



22 April 2005

## Kupe Field Reserves Upgrade

New Zealand Oil & Gas advises that the Kupe Joint Venture has approved and adopted a reserves upgrade for the Central Field Area of the Kupe Gas/Condensate Field in PML38146 in the Taranaki Basin of New Zealand. The estimate of total proved-plus-probable (2P) hydrocarbons recoverable from the Farewell Formation has been revised upwards by 16.5% from 338 PJE to 394 PJE, net of estimated fuel gas usage.

Reserves carried by the joint venture parties prior to this review were sourced from a study conducted by the previous Operator in 2000. Estimated reserves have been revised following a major reinterpretation of the field which was undertaken after the 1996 Kerry 3D seismic survey was reprocessed in 2004. The reinterpretation included remapping of the field and geological and reservoir simulation studies, the aim of which was to identify the optimum subsurface development scheme for the field.

The estimated 2P recovery of different products is assessed to be as follows (100% JV):

Product	Estimated Recovery	PJE
Sales Gas	281 PJ	281
LPG	627,000 tonnes	31
Condensate	14.7 million barrels	82
<b>Total (PJE)</b>		<b>394</b>

*(Figures include contribution from the basal oil leg.)*

The optimum subsurface development scheme identified is currently being incorporated into an overall development plan for the field to supply around 20PJ of sales gas per annum together with condensate and LPG production commencing at 1.7 million barrels per annum and 45 ktonnes per annum respectively. Consenting processes and facilities engineering are proceeding. Subject to receipt of government approvals, the Joint Venture expects to make the final investment decision to proceed with development of the Kupe field in the fourth quarter of this year, with first gas targeted to be produced in late 2007.

The Joint Venture Parties are encouraged by this upwards reserves revision, and by the potential for the Kupe Project to play a significant role in helping New Zealand meet its ongoing energy needs.

*The statements relating to hydrocarbon reserves in this report are based on information compiled by a full time employee of the operator of the joint venture who is a person qualified in accordance with Listing Rule 5.11 and who has consented to the form and context in which those statements appear.*



**The Kupe Joint Venture comprises:**

New Zealand Oil & Gas Limited (via subsidiaries)	15%
Origin Energy Resources (Kupe) Limited*	50% (Operator)
Genesis Energy	31%
Mitsui E&P (New Zealand) Limited	4%

\* a wholly owned subsidiary of Origin Energy Limited

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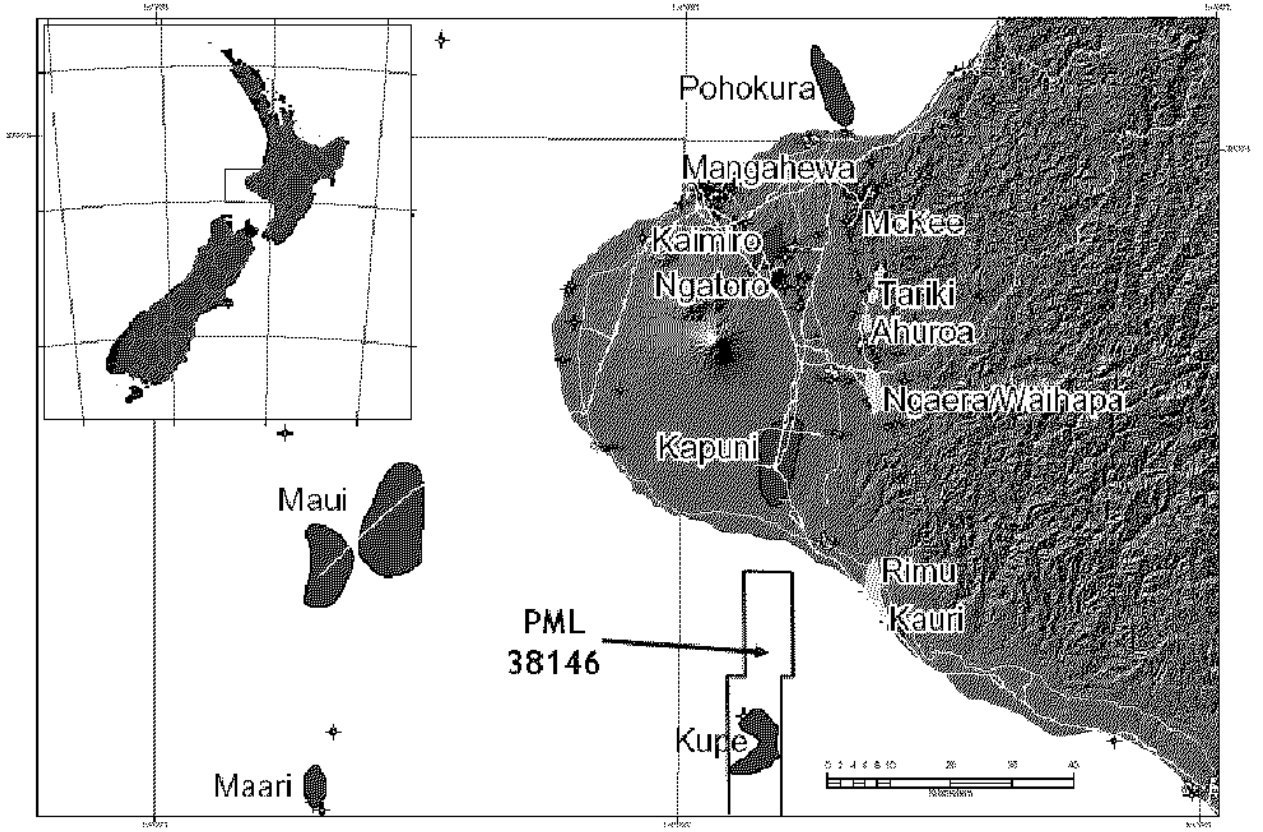
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NZOG stock symbols:    NZX shares - NOG  
                                  ASX shares - NZO

news release



**Location of PML38146 and the Kupe South Field**

news release