



16 August 2007

PRIME MINISTER OPENS NZOG'S TUI AREA OIL PROJECT AS FIRST OIL IS SHIPPED TO MARKET

New Zealand Oil & Gas Limited (NZOG) advises that the Tui Area Oil Project was officially opened by Prime Minister Helen Clark today at a ceremony in New Plymouth. The ceremony coincided with the first shipment of approximately 300,000 barrels of Tui crude oil being loaded onto the tanker *Akama* and being shipped to the Australia buyer. The second shipment of Tui crude oil is scheduled to be loaded on to the *Lion City River* on 19 August 2007.

First oil from the Tui oil fields was produced on 31 July 2007. While still being commissioned, the daily production has stabilised at around 42,000 barrels. The joint venture is working with the owner of the FPSO *Umuroa* and is confident that it will achieve production at the design capacity of 50,000 barrels of oil.

The Tui oil fields are located within PMP 38158, in the Taranaki basin, approximately 50 kilometres offshore of the west coast of the North Island of New Zealand.

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%)

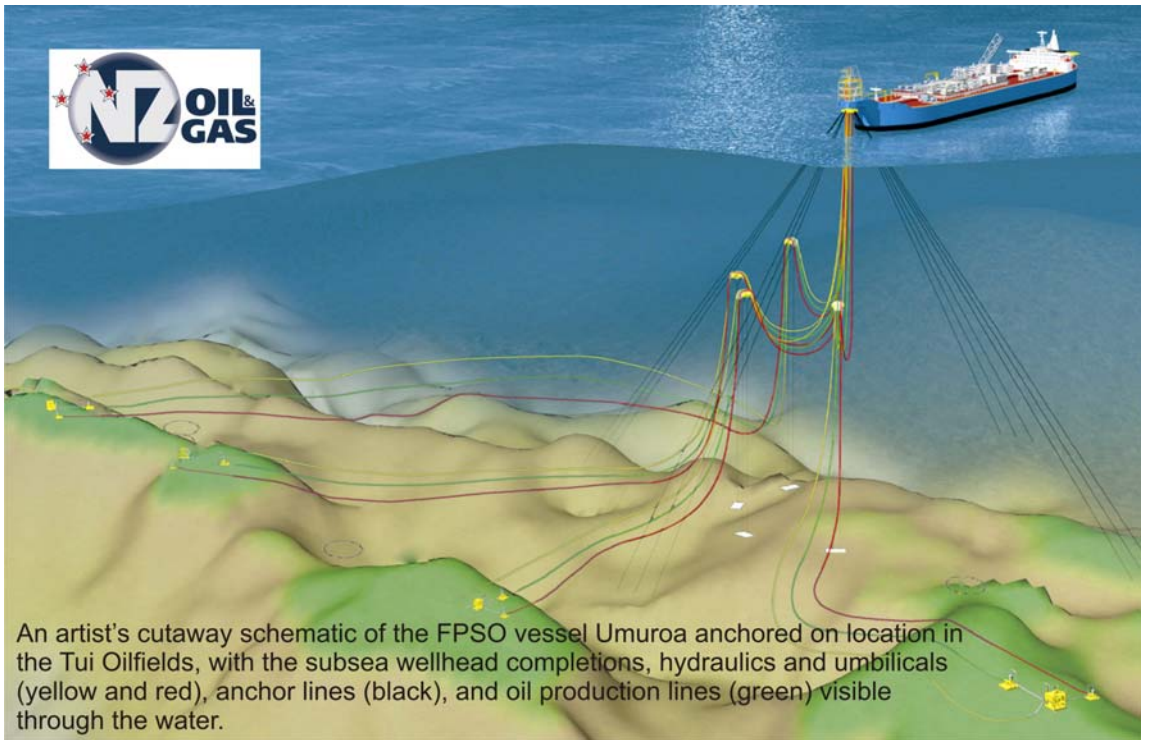
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NZOG stock symbols: NZX shares - NZO options – NZOOD
ASX shares - NZO options – NZOO

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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.