

1 July 2010

Kahu-1 Exploration Well Disclosure Notice

NZOG (New Zealand Oil & Gas Ltd) advises that at 0600 hours today (NZ time) the Kahu-1 well was drilling ahead at a measured depth of 1,350 metres.

Kahu-1 is an exploration well within PMP 38158 in the offshore Taranaki Basin.

The well will test the Kapuni group sands within a large incised valley feature east of the Tui oil field.

Kahu-1 is being drilled by the Kan Tan IV rig 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%