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PIKE RIVER GAINS MAJOR NEW INVESTOR

New Zealand Oil & Gas Limited advises that subsidiary Pike River Coal Limited ("Pike River") has introduced a second cornerstone trade investor and at the same time secured another major sales contract for Pike coal.

The new investor is Gujarat NRE Coke Limited ("Gujarat") which is India's largest standalone publicly listed coke-making company. Gujarat has agreed to invest an immediate NZ$20 million for a minority stake in Pike River.

Gujarat has also contracted to purchase 40% of Pike River's production for the life of mine, at market prices.

"We are delighted that Gujarat is coming on board as a substantial investor and purchaser of Pike coal," Pike River General Manager, Gordon Ward said.

Gujarat will purchase an equal quantity of Pike River's two main products, both of which are low ash hard coking coal, differentiated primarily by sulphur content.

The number of Pike River shares acquired by Gujarat for its $20 million investment will be matched to the eventual IPO share price. Gujarat's investment is subject to regulatory approvals including Overseas Investment Commission consent.

news release

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