14 April 2008

ELEVEN MILLION BARRELS OF TUI OIL

Production from the Tui oilfields off the coast of Taranaki has now reached 11 million barrels of oil.

New Zealand Oil and Gas Ltd (NZOG) is the New Zealand-based partner in the Tui Area Oil Fields, with a 12.5% stake.

Production began on 30 July last year and yesterday total production to date passed the 11 million barrel mark. NZOG's share of production to date is approximately 1.38 million barrels.

The field performance has continued to be better than forecast. Associated water is being produced from the field, but this continues to be at lower rates than expected from original field simulation models. The average daily oil production has stayed above 40,000 barrels, but this is expected to decline in coming months.

Based on the continued performance of the reservoirs, the operator AWE is undertaking a reserves review to match field performance against actual and expected production. This is expected to be completed by the end of June 2008.

ENDS

media release

Participants in Tui Area Oil Fields are:

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

* New Zealand Overseas Petroleum Pty Ltd (22.5%)
AWE New Zealand Pty Limited (20.0%)

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NZOG stock symbols: NZX shares - NZO options - NZOOD
ASX shares - NZO options – NZOO