

19 March 2010

Hoki Exploration Well Disclosure Notice

NZOG (New Zealand Oil & Gas Ltd) advises of a further delay to the drilling of the Hoki-1 exploration well by the Kan Tan IV drilling rig.

Earlier this week NZOG advised that some essential repair work was required to be undertaken by the rig operator Maersk Drilling to ensure the ongoing safe operation of the drilling unit on the Kan Tan IV.

Maersk Drilling has now notified the joint venture that the repairs will take longer than previously envisaged and that a full repair and reinstatement of the safe operation of the drilling mast will take approximately three weeks to be completed.

This revised schedule is a result of identifying an extended work scope together with a considerable allowance for any weather downtime.

Safety is always the first priority and suspending the drilling of Hoki-1 to enable this essential work to be completed is unavoidable. However, NZOG is very disappointed that the issues now identified were not rectified prior to the rig's arrival in New Zealand.

As previously stated the costs of this repair and the rig day rate are being met by Maersk Drilling.

After the completion of the repair work, drilling operations will resume from the current depth of 1,505 metres, where the 13-3/8" casing has been set and cemented. NZOG will further advise the market when progress on the repairs is nearing completion.

The Hoki-1 well is located in exploration permit PEP 38401 in the offshore Taranaki Basin. It lies approximately 135 kilometres west of New Plymouth and in water depth of approximately 330 metres.

Hoki-1 is targeting the oil potential of the Cretaceous North Cape reservoir sequence and the underlying Wainui sandstones. The well is planned to be drilled to a total depth of approximately 3,570 metres.

Participants in Hoki-1 and PEP 38401 are:

AWE (Operator)	50%
New Zealand Oil & Gas Ltd (through its subsidiary Petroleum Resources Ltd)	10%
OMV New Zealand Pty Ltd	21.25%
Todd Petroleum Mining Company Ltd (Todd Energy)	18.75%

For further information please contact:

David Salisbury, CEO and Managing Director OR; Chris Roberts, Public Affairs Manager
Telephone: +64 4 495 2424 Toll Free: 0800 000 594 (NZ)

NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO