

14 December 2009

Albacore Exploration Well Disclosure Notice

NZOG (New Zealand Oil & Gas Ltd) advises that the Albacore-1 well has reached its total depth with only traces of hydrocarbons found.

Drilling proceeded ahead of schedule over the weekend, with Albacore-1 reaching a total depth of 2133m at 02:00 hours on Sunday 13 December.

Wireline logs are currently being run to gather additional information. However, based on only traces of hydrocarbons having been found, the well is non-commercial. Once the logging is completed, the well will be plugged and abandoned as planned.

Albacore-1 is an exploration well located 70km north of New Plymouth in the northern offshore Taranaki basin. Drilling using the ENSCO-107 jack-up rig began on 5 December 2009.

The ENSCO-107 is returning to Singapore following completion of drilling at Albacore, with a heavy-lift vessel due to arrive later this week.

Albacore is the first of at least four wells in NZOG's summer drilling programme. The other scheduled wells – an exploration well called Hoki, and two appraisal wells near the Tui oil field – will be drilled by the Kan Tan IV semi-submersible rig, which is currently due to arrive in New Zealand in late January.

Participants in the Albacore permit are:

Westech (Operator)	50%
New Zealand Oil & Gas Ltd (through its subsidiary NZOG Offshore Ltd)	40%
Mighty River Power Gas Investments	10%

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO