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ONE MILLIONTH BARREL OF OIL SOLD

New Zealand Oil and Gas Ltd (NZOG) has sold its one millionth barrel of oil from the Tui Area Oil Fields off the Taranaki coast.

NZOG is the New Zealand-based partner in the Tui development with a 12.5% share. The field began production on 30 July 2007 and has averaged over 40,000 barrels of oil a day.

The oil is shipped by tanker directly from the offshore production facility to refineries in Australia and south-east Asia.

The tanker British Merlin is being loaded today, taking total sales to date past the eight million barrel mark – with NZOG's share being one million barrels.

Tui oil is a light sweet crude that receives a premium price. The average net price received by NZOG per barrel since the start of production is approximately US\$89.

In November 2007 proved and probable (2P) reserves in the Tui Area Oil Fields were upgraded by the operator to 41.7 million barrels, almost 50% higher than the estimated reserves of 27.9 million barrels on which the project was sanctioned. NZOG's share of the 2P reserves is 5.2 million barrels.

Estimated production for the 2007/08 financial year is now expected to exceed 12 million barrels in total, with NZOG's share being over 1.5 million barrels.

ENDS

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

media release