



23 April 2007

TUI PROJECT OIL VESSEL ARRIVES IN NEW ZEALAND

New Zealand Oil & Gas Ltd ("NZOG") reports that another key milestone for the Tui Area Development was achieved at the weekend with the arrival of the Floating Production Storage and Offloading ("FPSO") vessel, *Umuroa*. The FPSO is a vessel with the capability to process 120,000 barrels of fluids per day and store up to 730,000 barrels of oil. The FPSO will be anchored over the Tui oil field, 50km offshore Taranaki. The Tui oil will be offloaded into tankers shuttling between the Tui oil fields and refineries. The *Umuroa* will this week be connected to its turret mooring system. This system allows the vessel to weather-vane around the turret allowing year round production.

The Tui Area Development remains on schedule to produce its first oil by June 30.

The Tui Area Development is on schedule despite some unfavourable weather in Taranaki in recent months. The most weather sensitive elements of the sub-sea installations have already been completed.

All four sub-sea well heads have been successfully installed and will be progressively connected to the flow lines and umbilicals which will connect the sub-sea wells to the FPSO, *Umuroa*.

Status of exploration and development drilling activities

The development drilling campaign is well advanced and on schedule with the Tui-2H and Tui-3H wells completed. The Amokura-2H well is being drilled after which the Ocean Patriot drilling rig will be moved to the Pateke-3H well location to complete the final phase of the development drilling.

The Tui Area Development is located within PMP38158, in the Taranaki basin. When fully commissioned a production rate peaking at 50,000 barrels of oil per day is anticipated.

Commencing on the update, NZOG's CEO David Salisbury said:

"NZOG is very pleased with the progress in bringing the Tui oil fields into production. NZOG and Pan Pacific Petroleum acquired the Tui area permit in 1996 and with partners drilled the Tui oil field discovery well in 2003. It is an exciting time for NZOG as this project nears first oil production."

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%

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* New Zealand Overseas Petroleum Pty Ltd (22.5%)
AWE New Zealand Pty Limited (20.0%)

FOR FURTHER INFORMATION PLEASE CONTACT:

David Salisbury 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



FPSO *Umuroa*

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