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news release

25 October 2007

NZOG MONITORING DISCHARGE INCIDENT

New Zealand Oil and Gas Ltd (NZOG) has been advised that degraded oil has been washed up on a beach on the Taranaki coast. As a participant in the offshore Tui Area Oil Project, NZOG is monitoring the situation.

AWE Ltd, the operator of the Tui Area Oil Project, has been informed by Maritime New Zealand and the Taranaki Regional Council that degraded oil in the form of tar balls has washed up on a Taranaki beach.

AWE is working closely with the authorities to identify the nature and source of the oil. AWE has supplied a sample of Tui crude to Maritime New Zealand for analysis and comparison with the oil washed up on the coast. The Tui Area Oil Project lies approximately 60 km from the affected area.

NZOG has been advised by AWE that the Taranaki Regional Council has collected approximately six cubic metres of oil contaminated sand from the beach.

ENDS

Participants in Tui Area Oil Fields are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum Co. Ltd)	12.5%
AWE * (Operator)	42.5%
Mitsui E & P Australia Pty 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