

news release

16 September 2013

New Zealand Oil & Gas launches its 2014 Portfolio

- Offshore New Zealand oil & gas exploration at an all-time high over next 2 years
- New Zealand Oil & Gas seeking farm in partners for New Zealand 2014 Portfolio
- Multiple drilling targets with potential for hundreds of millions of barrels of oil

A global marketing campaign is underway to attract exploration partners into four petroleum exploration permits in the offshore Taranaki basin of New Zealand.

New Zealand Oil & Gas is looking to capitalise on an all time high in New Zealand exploration activity. The Noble Bob Douglas deep-water drill ship, Kan Tan IV semi-submersible rig, and Ensco 107 jack-up rig will drill over a dozen wells in New Zealand in the coming year. They include Matuki-1, Oi-1 and Pateke-4H which are targeting nearly 80 million barrels of oil (gross) for NZ Oil & Gas and its partners.

New Zealand Oil & Gas chief executive Andrew Knight says New Zealand exploration opportunities have never been so high on the agenda for global exploration companies looking for high quality, high-impact opportunities.

“Our New Zealand 2014 Portfolio offers new entrants to New Zealand a rapid country entry package.”

The permits in the New Zealand 2014 Portfolio contain a balance of scales, water depths and risk/reward levels, and offer a range of timing for potential drilling and for multi-scaled oil or gas developments.

New Zealand Oil & Gas is representing the interests of four separate exploration joint ventures and three separate joint venture parties.

In all but one, New Zealand Oil & Gas is the operator. Andrew Knight says that as New Zealand’s largest listed explorer it is recognised as the partner of choice for exploration in New Zealand.

“While we can offer operatorship in the permits, partners are also recognising we bring technical capability, relations with New Zealanders in the community and in government, and our New Zealand values in everything we do. We are a nation of explorers.”

The marketing campaign for the New Zealand 2014 Portfolio will use a global exploration opportunity marketing service based in London. Outlines of the opportunities in the portfolio are attached. Suitably qualified, interested companies are invited to express their interest in the opportunities direct to New Zealand Oil & Gas.

Interest can be expressed online at nzog.com/2014offer

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NZOG stock symbols:

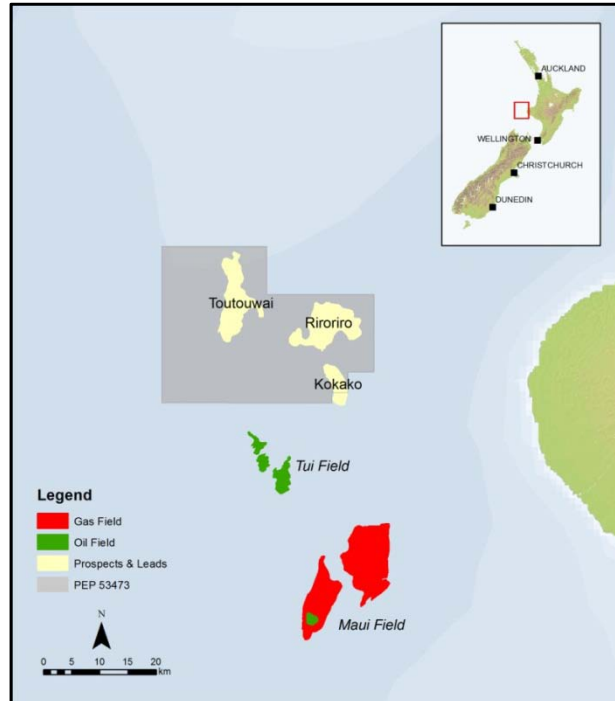
NZX shares – NZO
ASX shares – NZO

OPPORTUNITY SNAPSHOTS

PEP 53473 (TAKAPOU)

NZOG: 50% (OPERATOR), OCTANEX (ASX: OXX): 50%

- This 853 km² permit is in relatively shallow water (120m - 135m), immediately adjacent to the Tui oil fields (P50 Estimated Ultimate Recovery (EUR) of 41 million barrels of oil), which produce from the same Paleocene age “F” Sands prognosed for the permit. The Tui “F” Sands have excellent reservoir properties (initial production rates of up to 45,000 barrels per day.)
- The permit is covered by a dense grid of re-processed and re-mapped 2D seismic data.
- In early 2013 a 595 km² 3D seismic survey was acquired over the Kokako, Toutouwai and Riroriro leads. Processing is close to completion, with the fully interpreted and mapped volume available in November 2013.
- The primary target, Kokako, is believed to be analogous to the Oi Kapuni Group, Farewell Formation (“F” Sand) oil prospect that the Tui joint venture is drilling in their adjacent permit.
- 2D interpretation defined three structures with total area of ~128 km² and average vertical relief of 35m.
- Kokako has in-place estimated potential hydrocarbon volumes (prior to re-evaluation of the new 3D seismic data) of up to 81 million barrels (high case).
- The Toutouwai and Riroriro leads provide attractive upside potential in the permit. The combined potential in-place hydrocarbons within these secondary leads are estimated to be up to 306 million barrels (high case), subject to the results of the re-mapping (using the new 3D) that is on-going.
- The permit is in good standing with a commitment to drill due in March 2014.
- A suitable semi-submersible rig is in New Zealand waters now and could be used to drill Kokako-1 in 2014.
- New Zealand Oil & Gas and Octanex are offering significant equity and operatorship in return for a cash consideration and promoted contribution to drilling costs.



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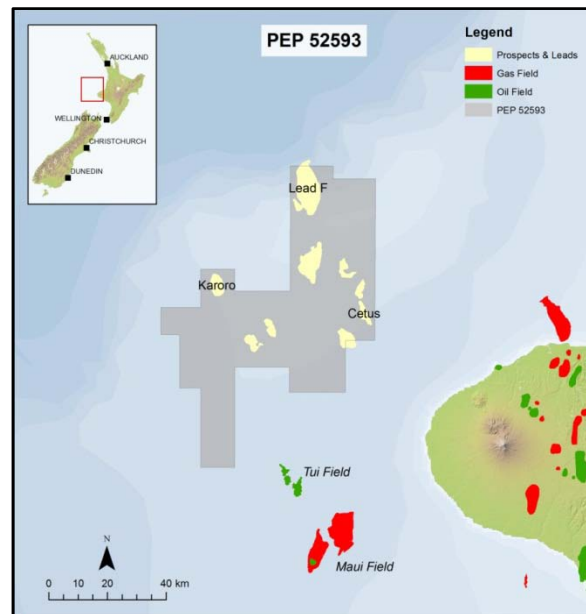
NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO

PEP 52593 (TARANGA)

NZOG: 50% (OPERATOR), OCTANEX (ASX: OXX): 50%

- This 3,509 km² permit is immediately north of PEP 53473 (Takapou) and north of the producing Tui oil fields in 135-150m of water and 75 km from shore.
- In early 2013 a 298 km² 3D seismic survey was acquired over the Karoro lead, which was previously identified on reprocessed 2D seismic data.
- Processing of the new 3D is close to completion, with the fully interpreted and mapped volume available in November 2013.
- Karoro has been mapped on 2D seismic as a potential anticlinal depth closure at the Late Cretaceous “North Cape” Formation reservoir level.



- Karoro has an area of ~19 km² with in-place estimated potential hydrocarbon volumes (prior to re-evaluation of the new 3D seismic data) of up to 140 million barrels (high case).
- In addition to Karoro there are several other follow up leads in the permit, including the large North Cape Formation onlap feature, Lead “F”, and the basement drapes encapsulated by the “Cetus” lead. These follow up targets are not the current focus of the permit work programme but provide exploration running room for future exploration in the permit.
- The permit is in good standing with a commitment to drill due in March 2014.
- A suitable semi-submersible rig is in New Zealand waters now and could be used to drill Karoro-1 in 2014.
- New Zealand Oil & Gas and Octanex are offering significant equity and operatorship in return for a cash consideration and promoted contribution to drilling costs.

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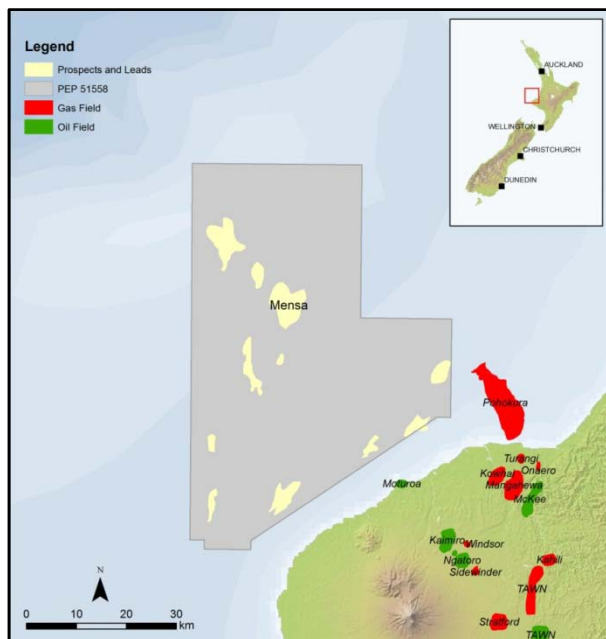
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PEP 51558 (KANUKA)

NZOG: 50%, TODD ENERGY: 50% (OPERATOR)

- This 2850 km² permit is in the northern offshore Taranaki basin, west of the Pohokura gas/condensate field (P50 EUR: 1 tcf, & 63 million barrels), northeast of the Maui gas/condensate field (P50 EUR: 3.7 tcf & 164 million barrels) and to the north east of the Tui oil fields (P50 EUR: 41 million barrels).
- The permit contains multiple prospects and leads in two key fairways: the Western Taranaki Rift Flank play (multiple stacked Pliocene to Upper Eocene turbidite sandstone reservoirs) and the Arawa Ridge play (Cretaceous and Paleocene sand reservoirs).
- Interpretation and mapping of reprocessed 3D seismic and advanced geophysical analysis and structural modelling have been undertaken to refine the evaluation of the extensive prospect portfolio.
- The operator has determined that the permit holds the potential to contain unrisked in-place hydrocarbon volumes of up to 500 million barrels in multiple reservoir units within the early Pliocene.
- The key target, the Pliocene “Mensa” prospect, displays seismic amplitude anomalies that conform to structure on multiple levels. The operator indicates a mid-range estimate of recoverable resources of over 100 million barrels of oil.
- Follow up targets in this very large permit could total up to 1.2 tcf of gas (and associated condensate).
- The permit is in good standing with a commitment to drill due in December 2013.
- New Zealand Oil & Gas and Todd are offering significant equity and operatorship in return for a cash consideration and promoted contribution to drilling costs.



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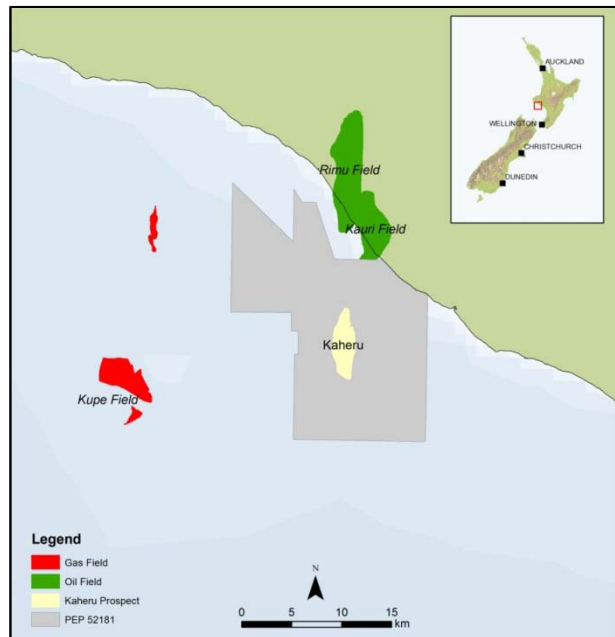
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PEP 52181 (KAHERU)

NZOG 35% (OPERATOR), TAG OIL (TSX: TAG): 40%, BEACH ENERGY (ASX: BPT): 25%

- The Kaheru prospect lies in 25m of water, 8 km from shore to the east of the Kupe Field (P50 EUR: 323 bcf, 18.3 million barrels and 1,368 kT LPG) in an exploration permit which covers 312 km².
- Kaheru is located on a prolific hydrocarbon trend, with multiple oil and gas fields located to the north, with the closest of those being the Kauri, Rimu & Manutahi fields ~ 10 km away (P50 EUR: 40 bcf and 1.7 million barrels).
- Multiple reservoir targets are identified and have been significantly de-risked following extensive study.
- The Kaheru prospect is a long-recognised structure with the potential to extend the producing trend southward.
- Advanced reprocessing of existing 3D seismic and multiple technical studies undertaken by the joint venture has enhanced the structural imaging.
- Mean recoverable resources (unrisked) for the primary target are currently estimated at 45 million barrels of oil in an oil case; or 200 bcf of gas and 7.5 million barrels of condensate in a gas case.
- Following the successful farm-out to Beach Energy by New Zealand Oil & Gas, a drilling commitment was made to the New Zealand government in October 2012.
- Planning is underway for an exploration well to be drilled in the Kaheru prospect using a jack-up rig (2014/2015). A suitable drilling rig will be New Zealand waters from 2014 onwards.
- New Zealand Oil & Gas and TAG are offering a combined equity of up to 25% in return for a promoted contribution to drilling costs. Operatorship can also be made available to the right party.



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