing folks from Taranaki and around New Zealand who have worked so hard to bring this project to fruition. New Zealand needs this gas for industry, heating homes, barbequing sausages, and keeping the lights on when the wind doesn't blow and the sun doesn't shine.”

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Media release

New compressor boosts Kupe gas output

Thursday 14 October 2021

New Zealand's gas supply has received a much-needed boost with Beach Energy switching on a new compressor, increasing gas production at the Kupe Gas Processing Facility near New Plymouth.

The delivery of the \$72 million Kupe Compression Project safely and within budget means the Kupe Gas Plant, which had seen declining production in recent years, can ramp back up to its full capacity of 77 TJs per day – the equivalent of supplying 15% of New Zealand's natural gas demand.

The compressor increases production by reducing the back pressure on the wells, extending the production plateau.

While some delays were experienced due to COVID-19 supply chain issues, the project has been delivered within budget, and most importantly, with no lost time injuries from the 170,000 person-hours onsite.

Beach Energy Managing Director Matt Kay said that it is vital that New Zealand has a stable supply of natural gas to support its every-day needs.

"The successful delivery of this project is good news as it keeps more natural gas flowing into New Zealand homes and businesses for many years to come," Mr Kay said.

"I would like to say a big 'thank you' to all the Beach Energy staff and contractors who supported this project – you've done yourselves proud, particularly through your commitment to safety on the job."

Preparation work for a potential Kupe East development well within the Kupe field is expected to commence during FY22.

Beach says this could lead to the drilling of a potential development well in FY23, subject to joint venture and regulatory approvals.

For more information about Beach Energy's New Zealand operations, visit www.beachenergy.com.au/new-zealand.

For further information contact the following on +61 8 8338 2833

Media

Chris Burford, Corporate Affairs Manager