



20 March 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 in a horizontal hole within the reservoir section at a measured depth of 5,180 metres. Progress for the week was 1,263 metres.

During the course of the week the Tui-3H well was drilled from 3,917 metres and has drilled approximately 1,063 metres of horizontal section in the oil reservoir.

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.

ENDS

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%)

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

news release