



13 November 2006

NZOG launches its Taranaki drilling programme

New Zealand Oil & Gas Limited's ("NZOG") largest ever oil exploration drilling programme is about to start with the drilling rig *Ocean Patriot* now on its way to the Taranaki Basin. The *Ocean Patriot* is currently under tow from the Canterbury Basin and will come up the east coast of the South Island and through the Cook Strait to Taranaki which will take approximately 5 days.

The first well location is Tieke-1 which has a potential recoverable volume of 15 million barrels and is expected to commence drilling late next week. Tieke-1 is located in the Tui petroleum permit PMP 38158 and lies 40 km offshore and approximately 8 km from the Tui oil field. The well will be drilled to a planned total depth of 3,600 metres, in a water depth of 122 metres and is expected to take 18 days on a "trouble free" basis.

Recent exploration in the Taranaki basin by NZOG and its joint venture partners has resulted in three commercial discoveries from only five exploration wells in the past four years. These discoveries, Tui, Amokura and Pateke, are currently being developed as part of the Tui area oil development within PMP 38158. The development drilling for this project, comprising 4 horizontal development wells, will start immediately after the completion of the Tieke-1 well.

The *Ocean Patriot* will also drill the high potential Hector structure in PEP 38483 and then the Taranui prospect also within PMP 38158 to finish the six month drilling campaign.

NZOG's Executive Chairman Tony Radford said "It is an exciting time for the company and for the industry with the start of this, the largest continuous offshore drilling programme ever undertaken in New Zealand".

Participants in Tieke-1 and PMP 38158 are:

New Zealand Oil & Gas Limited (through its sub Stewart Petroleum Limited)	12.5%
New Zealand Overseas Petroleum Pty Ltd ("AWE")	22.5%
AWE New Zealand Pty Limited ("AWE")	20.0%
Mitsui E & P New Zealand Limited	35.0%
WM Petroleum Ltd	10.0%

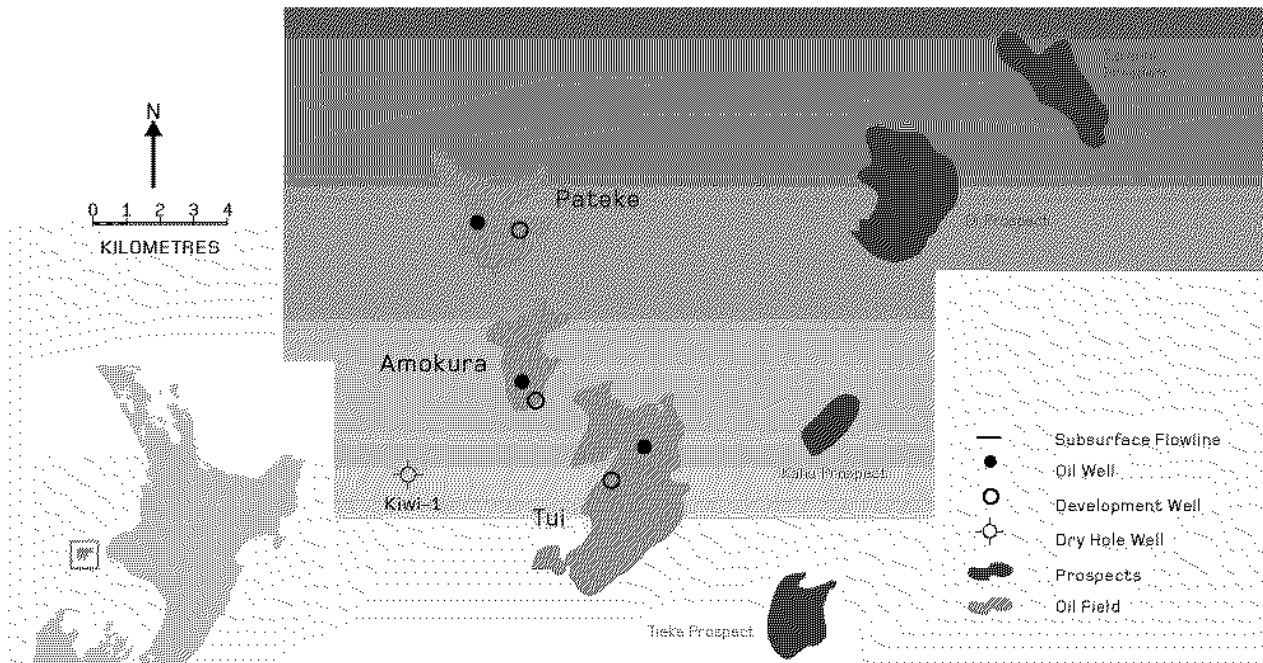
FOR FURTHER INFORMATION PLEASE CONTACT:

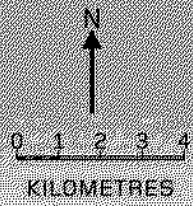
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NZOG stock symbols: NZX shares - NZO options - NZOOD
ASX shares - NZO options - NZOO

Tui Area Development PMP 38158





- Oil Field
- Gas Field
- Planned Exploration Well
- Prospects
- PEP 38483 Extension Area
- Dry Hole Well

Tui Oil Fields

Kiwi-1

Maui Field

Hochstetter-1

Kiwa-1

Hector Prospect

Hector-1



Hector South Prospect



Pukeko-1

Maari Field

Te Whatu-2

