



24 July 2007

INVESTMENT IN PIKE RIVER COAL LIMITED

New Zealand Oil & Gas Limited (NZOG) advises that the PRCL initial public offer (“IPO”) was successful in raising \$85 million. The funds raised will be used to further the development of the Pike River Mine and are expected to provide funding until the end of January 2008.

As Pike River’s largest shareholder, with 31 per cent of the ordinary shares on issue, NZOG reaffirms its commitment to Pike River to ensure it realises its full value by completing the development of the Pike River Mine and achieving coal production on schedule. To support the listing of PRCL and to ensure that it has sufficient working capital beyond January 2008 up to completion of the mine development, NZOG has agreed that after 1 January 2008 upon request of Pike River, it will provide equity funding or other financial support of up to \$25 million to PRCL on usual and reasonable arms’ length terms and conditions to be agreed.

NZOG considers that, as with most development projects, the value of its investment in Pike River will be substantially upgraded as the mine gets closer to production. First coal is expected by the end of the first quarter of 2008.

ENDS

FOR FURTHER INFORMATION PLEASE CONTACT:

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

news release