

8 July 2010

Kahu-1 Exploration Well Disclosure Notice

NZOG (New Zealand Oil & Gas Ltd) advises that during the past week surface casing was set in the Kahu-1 well to a planned depth of 1,504m.

At 0600 hours today (NZ time) BOP's were being installed prior to preparing to drill ahead. It is anticipated that top of the target reservoir should be intersected in the coming week.

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%