26 May 2008

KUPE DEVELOPMENT WELLS FLOW TEST REPORT

New Zealand Oil & Gas Ltd (NZOG) advises that at 06:00hrs on 25 May flow test operations were completed for the Kupe South 8 (KS-8) development well.

KS-8 test results are as follows:

- Depth and interval tested: 3,513m - 3,575m measured depth below rotary table
- Sustained Gas Rate = 33 million standard cubic feet / day
- Condensate Rate = 3,840 Standard Barrels/day
- Choke Size = 1 inch
- Surface Flowing Pressure = 2,100 psig
- Fluids Recovered = Gas and Condensate

As previously advised, testing of Kupe South 6 (KS-6) over the interval 3,014m to 3,106m MDRT is expected to commence today, to be followed by testing of Kupe South 7 (KS-7).

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