

news release

6 March 2014

Reservoir encountered at Pateke-4H

The Pateke-4H well had been drilled to a total measured depth of 4,110 metres at 6.00 this morning NZDT and encountered the primary objective Kapuni F sands, the operator has advised.

Oil shows have been observed by surface monitoring equipment and realtime petrophysical measurements indicate the likely presence of an oil-bearing reservoir.

9 5/8 inch casing will now be run and cemented to a measured depth of 4100 metres, then drilling will continue through the reservoir section. At a projected total measured depth of 5,361 metres sufficient data will be available to determine whether the reservoir is commercial. A decision will then be made whether to complete the well and subsequently tie it back to the Tui FPSO "Umuroa", in which case production would be expected in 2015.

The theory behind the Pateke-4H well is that an accumulation of oil in a northern extension is not being recovered by the producing Pateke well. Pateke is one of three producing fields in the Tui area oil fields in PMP 38158, approximately 50 kilometres off the coast of Taranaki, New Zealand. Pateke-4H is in water depth of about 124 metres.

Drilling began on 9 February. The objective of the well was to test whether the reservoir sands exist where expected, and if so, whether the reservoir has been emptied.

New Zealand Oil & Gas has a 27.5 per cent interest in Tui.

The other Tui joint venture partners are:

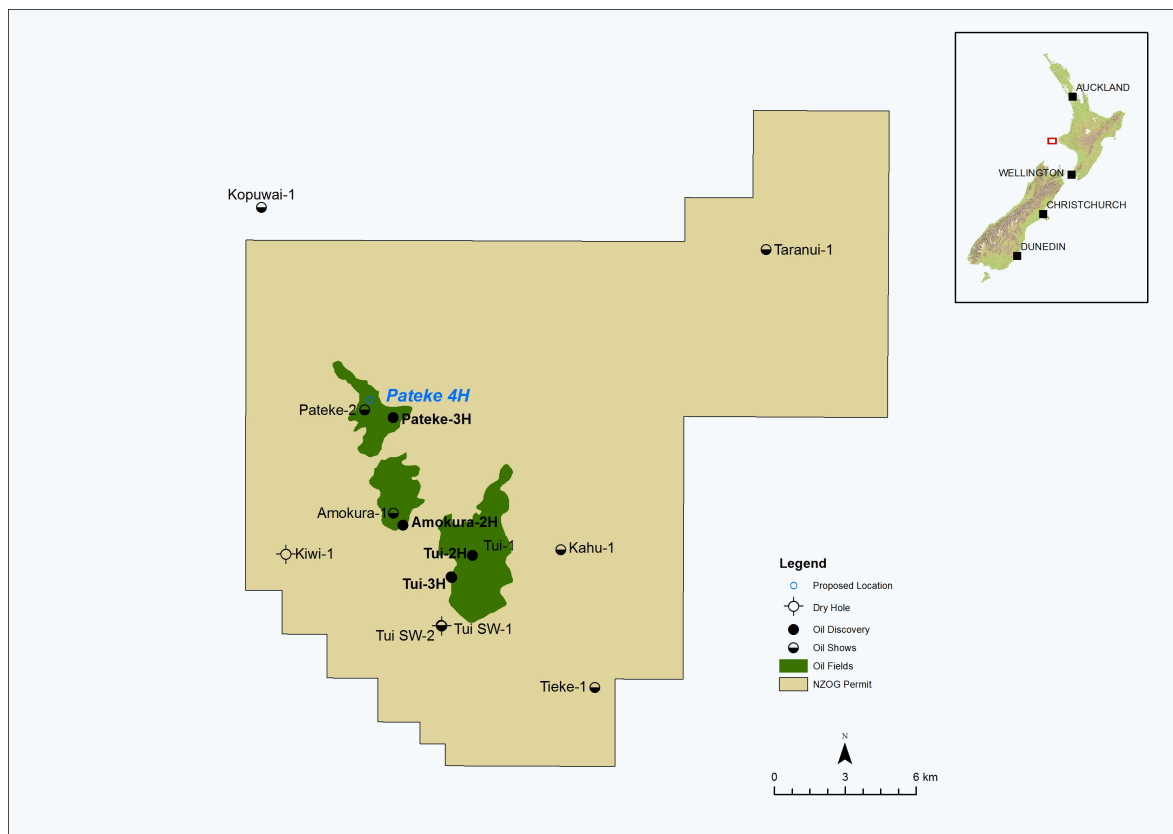
AWE Limited (via subsidiaries) (Operator)	57.5%
Pan Pacific Petroleum (via subsidiaries)	15.0%

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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