

29 January 2013

Two new wells to be drilled in PMP 38158

New Zealand Oil & Gas advises the PMP 38158 (Tui) Joint Venture has approved drilling two additional wells in the permit:

- Pateke 4H infill development well; and
- Oi exploration well.

The operator of the permit, AWE, has negotiated an agreement to use the semi-submersible rig Kan Tan IV to drill the wells in the second half of 2013.

NZOG chief executive Andrew Knight says the company is stepping up exploration activity.

“These prospects are promising and NZOG is excited about our increased exploration activity. In addition to the new exploration in the Tui permit Pateke and Oi prospects, drilling is also planned in the coming season in the Matuku, Kaheru and Kakapo prospects off Taranaki. NZOG is also diversifying overseas with drilling due to begin in Sumatra.”

NZOG will participate in the new wells at its existing equity level of 12.5 per cent and AWE will remain the Operator.

Pateke-4H targets a newly mapped northern extension of the field (Pateke North) that is not being accessed by the current producing well, Pateke-3H.

PMP 38158 (Tui – Pateke prospect)

NZOG	12.5%
AWE	42.5% (Operator)
Mitsui	35%
Pan Pacific Petroleum	10%

The Oi exploration well is 13 kilometres northeast of the Tui field in approximately 120 metres of water. Pan Pacific Petroleum, in which NZOG holds a 15 per cent equity stake, will increase its participation in the Oi well to 50 per cent under the sole risk provisions of the Tui Joint Operating Agreement. AWE and Mitsui have elected to participate in the Oi exploration well at reduced equities; They have the option to restore their full equities in any development through buy back of equity from Pan Pacific Petroleum which will comprise reimbursement of pro-rata costs together with the payment of a buy back premium.

PMP 38158 (Tui – Oi prospect)

NZOG	12.5%
AWE	25% (Operator)
Mitsui	12.5%
Pan Pacific Petroleum	50%

For further information please contact:

John Pagani, External Relations Manager, D: +64 4 471 8333 M: +64 21 570 872
Andrew Knight, CEO Telephone: +64 4 495 2424 Toll Free: 0800 000 594 (NZ)

NZOG stock

symbols:
NZX shares – NZO
ASX shares – NZO