



3 April 2007

NZOG'S TUI PROJECT REACHES KEY MILESTONE

New Zealand Oil & Gas Ltd ("NZOG") reports that the floating production, storage and offtake vessel (FPSO) *Umuroa* has sailed from Singapore and is heading towards its field location in New Zealand. The vessel departed Singapore on April 1, 2007 and is expected to arrive on site at the Tui Area Development in mid April.

This event is a key milestone for the on-time delivery of the Tui Area Development. The FPSO *Umuroa* has the capacity to produce 120,000 barrels of fluid per day including 50,000 barrels of oil and has an oil storage capacity of 730,000 barrels. "Umuroa" translates in Maori as "long on energy".

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:

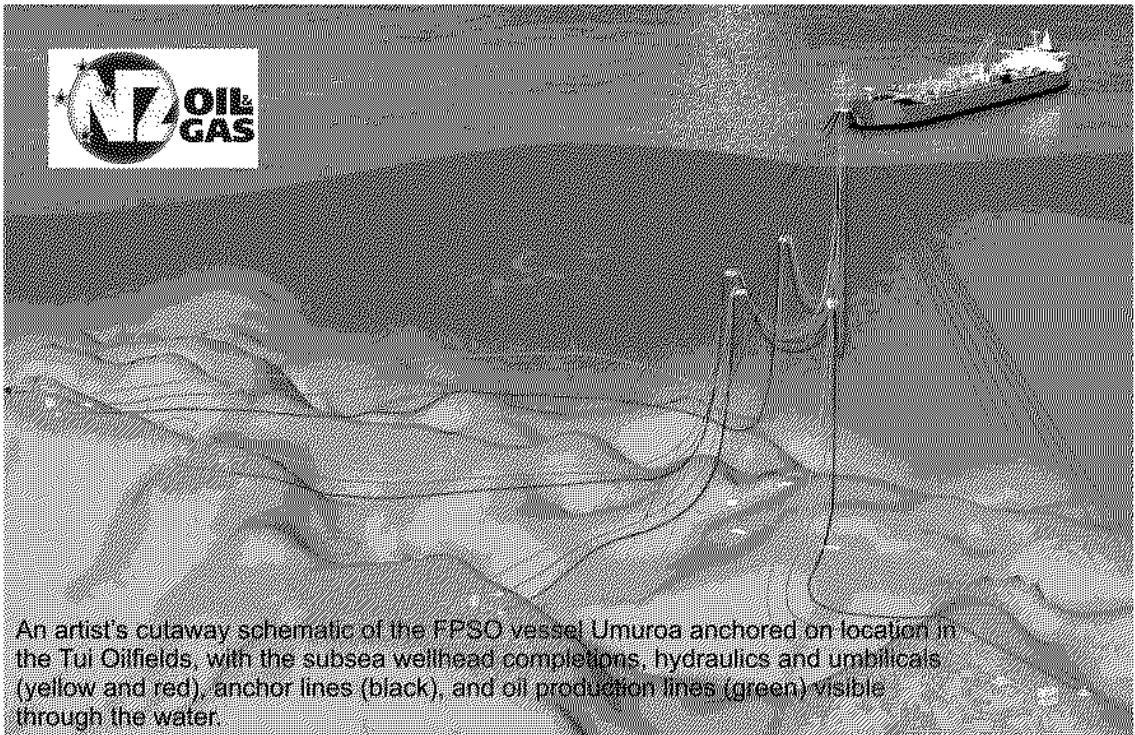
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NZOG stock symbols: NZX shares - NZO options - NZOOD
ASX shares - NZO options - NZOO

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An artist's cutaway schematic of the FPSO vessel Umuroa anchored on location in the Tui Oilfields, with the subsea wellhead completions, hydraulics and umbilicals (yellow and red), anchor lines (black), and oil production lines (green) visible through the water.