



8 July 2008

NZOG RECEIVES \$192.7 MILLION

New Zealand Oil & Gas Ltd (NZOG) is delighted with the outcome of an Options exercise which has provided the company with a capital injection of more than NZ\$190 million.

A further tranche of 1,491,020 Ordinary Shares were allotted yesterday evening, taking the total number of exercised Options to 128,482,977.*

Just under 139 million Options were on issue, which were convertible to Ordinary Shares up until 30 June 2008 for a payment of NZ\$1.50 each. 92.5% have been exercised, raising NZ\$192,724,465.50. (No brokerage or other fees were payable).

NZOG's issued capital is now 383,698,721 Ordinary Shares. At market opening this morning, this gave the company a market capitalisation of approximately NZ\$650 million.

NZOG Chief Executive David Salisbury said the company is extremely pleased with the support shown by investors.

"To raise almost \$200 million in the current investment climate is a significant statement of faith in New Zealand Oil & Gas Ltd. Together with the strong revenue flows coming from the Tui oilfields, the capital injection gives us the opportunity – and the challenge – of aggressively pursuing sensible investment opportunities in the oil & gas sector.

"The company is very focused on maximising value from its existing assets and identifying new, value adding investments."

* Any late or amended allotments will be announced to the market in due course.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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NZOG stock symbols: NZX shares - NZO
ASX shares - NZO

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