



10 June 2005

### **PEP38478 (MANGATOA) LICENCE RELINQUISHED**

New Zealand Oil & Gas Limited advises that its subsidiary Petroleum Resources Limited has not been able to attract additional partners for drilling of the Mangatua prospect and will today relinquish its interest in PEP38478 which contains the prospect. Co-holder Origin Energy Resources NZ Limited has also withdrawn from the licence. Accordingly the permit will be surrendered.

The attraction of the large potential represented by Mangatua was offset by the expected tight reservoir being associated with significant risks in obtaining adequate gas flow rates and resulting in potentially high development costs.

While New Zealand Oil & Gas was keen to see Mangatua drilled, and was prepared to contribute some funds for that purpose, it was not prepared to over-extend itself on a single prospect with costs for an initial well likely to exceed \$20 million.

In addition to its three development projects, New Zealand Oil & Gas holds a range of other oil and gas prospects under licence in the offshore Taranaki, several of which are likely to be drilled in 2006. These include:

- Gamma and Taitapa, in PEP38484, west of the Kupe field
- within the Tui Oil Area and elsewhere in PEP 38460
- the Hector prospects within PEP38483
- Felix, PEP 38729 in North Taranaki.

#### **FOR FURTHER INFORMATION PLEASE CONTACT:**

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NZOG stock symbols: NZX shares - NOG options - NOGOC  
ASX shares - NZO options - NZOOA