

news release

18 March 2014

Pateke-4H to be sidetracked

The operator of the Pateke-4H well in the Tui oil fields offshore Taranaki was preparing to sidetrack a short section of lower wellbore at 6.00 this morning NZDT.

Mechanical drill string difficulties experienced in the original hole, and advised last week, were unable to be fully resolved. The lower part of the hole has been abandoned.

It is now proposed to sidetrack with a 12 ¼ inch drilling assembly from a measured depth of 3,375 metres, drill into the F10 reservoir at a horizontal angle of approximately 90 degrees, and then set the 9 5/8 inch casing at approximately 4,110 metres as planned.

The well will then be drilled horizontally through the F10 reservoir to a total measured depth of 5,361 metres.

The Kapuni F10 sandstone objective has already been intersected as expected with oil shows and real time logging measurements indicating the likely presence of an oil bearing reservoir. The operator describes this as “very encouraging”, however the commercial significance of the oil shows will not be clear until the horizontal drilling has been completed.

Pateke-4H is a northern extension of the existing Pateke reservoir in the producing Tui area oil fields in PMP 38158, approximately 50 kilometres off the coast of Taranaki, New Zealand, in water depth of about 124 metres.

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

The other Tui joint venture partners are:

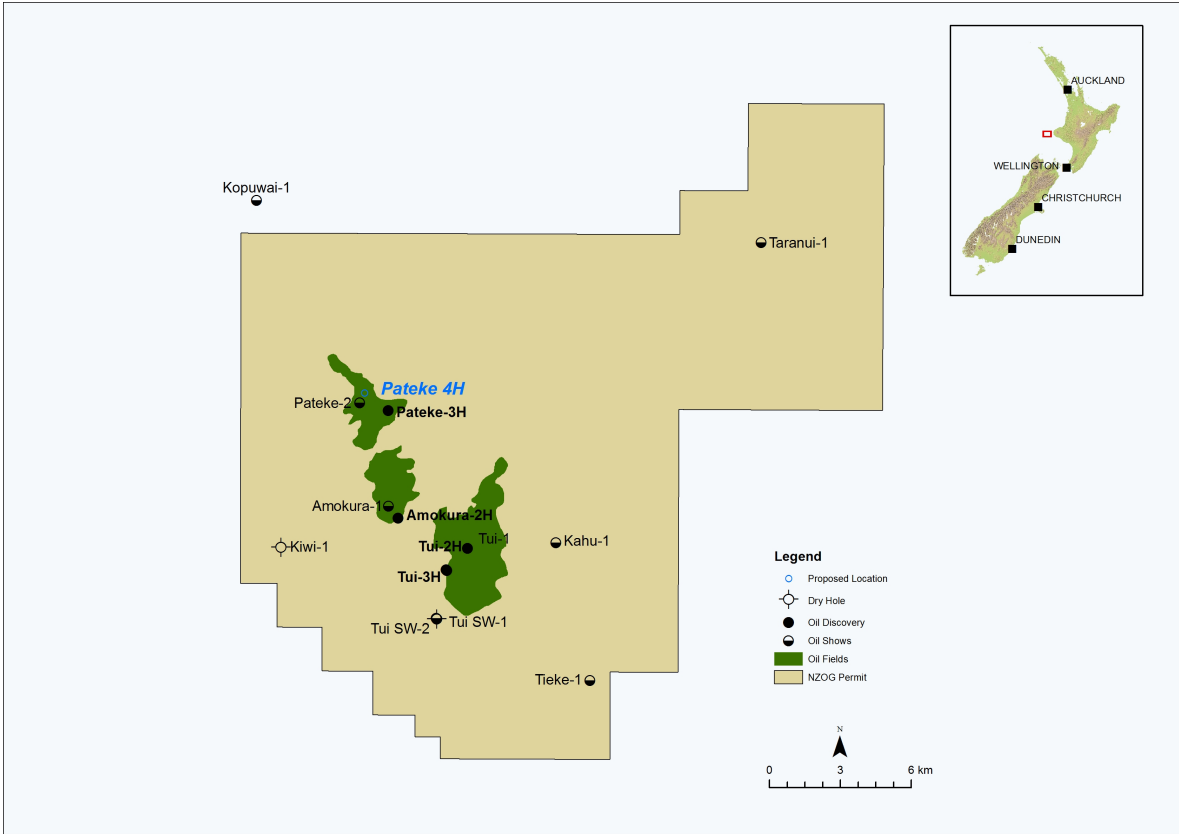
AWE Limited (via subsidiaries) (Operator)	57.5%
Pan Pacific Petroleum (via subsidiaries)	15.0%

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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