

news release

7 January 2014

Matuku-1 weekly progress report

As at 6:00AM Monday, 6 January, the Matuku-1 well in PEP 51906 offshore Taranaki had been drilled to 3417 metres.

9 5/8" casing has been run to 3409 metres and cemented. The current operation is running in 8 1/2" drilling assembly to commence drilling the next section to a planned total depth of 4754m.

The Kan Tan IV began drilling operations on Saturday, 30 November. Matuku-1 is in 130 metres of water.

Participants in PEP 51906 are OMV New Zealand (Operator) 65 per cent; Octanex 22.5 per cent; and New Zealand Oil & Gas 12.5 per cent.

If Matuku-1 is successful, either New Zealand Oil & Gas or Octanex may exercise an option for New Zealand Oil & Gas to acquire a further 5 per cent of Octanex's share, which would equalise each company's interest at 17.5 per cent.

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO