



27 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 running production tubing as part of the completion operations. During the past week, the well was drilled to total measured depth of 5,384 metres, with the last 1,267 metres being near horizontal following close to the top of oil bearing reservoir. The last 1,173 metres was drilled within an oil column of 6-13 metres within the range of expectations.

Drilling progress for the week was 204 metres and a production liner was successfully set in the horizontal section. Following the completion operations, the Tui-3H well will be suspended and the rig will be moved to the Amokura-2H 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.

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%)

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