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31 July 2007

NZOG'S Hector-1 drilling report

New Zealand Oil & Gas Ltd ("NZOG") reports that Hector-1 started drilling on July 27 and at 0600 hours today, the *Ocean Patriot* drilling rig was cementing 13-3/8" casing at a measured depth of 1,506 metres.

The Hector prospect is located in PEP 38483, approximately 65 kilometres south west of the Tui Area Development. NZOG estimates that the Hector prospect has the potential to contain mean resources of 60 million barrels of recoverable oil. Hector-1 is being drilled in a water depth of 170 metres and has a planned total depth of 3,870 metres.

ENDS

Participants in PEP 38483 are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum Co. Ltd)	18.9%
Australian Worldwide Exploration Limited (Operator)	44.3%
Mitsui E & P New Zealand Ltd	22.7%
Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	14.1%

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

drilling report