

28 June 2010

Kahu-1 Drilling Starts

NZOG (New Zealand Oil & Gas Ltd) advises that drilling of the Kahu-1 exploration well has started.

The Kan Tan IV drilling rig spudded the Kahu-1 well at 0600 hours (NZ time) this morning.

Kahu-1 is an exploration well within PMP 38158 and will test the Kapuni group sands within a large incised valley feature east of the Tui oil field.

The well is being drilled in a water depth of 122 metres and is expected to drill to a total measured depth of approximately 3,820 metres.

Participants in Kahu-1 and PMP 38158 are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum)	12.5%
AWE Limited (Operator)	42.5%
Mitsui E&P Australia Pty Limited	35.0%
Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%

