

19 July 2010

Kahu-1 Exploration Well Disclosure Notice

NZOG (New Zealand Oil & Gas Ltd) advises that as at 0600 hours today (NZ time) plug and abandonment operations were starting at the Kahu-1 exploration well.

Wireline logs were acquired after reaching a total measured depth of 3,835 metres.

The targeted Kahu valley feature was located as prognosed but was not reservoir quality sandstone. No significant hydrocarbons were found.

The Kahu-1 well was an exploration well within PMP 38158, located approximately 3 kilometres east of the producing Tui oil field.

At the conclusion of operations at Kahu, the *Kan Tan IV* drilling rig will be released to the joint venture drilling the Tuatara-1 exploration well.

Participants in Kahu-1 and PMP 38158 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%