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NZOG SIGNS UP TO DRILL MORE WELLS

New Zealand Oil & Gas Limited has signed up to use the Ocean Patriot semi-submersible rig to drill three of its offshore Taranaki oil prospects, in conjunction with drilling the production wells for the Tui Oil fields development.

The first exploration target will be Hector, to be drilled in the final quarter of 2006.

The rig will then drill the four Tui Oil development wells, commencing late 2006 through to March 2007.

Upon completion of the Tui wells, the Ocean Patriot rig will move several kilometres to drill the Tieke and Taranui oil prospects located within the Tui PMP 38158. The drilling programme is expected to be completed by June 2007.

NZOG's chief executive, Tony Radford, stated: "this drilling activity represents a significant investment by NZOG in the future growth of the company at a time of high oil prices and solid progress with the company's developments and a continuing commitment to finding additional reserves of petroleum within New Zealand."

Mr Radford also commented "the upcoming drilling activity will be the largest continuous drilling programme ever undertaken by the company".

NZOG holds an 18.9% interest in the Hector prospect (PEP 38483), and a 12.5% interest in the Tui Area oil fields and the Tieke and Taranui prospects (PMP 38158).

FOR FURTHER INFORMATION PLEASE CONTACT:

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