**23 May 2008**

## KUPE DEVELOPMENT WELLS FLOW TEST REPORT

New Zealand Oil & Gas Ltd (NZOG) advises that on 23 May flow testing operations commenced for the three Kupe Development Wells, KS-6, 7 and 8.

The indicative schedule for testing and details of the intervals being tested are as follows:

| | Indicative Timing | Top Depth | Bottom Depth | Gross Interval |
|---|---|---|---|---|
| KS-8 | 23 May | 3,513m | 3,575m | 62m |
| KS-6 | 26 May | 3,014m | 3,106m | 92m |
| KS-7 | 29 May | 3,188m | 3,280m | 92m |

*Depths are measured depth below the rotary table (MDRT).

The results of each well test will be announced upon completion. Following testing, each well will then be shut-in before the rig is moved to drill the Momoho exploration well.

Drilling of the three development wells began on 19 December 2007.

The Kupe Project is located within permit PML38146 in the offshore Taranaki Basin, New Zealand, approximately 30km off the coast. The development will comprise production wells tied into an unmanned offshore platform, a 30 km pipeline to shore, and an onshore processing station. The Kupe Project is expected to be completed by mid-2009 and produce approximately 254 petajoules of natural gas, 1.1 million tonnes of LPG and 14.7 million barrels of light oil/condensate.

**Participants in the Kupe Gas Project are:**

| | |
|---|---|
| Origin Energy Limited (through its subsidiary Origin Energy Resources (Kupe) Limited) | 50% (Operator) |
| Genesis Energy (through wholly owned subsidiaries) | 31% |
| New Zealand Oil & Gas Limited (through wholly owned subsidiaries) | 15% |
| Mitsui E&P Australia Pty Ltd | 4% |

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