

news release

1 April 2014

Pateke-4H drilling update

At 06:00 this morning (NZDT) the Pateke-4H was at a measured depth of 4,083m BRT (below rotary table), compared to 3,845m at the same time last week, and had intersected the hydrocarbon bearing F10 reservoir sand.

The rig is currently installing casing following which the well will be drilled horizontally through the F10 reservoir to a planned total measured depth of 5,361m BRT.

The Kapuni F10 sandstone objective has already been intersected as expected with oil shows and real time logging measurements indicating the likely presence of an oil bearing reservoir. The operator describes this as “very encouraging”, however, the commercial significance of the oil shows will not be clear until the horizontal drilling has been completed.

Pateke-4H is a northern extension of the existing Pateke reservoir in the producing Tui area oil fields in PMP 38158, approximately 50 kilometres off the coast of Taranaki, New Zealand, in water depth of about 124 metres.

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

The other Tui joint venture partners are:

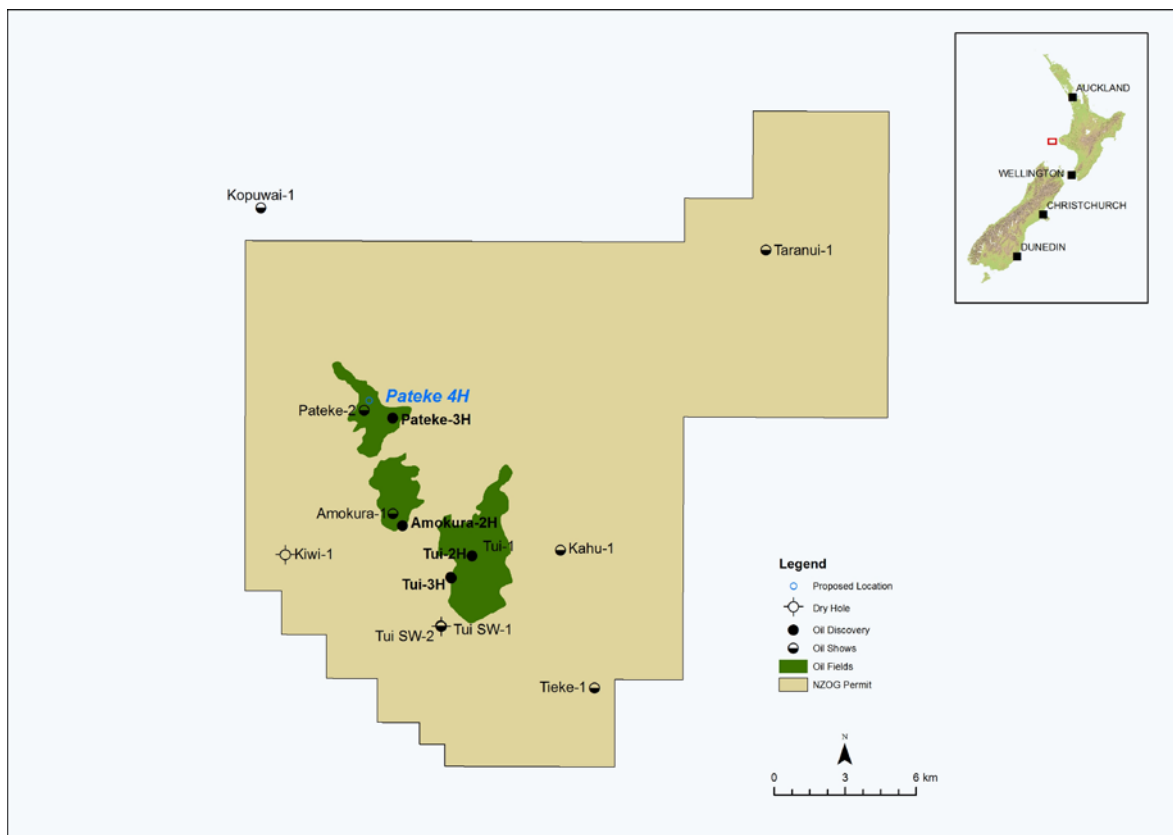
AWE Limited (via subsidiaries) (Operator)	57.5%
Pan Pacific Petroleum (via subsidiaries)	15.0%

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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