

news release

1 July 2014

Oi-2 weekly progress report

At 6.00AM today the Oi-2 well in Petroleum Mining Permit 38158, offshore Taranaki, New Zealand, was at a measured depth of 1,505 metres, the operator has advised.

The 9 5/8 inch casing string has been installed and cemented at a depth of 1,487 metres. Preparations are underway to commence drilling ahead to the primary objective, the F10 sandstones anticipated at 3,690 metres.

Well costs have been adversely impacted by winter weather conditions in the offshore Taranaki Basin. The total cost of the Oi-1 and Oi-2 wells is now estimated at US\$50.9 million (New Zealand Oil & Gas share US\$9.54 million), which includes a contingent provision for weather downtime.

Oi is about 37 kilometres off the coast of Taranaki, New Zealand, in about 120 metres of water.

The joint venture partners in the Oi exploration well are:
AWE Limited: 31.25% (Operator).
Pan Pacific Petroleum: 50%
New Zealand Oil & Gas (through subsidiary): 18.75%.

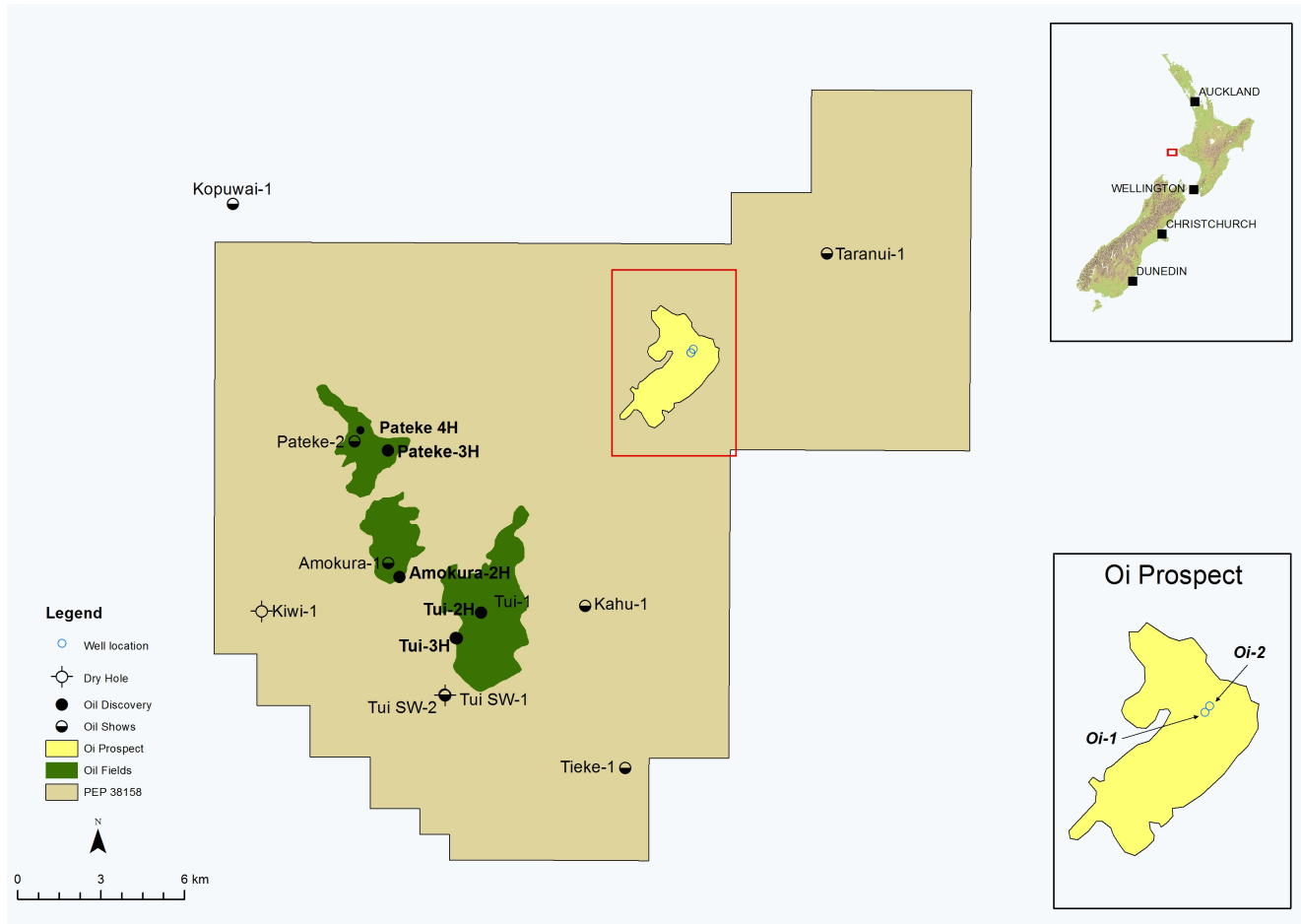
The Joint Venture partners in PMP 38158 are:
AWE Limited (Operator) 57.5%
New Zealand Oil & Gas (via subsidiaries) 27.5%
Pan Pacific Petroleum (via subsidiaries) 15%

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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