



20 February 2007

NZOG'S TUI 2-H DRILLING UPDATE

New Zealand Oil & Gas Ltd ("NZOG") reports as at 0600 hours today, the rig was finalising work on Tui-2H and preparing to relocate to the Tui-3H well. During the course of the week the Tui-2H well was successfully completed for future production.

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:

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| 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:

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

news release