



8 January 2009

Tui production hits 20 million barrels

The Tui area oil fields in New Zealand's offshore Taranaki basin reached another significant milestone this morning, with the production of the 20 millionth barrel of Tui oil.

The achievement comes less than eighteen months after production began on 30 July 2007.

The Tui area oil fields include three producing reservoirs, Tui, Amokura and Pateke and lie 50km off the Taranaki coast.

New Zealand Oil and Gas Ltd (NZOG) is the New Zealand-based partner in the joint venture which has developed the oil fields, with a 12.5% stake. The other partners are AWE (42.5% and Field Operator), Mitsui (35%), and Pan Pacific Petroleum (10%).

Before production began, the proven and probable (2P) reserves were estimated to be 27.9 million barrels (mmbbls).

With the outstanding performance of the fields and the assessment of new information from the production process, this initial reserves figure has been upgraded several times and is currently 50.1 mmbbls.

With 20 mmbbls now produced, remaining 2P reserves are approximately 30 mmbbls – meaning that the estimated amount of recoverable oil remaining is still higher than the original total reserves.

The oil is produced from four wells, through a floating production, storage and offloading vessel (FPSO), the Umuroa. The facilities have performed exceedingly well. With the exception of a planned week long maintenance shutdown in mid-December, oil has been produced every day for more than 500 days.

The oil is shipped by tanker to refineries in Australia and south-east Asia. There have also been several shipments to Hawaii and this month the first shipment will go to Marsden Point near Whangarei.

ENDS

Participants in Tui Area Oil Fields are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum Co. Ltd)	12.5%
AWE * (Operator)	42.5%
Mitsui E & P Australia Pty Ltd	35.0%
Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%

* New Zealand Overseas Petroleum Pty Ltd (22.5%)
AWE New Zealand Pty Limited (20.0%)

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