



16 January 2008

NZOG SUPPORTS PIKE RIVER FUNDING PACKAGE

New Zealand Oil & Gas Limited is playing a major role in the completion by Pike River Coal Limited (PRC) of that company's funding of the Pike River Mine development.

NZOG has agreed to underwrite \$17.5 million of the \$60 million rights issue of shares announced by PRC today (Offer) and will satisfy this underwriting obligation by taking up its rights under the Offer.

The PRC issue is being fully underwritten through lead manager McDouall Stuart Group Limited and PRC's three principal shareholders – NZOG, Gujarat NRE Limited and Saurashtra World Holdings Private Limited.

NZOG Chairman Tony Radford said that NZOG was pleased to support the PRC NZ\$60m rights issue.

"The combination of this equity capital raising with a US\$30m bond issue to Liberty Harbor, also announced by PRC today, is expected by PRC to fund the Pike River mine development through to completion. NZOG's previous undertakings of support for PRC will be met through taking up \$17.5m of entitlements under the rights issue.

"I expect NZOG's stake in Pike River Coal to increase in value as the Pike mine passes remaining milestones and moves into production; certainly, the demand and price outlook for the high quality coking coal which the mine will produce is currently very bullish," Mr Radford said.

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

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