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Tui FY2010 Production and FY2011 Forecast

NZOG (New Zealand Oil & Gas Ltd) advises that total oil production from the Tui area oil fields for the financial year ended 30 June 2010 was 4.83 million barrels.

As a 12.5% partner in the Tui joint venture, NZOG's share of this production was 604,000 barrels.

Total Tui production for the 2010 financial year slightly exceeded the revised forecast of 4.80 million barrels.

Tui lies 50km off the Taranaki coast. Total Tui production since the field began producing in July 2007 has now reached 28.2 million barrels. Production rates are in a natural decline but remaining recoverable reserves are an estimated 22.3 million barrels.

Tui Operator, AWE, is forecasting production for financial year ending 30 June 2011 of 2.8 million barrels. This includes an allowance for an extended shut-in of the Pateke-3H well. Pateke-3H is not currently producing and the Operator has advised that repairs are required to the well's artificial lift system.

The Tui area oil fields have four producing wells – Tui-2H, Tui-3H, Amokura-2H and Pateke-3H - and production from the other three wells is unaffected.

Plans for a required workover of the Pateke-3H well have been initiated, with a resumption of production from this well dependent on when the work can be completed.

The Kan Tan IV drilling rig is being considered to carry out this workover. The rig is part way through a drilling programme in the offshore Taranaki Basin and is currently drilling the nearby Kahu-1 well for the Tui joint venture.

Participants in the Tui area oil fields are:

New Zealand Oil & Gas Ltd (through its subsidiary Stewart Petroleum)	12.5%
AWE Limited (Operator)	42.5%
Mitsui E&P Australia Pty Limited	35.0%
Pan Pacific Petroleum NL (through its subsidiary WM Petroleum Ltd)	10.0%