



28 January 2009

### **NZOG awarded new Taranaki permit**

New Zealand Oil & Gas Ltd (NZOG) has been awarded a new exploration permit which lies to the west and south of the Kupe development in offshore Taranaki.

Crown Minerals has notified NZOG that it has been successful with its "Priority in Time" application made in November 2008 for an area covering approximately 3,000 sq km. The area has been designated as Petroleum Exploration Permit 51311. (See map).

NZOG CEO David Salisbury says the company is keen to get the work programme underway.

"We are immediately moving to seek the services of the seismic vessel Pacific Titan, which is currently in New Zealand waters, to shoot 500km of new 2D seismic for us. We will also have some of the historic seismic data from the area reprocessed. "

David Salisbury says the permit contains a fairway of structures that NZOG has identified and has labelled the Gamma prospects.

"There are a number of separate closures formed by upper Miocene sands, eroded by submarine channels, which were then in-filled by younger mudstones. These mudstones may have formed an effective lateral seal, trapping oil and/or gas. Similar oil bearing structures are known to exist in the Sacramento Valley in California and in the Gulf of Mexico.

"Regional analysis of source zones and the proximity of Kupe indicates that there is a favourable chance for oil or wet gas. Rough estimates from the preliminary mapping indicates the potential for up to six structures ranging from 10 to 100 square kilometres in size.

"NZOG will not be releasing any estimate of the potential recoverable resources contained in the Gamma prospects until more information is obtained. What we can say at this early stage is that the Gamma prospects are a very welcome addition to NZOG's exploration portfolio," David Salisbury said.

The Permit has been awarded for an initial term of five years, with the potential for a second term. An evaluation programme is to be carried out in the first two years with a decision on drilling an exploration well to be taken at the end of the second year.

ENDS

*Attached: Maps showing Permit PEP51311.*

#### **FOR FURTHER INFORMATION PLEASE CONTACT:**

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NZOG stock symbols: NZX shares - NZO  
ASX shares – NZO

media release

