

20 October 2010

Pateke update

NZOG (New Zealand Oil & Gas Ltd) has been advised by the Tui Operator, AWE, that the recommencement of production from the Pateke-3H well has been delayed due to further technical issues.

A clean up flow of the well was undertaken prior to the *Kan Tan IV* rig being released from site on 15 October, with the well repair activities having been successfully completed.

The re-establishment of full oil production from the well, with rates forecast to be approximately 3,000 bopd (barrels of oil per day) once fully cleaned up, has encountered further constraints within the production flowpath.

AWE, in consultation with its technical advisors, is undertaking a thorough review of the issue and this trouble-shooting will continue to determine the cause and the most efficient remedy.

Production from the other three production wells in the Tui area oil fields continues at around 7,000 bopd.

Participants in the Tui area oil fields are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum)	12.5%
AWE Limited (Operator)	42.5%
Mitsui E&P Australia Pty Limited	35.0%
Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%