

news release

10 October 2013

Hydrocarbons flowing at Kisaran PM-3

Gas and condensate flowed to the surface during drill stem testing of the first zone at the Parit Minyak-3 (PM-3) exploration well, located in the Kisaran PSC in onshore Sumatra, Indonesia.

Approval has been received from the Indonesian regulator for the release of testing results.

Flow testing of a gross open hole interval from 8520 feet (2598 meters) to 8760 feet (2671 meters) was completed on Thursday, 3 October.

The well flowed at a rate of approximately 3 million scf/d gas and 90 barrels/day condensate on a 28/64" choke and with a flowing tubing head pressure (FTHP) of approximately 1000 psi.

Further testing and analysis is needed to confirm the expected potential of the well. Tests are expected to continue throughout this month.

Preparations are being made for a second DST in cased hole at ca. 8350 feet (2546 meters) over a gross interval of 62 feet. Both tests are within Eocene/Oligocene Pematang sandstones.

New Zealand Oil & Gas Ltd has a 22.5% stake in the joint venture through the share ownership of its subsidiary NZOG Asia Pty Ltd in Pacific Oil & Gas (North Sumatera) Ltd.

The Kisaran Joint Venture partners are Pacific Oil & Gas (Kisaran) Ltd (55 per cent and operator) and Pacific Oil & Gas (Sumatera) Inc (22.5 per cent).

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO