

news release

2 December 2013

Kan Tan IV begins drilling at Matuku

Drilling is underway in the Matuku-1 well in PEP 51906 offshore Taranaki, the operator has advised.

New Zealand Oil & Gas holds a 12.5 per cent interest in the well.

The Kan Tan IV began drilling operations at 1.50PM on Saturday, 30 November. Matuku-1 is in 130 metres of water. It is expected to take 45 days to drill to the projected target depth of about 4750 metres (measured depth below the rotary table).

The Matuku prospect lies south of the producing Tui oil fields and west of the Maui gas field. The well targets the F Sand reservoir sandstones of the Kapuni Group. Secondary targets are sandstones of the Kapuni Group D Sand and Pakawau Group North Cape Formation.

The Kan Tan IV is a semi-submersible rig operated by Frigstad Offshore Limited. The rig was previously deployed successfully in PMP 38160 (Manaia).

Participants in PEP 51906 are OMV New Zealand (Operator) 65 per cent; Octanex 22.5 per cent; and New Zealand Oil & Gas 12.5 per cent.

If Matuku-1 is successful, either New Zealand Oil & Gas or Octanex may exercise an option for New Zealand Oil & Gas to acquire a further 5 per cent of Octanex's share, which would equalise each company's interest at 17.5 per cent.

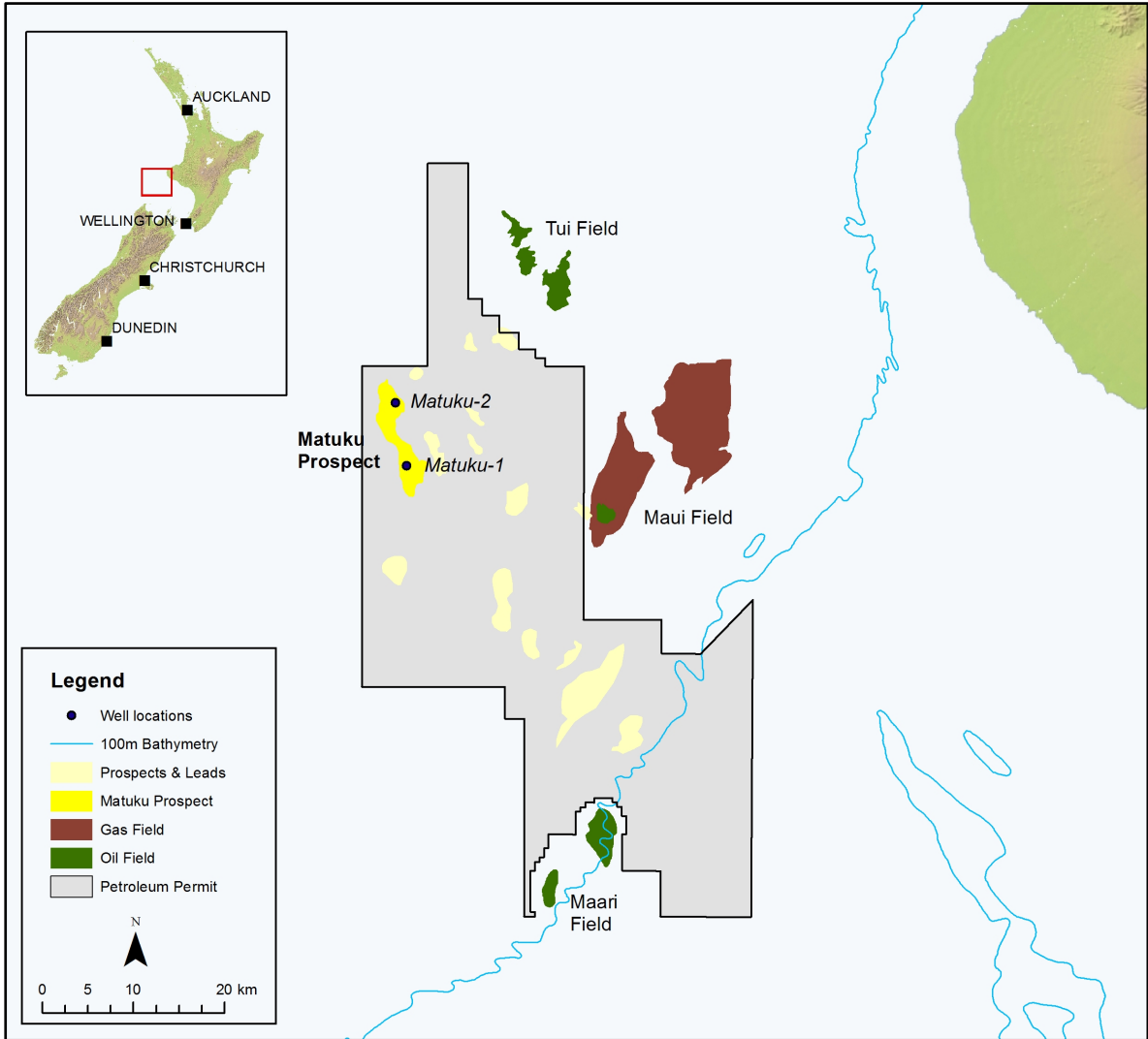
Attached: Map of Matuku-1.

For further information please contact:

John Pagani, External Relations Manager, DDI: +64 4 471 8333, MOB: +64 21 570 872
Andrew Knight, CEO, PH: +64 4 495 2424, TOLL FREE: 0800 000 594 (NZ)

NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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