



20 June 2008

TUI RESERVES INCREASED AGAIN

The initial proved and probable (2P) reserves for the Tui Area Oil Fields have been further increased from 47 million to 50.1 million barrels, following a detailed field reassessment by the Operator.

New Zealand Oil & Gas Ltd's share of the additional reserves is almost 400,000 barrels. Using current oil prices and exchange rates, this has a gross value to NZOG of around NZ\$70 million.

This latest increase is consistent with the strong field performance since commencement of production on 30 July 2007. Total field production from that date until end of the financial year on 30 June is now forecast to be 14.2 million barrels.

Tui continues to perform above expectations with production so far this month averaging 42,500 barrels per day. Production for the 2008/9 financial year is now forecast to be 9 million barrels. NZOG's share of production in 2008/09 is now forecast to be 1.13 million barrels, an increase of 370,000 barrels.

Today's announcement follows last month's reserves upgrade from 41.7 to 47 million barrels, which resulted from an extension of the lease for the Floating Production Storage and Offloading (FPSO) vessel, "Umuroa".

Drilling campaign

An additional development well and several near field exploration wells are planned for the Tui fields and the Tui permit area in early 2010. These exploration wells could be tied back to the Umuroa in the event of success.

NZOG Chief Executive David Salisbury says today's announcement continues the good news from Tui.

"Tui has exceeded all expectations. Ahead of production starting on 30 July last year, we had reserves of 27 million barrels, an expected first year production of 9 million barrels and an international oil price of around US\$70 a barrel.

"Less than a year on, the reserves figure has almost doubled, production is about to pass the 14 million barrel mark and Tui oil is selling for over US\$130 a barrel."

ENDS

media statement

