



28 October 2008

### **NZOG to join Canterbury Basin venture**

New Zealand Oil & Gas Ltd (NZOG) has entered into an agreement to acquire a 40% stake in permit PEP38259, which lies in the offshore Canterbury Basin.

Under the agreement NZOG will acquire the 40% permit interest from Tap (New Zealand) Pty Ltd, a subsidiary of Australian company Tap Oil Limited.

The other joint venture parties are:

AWE New Zealand Pty Ltd	25% (Operator)
Beach Petroleum (NZ) Pty Ltd	20%
Anzon New Zealand Ltd	15%

NZOG CEO David Salisbury says permit PEP38259 contains the promising Barque gas and condensate prospect.

“Over the past year or so, NZOG’s technical team has completed a detailed evaluation of many of the New Zealand basins, including Canterbury Basin. This has enabled us to independently assess the Barque prospect and rank it against other opportunities.

“We have concluded that the Canterbury Basin has proven effective petroleum systems present and the potential to produce commercial quantities of oil and gas.

“From our evaluation, the Barque Prospect stands out as having potential for P50 (best estimate) recoverable resources of 600 billion cubic feet (BCF) of dry sales gas and 58 million barrels (mmbbls) of light oil/condensate.

“However, a lot of work remains to be done to assess the prospect, beginning with further seismic studies. There is no certainty that an exploration well will be drilled or that a commercial development will be the end result.”

The Operator, AWE, is planning a marine seismic survey to be undertaken in early 2009. Under the agreement, NZOG would participate at 40% through the seismic programme. The permit conditions require a decision on whether or not to drill an exploration well to be made by August 2010.

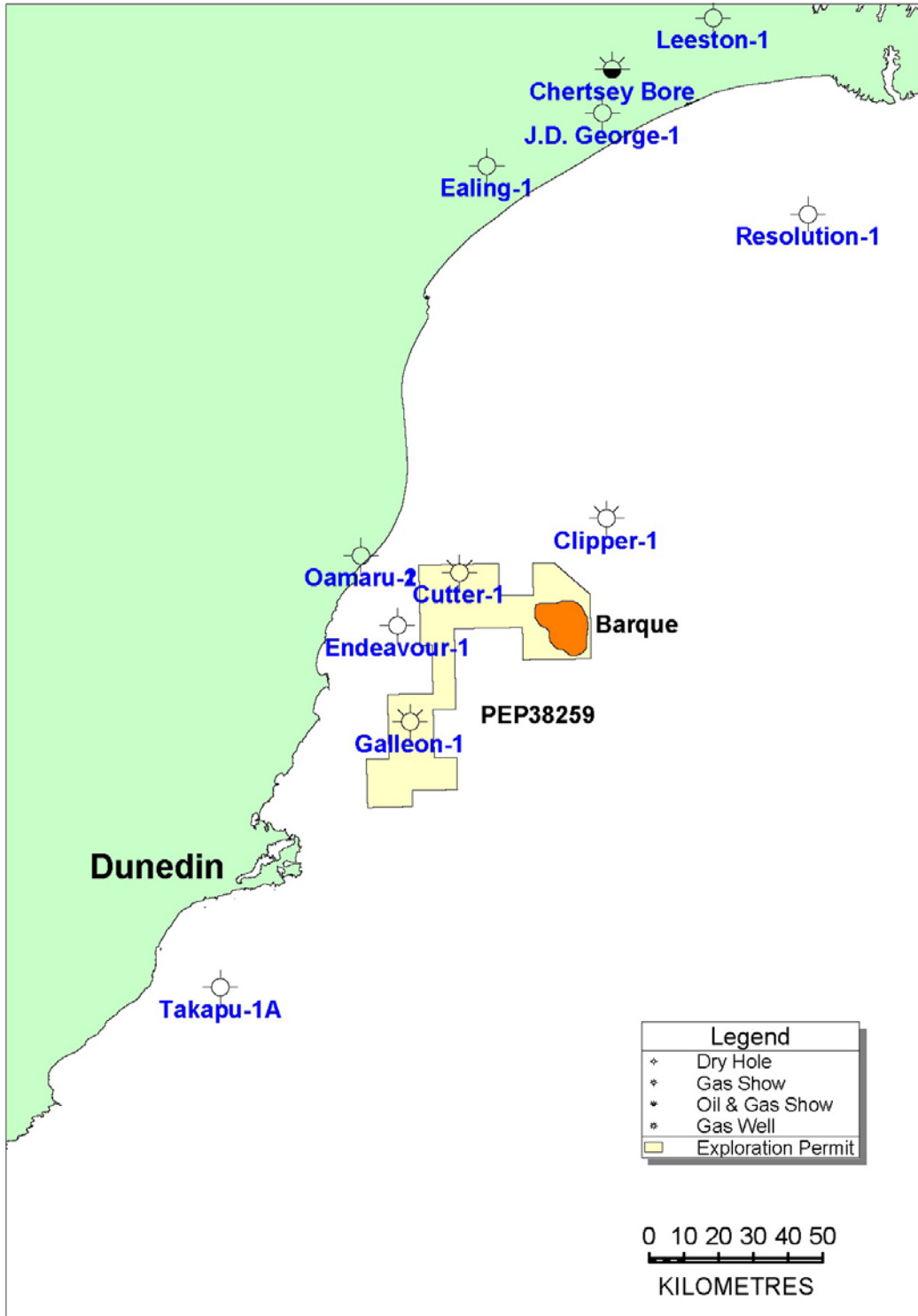
“We are delighted to have an agreement that secures participation in the assessment of what we believe is one of the more promising oil and gas prospects available in New Zealand.

“NZOG enjoys an excellent working relationship with AWE through the producing Tui field in offshore Taranaki and we look forward to working with AWE and the other joint venture parties in Canterbury,” David Salisbury said.

ENDS

*Attached: a Map of Permit PEP38259*

media release



**FOR FURTHER INFORMATION PLEASE CONTACT:**

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