



28 August 2007

NZOG'S TARANUI-1 DRILLING REPORT

New Zealand Oil & Gas Ltd ("NZOG") reports that at 0600 hours today, the Taranui-1 well was drilling ahead at a measured depth of 2,520 metres. Progress for the week was 2,293 metres.

The Taranui prospect is located in PMP 38158, approximately 15 kilometres north east of the Tui Area Oil Project. Taranui -1 is being drilled in a water depth of 121 metres and is estimated by NZOG to contain between 5 and 15 million barrels of recoverable oil, if successful. The well has a planned total depth of approximately 3,900 metres.

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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drilling report