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NZOG extends New Zealand exploration portfolio

Plans to step up New Zealand Oil & Gas's exploration activity have moved ahead again today with the award of two new exploration permits from the New Zealand Government's 2012 Blocks Offer.

NZ Petroleum and Minerals has advised NZOG has been awarded new exploration permits for two blocks covering around 635 square kilometres.

The blocks awarded are:

- Onshore Taranaki: 12TAR- 07 (PEP 54867);
- Offshore Taranaki: 12TAR-08 (PEP54857).

[See map, attached.]

Chief Executive Andrew Knight says NZOG sought blocks that leveraged the company's New Zealand exploration expertise and complemented its existing investment portfolio.

"The new blocks include an expansion of NZOG's offshore Taranaki activity, and a return to onshore Taranaki in conjunction with an established operator there.

"Exploration is the core of NZOG's business. As New Zealand's largest publicly listed oil and gas company, and with one of the most diverse shareholder bases on the NZX, the growth of our exploration portfolio means we now have a large and diverse set of New Zealand exploration opportunities."

In other recent developments, NZOG announced a farm-in to three offshore Taranaki permits, including the Matuku Prospect where operator OMV has confirmed it has secured a semisubmersible rig to drill in the third quarter of 2013. NZOG has also announced it farmed out its Kaheru prospect, and confirmed an intention to drill its Kakapo prospect, both in South Taranaki.

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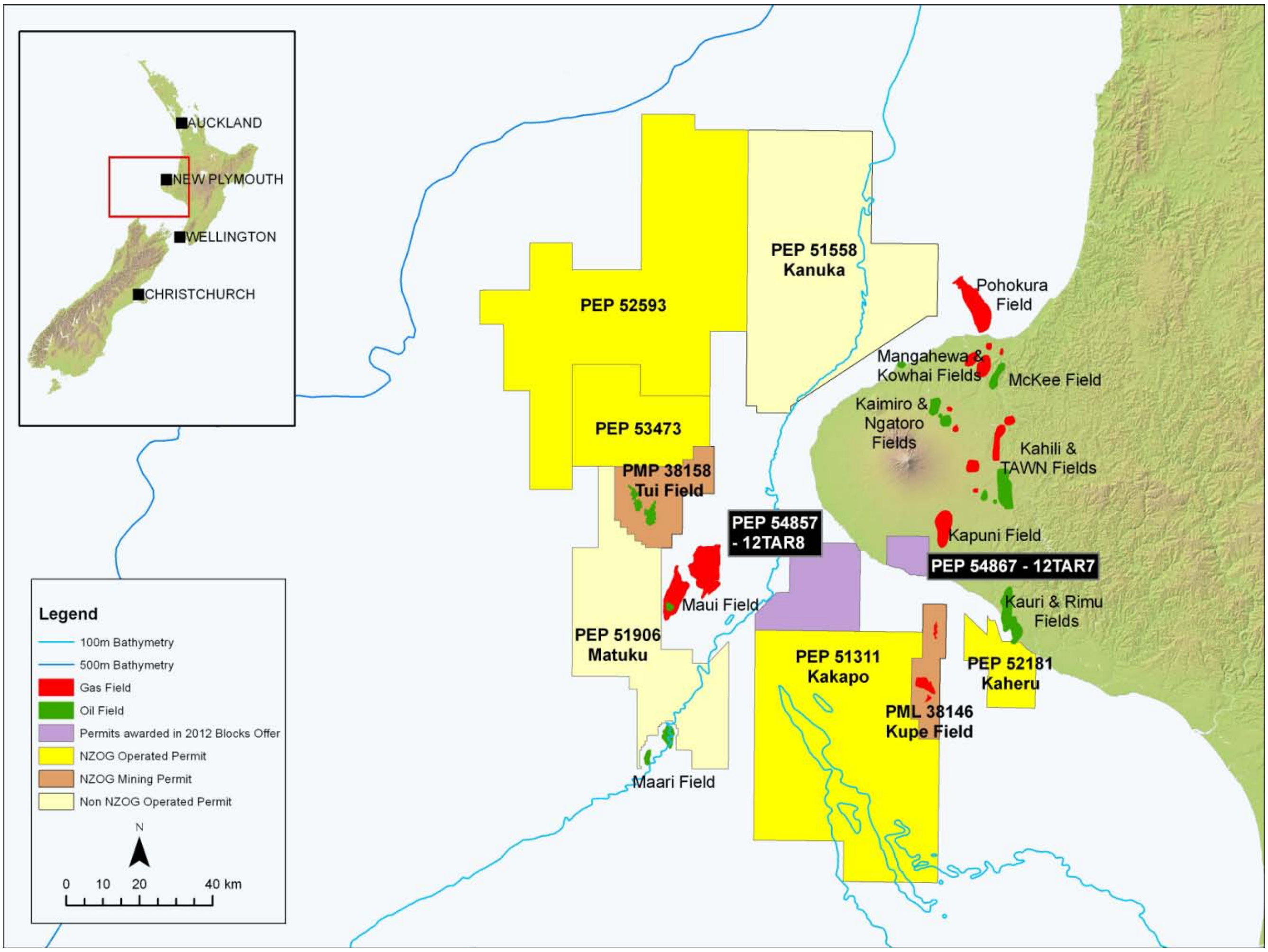
Block details

Block 12TAR7 (NZOG 40 per cent; NZEC 60 per cent, Operator) covers just over a hundred square kilometres in the central part of South Taranaki adjacent to the coast. There has been only limited exploration in this extensive tract and no wells have been drilled in it. The first 18 months of the permits' duration will see the joint venture acquiring 70km of 2D seismic data.

Block 12TAR8 (NZOG 100 per cent, Operator) is off shore Taranaki's south coast covering around 525 square kilometres north of NZOG's Kakapo prospect in PEP 51311. No wells have been drilled in this permit. The block lies within the source kitchen for the Maui and Maari oil and gas fields. A 400km 2D seismic survey will be shot within a two-year period, with a well to be drilled within five years.



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