



22 May 2007

NZOG'S PATEKE-3H DISCLOSURE NOTICE

New Zealand Oil & Gas Ltd ("NZOG") reports that the Pateke-3H well had been re-entered and that drilling has recommenced. At 0600 hours today, the well was at a measured depth of 1,540 metres.

During the week, the *Ocean Patriot* rig completed operations at Amokura-2H and the rig was released at 1700 hours on May 17, 2007. Amokura-2H has been suspended in a state ready for production, along with the other two completed development wells, Tui-2H and Tui-3H. The rig was subsequently relocated to the Pateke-3H location and the well was re-entered on May 21, 2007.

A contract for first oil deliveries has been entered into by the Tui Joint Venture with pricing being based on TAPIS, which over the past two months has attracted a substantial premium over WTI of approximately USD\$70.

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 in mid 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

disclosure notice