

news release

2 October 2013

Tui JV partners acquire Mitsui's 35% for USD15m

New Zealand Oil & Gas Ltd (NZX:NZO, ASX: NZO), AWE Limited (ASX: AWE) (Operator), and Pan Pacific Petroleum (ASX: PPP), via their subsidiaries, will increase their respective interests in the Tui Area Oil Project following Mitsui's decision to divest its 35% share of the project. The respective joint venture interests and purchase consideration are detailed in Table 1 below:

TABLE 1

Company (via subsidiaries)	Current Tui interest	Tui % acquired from Mitsui	Tui interest post sale	Consideration (USD million)
AWE, Operator	42.5%	15%	57.5%	6.429
NZOG	12.5%	15%	27.5%	6.429
PPP	10%	5%	15%	2.143

The sale will have an economic date of 1 October 2013 and is subject to approval by the New Zealand Minister of Energy and Resources. A Mitsui affiliate will remain as oil marketing agent for the Tui project.

As part of the purchase agreement, Mitsui's interest in the Oi exploration well will be assigned to AWE and New Zealand Oil & Gas. The respective interests in the Oi exploration well, scheduled to be drilled before the end of 2013, are detailed in Table 2 below:

TABLE 2

Company (via subsidiaries)	Current Oi interest	Oi % assigned from Mitsui	Oi interest post sale	Potential interest post buy-back **
AWE, Operator	25%	6.25%	31.25%	57.5%
NZOG	12.5%	6.25%	18.75%	27.5%
PPP	50%	-	50%	15%

** AWE and NZOG have the option to restore their equity in the Oi well to 57.5% and 27.5% respectively in any development through a buy-back of equity from PPP by paying a promote on drilling costs.

For further information please contact:

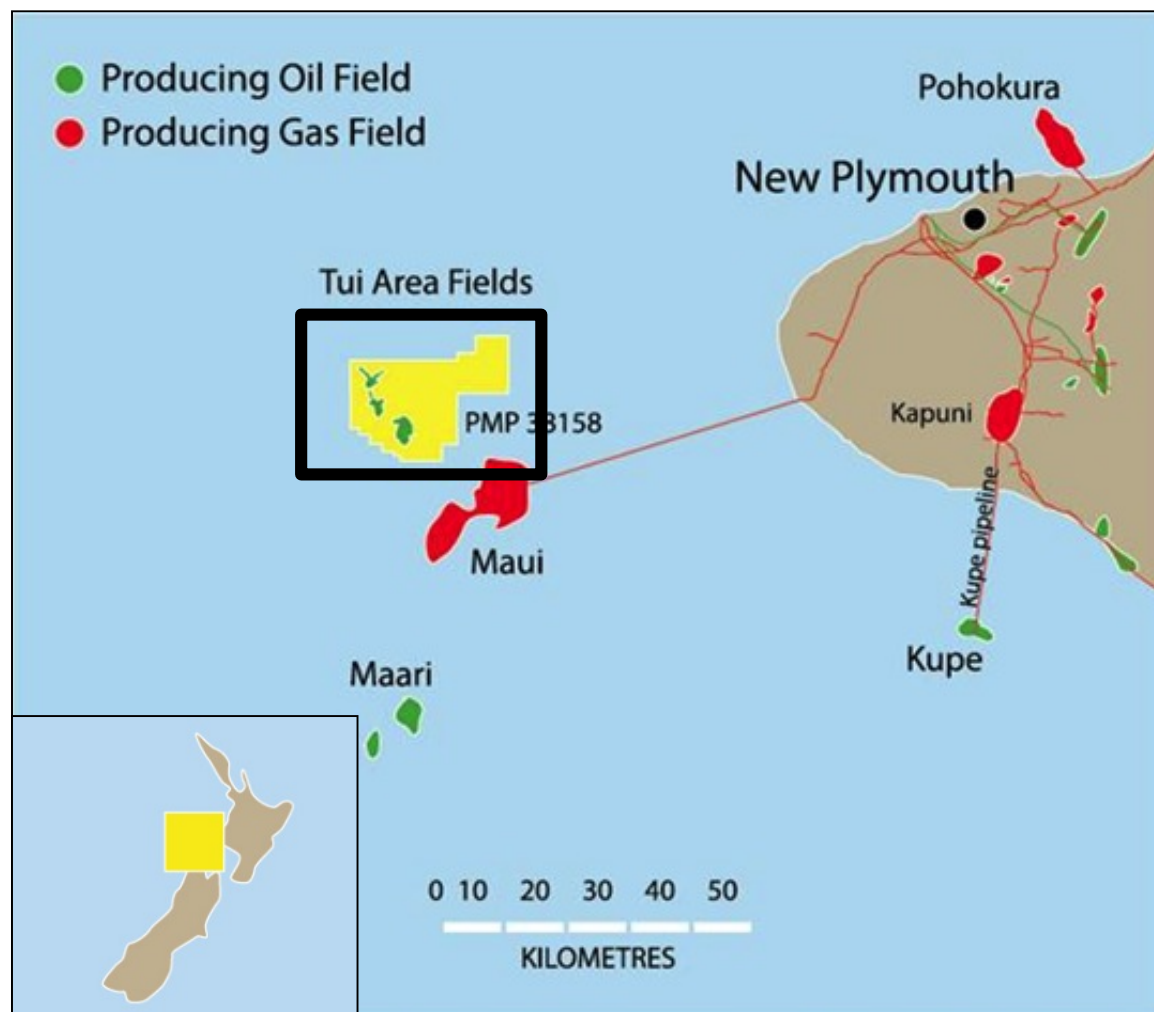
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NZOG stock symbols:

NZX shares – NZO
 ASX shares – NZO

THE JOINT VENTURE PARTNERS IN PMP 38158 ARE:

AWE Limited (via subsidiaries) (Operator)	42.5%
Mitsui E&P Australia Pty Ltd	35.0%
New Zealand Oil & Gas Ltd (via subsidiaries)	12.5%
Pan Pacific Petroleum (via subsidiaries)	10.0%



ABOUT THE OI EXPLORATION WELL

The Oi prospect is a 4-way dip closure created by compactional drape over an underlying basement high, similar to the structures at the Tui, Amokura and Pateke Fields, and is targeting the same producing reservoir level (F10 sandstones). Located 12km to the northeast of the Tui Field FPSO, the Oi prospect represents a Prospective Resource of 11 million barrels of recoverable oil (gross, unrisks P50 estimate). In the event of a commercial discovery, existing excess FPSO production capacity at Tui will enable the Oi Field to be tied-in relatively quickly and with low incremental operating costs. The well will be located in approximately 120m of water with the target horizon at 3,200m subsea.

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