

14 January 2013

Update on Sumatra exploration

The operator of an exploration block in Central Sumatra Basin, Indonesia, has advised that drilling of one exploratory well, Parit Minyak-2, is expected to begin around 27 January. New Zealand Oil & Gas has a 22.5 per cent stake in the block through its subsidiary NZOG Asia Pty Ltd.

Parit Minyak-2 is the first well NZOG has been involved in drilling outside New Zealand as the company diversifies internationally while retaining a core focus on New Zealand.

Major site construction work at PM-2 was finished on 23 December. Drilling was scheduled to commence before the end of 2012 but equipment mobilisation has been hampered by wet weather and other logistical factors.

The Kisaran block is located in the Barumun trough in the northern part of the Central Sumatra Basin - the most prolific oil producing basin in South East Asia. The Parit Minyak-2 well will appraise an undeveloped oil discovery made in 2006, and explore additional zones that were not present in that well.

A second well, Parit Minyak-3, is scheduled to follow with construction of the access road currently underway.