

news release

5 May 2014

Pateke-4H drilling further update –production liner installed

Installation of a 6 5/8 inch slotted production liner has been completed at the Pateke-4H well offshore Taranaki, New Zealand, the operator has advised.

At 11:00AM NZST the well had been drilled to a revised measured total depth of 4,772 metres, including a 749 metre horizontal section through the reservoir.

Pre-drill 2C resource estimates recoverable from Pateke-4H were 2.5 million barrels, (687,500 barrels net to New Zealand Oil & Gas). While further work is required to determine the expected recovery from Pateke-4H, initial evaluation suggests a result consistent with pre-drill estimates. Further details of resource estimates will be provided when the data has been fully analysed.

The well will now be completed and suspended to enable production in Q1 2015, following the installation of sub-sea flowline infrastructure and tie-back to the Tui FPSO.

New Zealand Oil & Gas has a 27.5 per cent interest in Tui.

The other Tui joint venture partners are:

AWE Limited (via subsidiaries) (Operator)	57.5%
Pan Pacific Petroleum (via subsidiaries)	15.0%

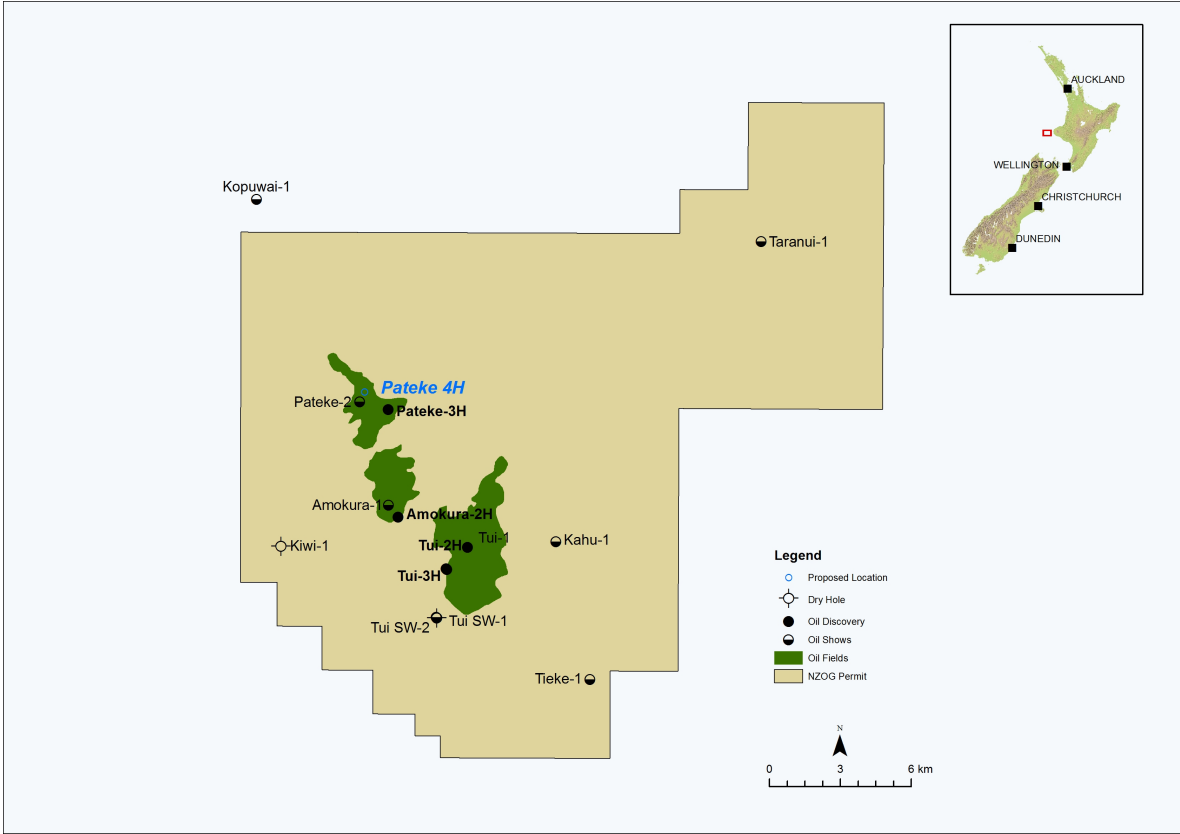
Resources have been evaluated using a deterministic black oil simulation. This statement has been compiled by New Zealand Oil & Gas Vice President of Operations and Engineering Andrew Jefferies B Eng (Mech Hons), Msc Pet. Eng., MBA, a Society of Petroleum Engineers Certified Petroleum Engineer with over 23 years of industry experience, and accurately reflects the most current information supplied by the joint venture operator.

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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