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KUPE PROJECT – DRILLING COMMENCES

New Zealand Oil and Gas Ltd (NZOG) advises that the Ensco 107 rig has commenced batch drilling three development wells at the Kupe gas and condensate field. NZOG has a 15% stake in the Kupe Project.

The commencement of the drilling campaign follows the successful installation by the Ensco 107 of the Project's wellhead platform jacket (the legs of the offshore platform) and topsides.

The platform is located in the Kupe Central Field, 30 kilometres offshore from Hawera in South Taranaki.

Drilling of three production wells that will be tied into the platform is expected to take around five months to complete. Each of the three production wells will be drilled, in stages, to a vertical depth of approximately 3400 metres.

New Zealand Oil and Gas Ltd intends to provide weekly drilling reports to the NZX and ASX.

The Kupe Gas Project is expected to be completed by mid-2009 and will produce approximately 254 petajoules of natural gas, 1.1 million tonnes of LPG and 14.7 million barrels of light oil (condensate).

Participants in the Kupe Gas Project are:

Origin Energy Limited (through its subsidiary Origin Energy Resources (Kupe) Limited)	50% (Operator)
Genesis Energy	31%
New Zealand Oil & Gas Limited	15%
Mitsui E&P Australia Pty Ltd	4%

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NZOG stock symbols: NZX shares - NZO options - NZOOD
ASX shares - NZO options – NZOO

news release

