

news release

22 April 2014

Pateke-4H drilling update

At 6.00 this morning (NZST) the Pateke-4H well, offshore Taranaki, New Zealand, was at a measured depth of 3,863 metres and drilling ahead at around 10 metres/hour with an 8 1/2 inch drilling assembly after successfully side-tracking from the 9 5/8 inch casing at 3,587 metres, the operator has advised.

The operator expects to reach the top of the reservoir and begin drilling into new reservoir tomorrow.

Drilling will continue through the F10 reservoir section to a planned total measured depth of 5,381 metres, following which a 6 5/8 inch production liner will be installed.

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 commercial significance of the oil shows will not be clear until the horizontal drilling is completed and the reservoir size and quality is fully assessed.

Pateke-4H is targeting a mapped northern extension of the currently producing Pateke field. If successful, the well will be completed for subsequent tie-back to the Tui FPSO ("Umuroa") for production in 2015.

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

The other Tui joint venture partners are:

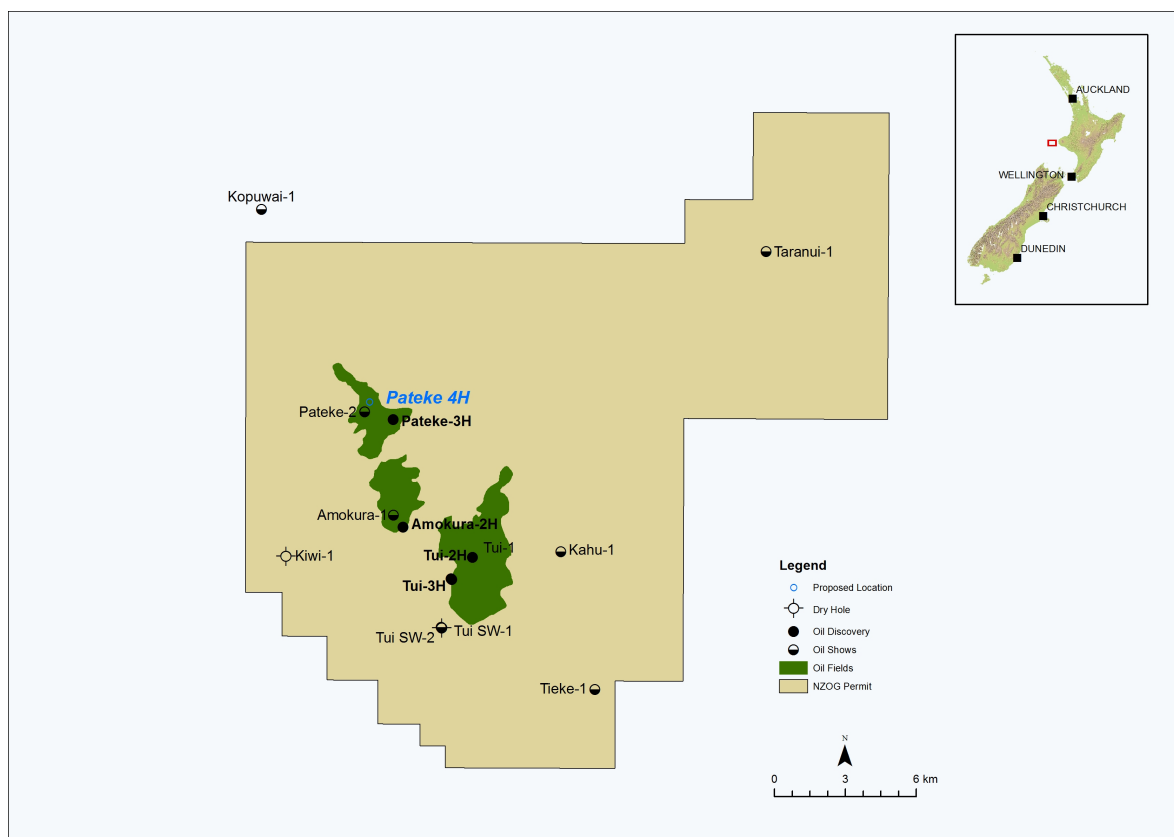
AWE Limited (via subsidiaries) (Operator)	57.5%
Pan Pacific Petroleum (via subsidiaries)	15.0%

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NZOG stock symbols:

NZX shares – NZO
ASX shares – NZO



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