

25 July 2012

Bohorok Production Sharing Contract signed

NZOG (New Zealand Oil & Gas Ltd) and its partners have signed a Production Sharing Contract (PSC) for the Bohorok permit in northern Sumatra. It was announced in May that NZOG and its partners were the winning bidder for the PSC.

A portfolio of leads and prospects have been identified within the Bohorok block, which covers a total area of 5,022 sq km at the southeast end of the North Sumatra Basin, close to the major city of Medan. The northern part of the Bohorok block is adjacent to and partly surrounds several oil and gas fields, while the southern and eastern parts have only experienced limited exploration to date.

Under the PSC, the joint venture is committed to an initial 3 year exploration work programme including the acquisition of 200km of 2D seismic and a range of geological studies. Including a US\$1 million signature payment, the budget for the 3 year exploration period is approximately US\$4 million, of which NZOG's share is 50%.

NZOG will have a 45% stake in the Bohorok PSC. Its partners are Bukit Energy Asia Pte Ltd (45%, Operator) and PT Surya Buana Lestarijaya (10%).

"We are delighted to have been awarded this PSC. It lies in a prolific basin that we have been able to gain a good understanding of through the Joint Study Agreement we signed up to in August 2011," Andrew Knight, Chief Executive, said.

NZOG also has a 22.5% stake in the Kisaran permit in central Sumatra, where at least one well is planned for later this year, and has additional Sumatra Joint Study Agreements in progress.

Map of the Bohorok block attached.

