



27 February 2007

## NZOG'S TUI 3-H DRILLING UPDATE

New Zealand Oil & Gas Ltd ("NZOG") reports that at 0600 hours today, the Tui-3H well was drilling ahead at a total measured depth of 2,257 metres. Progress for the week was 757 metres.

During the course of the week the drilling rig *Ocean Patriot* was relocated from Tui-2H to the Tui-3H site, re-entered the previously drilled top-hole section and recommenced drilling from approximately 1,500 metres to the current total depth.

The successful completion of Tui 2-H horizontal well marked a milestone for NZOG and its joint venture partners as it is the first subsea development well drilled and completed for future production in New Zealand.

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:

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