



25 January 2007

NZOG COMPLETES CAPITAL RAISING

Further to New Zealand Oil & Gas Limited's announcement of the results of its pro rata rights issue on 24 January 2007, the company advises that it has arranged to place a further 8.2 million shares and options to meet market demand. This placement is being made in accordance with NZSX Listing Rule 7.3.4(c) (being the placement of the shortfall of 5,606,345 shares and options not taken up through the rights issue) and Listing Rule 7.3.5 (being an issue of 2,593,655 shares and options within the 15% placement limit). Also, in accordance with the Listing Rules, directors and associated persons and employees of NZOG have not participated in the placement.

The placements are being made to local and international institutional and private investors and are being arranged through McDouall Stuart Securities. The combined issue price for each share and option is \$1.00 being the same as the price under the rights issue.

In combination with the rights issue, the total number of securities issued by NZOG is 25,629,805 shares and the same number of June 2008 options which have an exercise price of \$1.50 each. The net proceeds of the rights issue and placement was NZ\$25 million (net of printing, brokerage, registry, advisory and legal costs).

FOR FURTHER INFORMATION PLEASE CONTACT:

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NZOG stock symbols: NZX shares - NZO options - NZOOD
ASX shares - NZO options - NZOO

news release