



17 January 2008

KUPE DEVELOPMENT WELLS DISCLOSURE NOTICE

New Zealand Oil & Gas Ltd advises that at 14:00 hrs on 16 January, the 17 inch section of the Kupe South 8 (KS-8) well had reached a depth of 1809m MDRT (measured depth from rotary table).

Drilling of the 17 inch section will continue to the planned depth of 2,200m MDRT at which point the 13-3/8 inch casing will be run and cemented. Upon completion, the 12-1/4 inch section of KS-8 will be drilled and cased. This will be followed by drilling of the 12-1/4 inch sections of KS-7 and KS-6.

Drilling began at 22:40 hrs on 19 December 2007. Progress of all three development wells is summarised as follows:

| | 22 inch | 17 inch | 12 ¼ inch | 8 ½ inch |
|------|---------|---------|-----------|----------|
| KS-6 | 560m | 2,000m | | |
| KS-7 | 566m | 2,000m | | |
| KS-8 | 568m | 1,809m | | |

Each of the three wells will be drilled by the Ensco-107 jack-up rig to a vertical depth of approximately 3,400 metres.

The Kupe Project drilling campaign is being undertaken on a "batch-drilling" basis. This process involves completing the same section of each of the three wells before proceeding to the subsequent section and is a more efficient approach than drilling the wells separately. Drilling of the three wells is expected to take around five months to complete.

The Kupe Project is located within permit PML38146 in the offshore Taranaki Basin, New Zealand, approximately 30km off the coast. The development will comprise production wells tied into an unmanned offshore platform, a 30 km pipeline to shore, and an onshore processing station. The Kupe Project is expected to be completed by mid-2009 and produce approximately 254 petajoules of natural gas, 1.1 million tonnes of LPG and 14.7 million barrels of light oil (condensate).

ENDS

Participants in the Kupe Gas Project are:

| | |
|---|----------------|
| Origin Energy Limited (through its subsidiary Origin Energy Resources (Kupe) Limited) | 50% (Operator) |
| Genesis Energy (through wholly owned subsidiaries) | 31% |
| New Zealand Oil & Gas Limited (through wholly owned subsidiaries) | 15% |
| Mitsui E&P Australia Pty Ltd | 4% |

FOR FURTHER INFORMATION PLEASE CONTACT:

Chris Roberts
Public Affairs Manager
NZOG
Telephone: (04) 495 2424 Toll free 0800 000 594

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

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