



13 February 2007

NZOG's Tui-2H DRILLING UPDATE

New Zealand Oil & Gas Limited ("NZOG") reports that as at 0600 hours today, production tubing was being run into the Tui-2H production well as part of the well completion operations. During the course of the week the 1,850m of horizontal drainage hole was successfully completed with the running of a slotted liner.

At the completion of operations at Tui-2H, the rig will be relocated to continue drilling the Tui-3H well.

The Tui Area Development is located within PMP 38158, in the Taranaki basin, approximately 50 kilometres offshore of the west coast of the North Island of New Zealand. First oil is expected from the development by June 30, 2007, and when fully commissioned, a production rate peaking at 50,000 bopd is anticipated.

Participants in PMP 38158 are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum Co. Ltd)	12.5%
AWE * (Operator)	42.5%
Mitsui E & P New Zealand 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%)

FOR FURTHER INFORMATION PLEASE CONTACT:

Gordon Ward or Helen Mackay

Telephone: (04) 495 2424 Toll free 0800 000 594

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

news release