NZ OIL & GAS

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news release

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WELLINGTON

Company Announcements Office
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SYDNEY NSW 2000

TUIHU-1A RE-ENTRY – Weekly Update

New Zealand Oil & Gas announces that re-entry and deepening operations of the earlier Tuihu-1 well in PEP38718 are continuing. At 6am this morning, the well was at 4590m and preparing to drill ahead.

During the past week 105m of progress was made prior to the well intersecting a possible fracture at 4588m. Two days were spent investigating the fluid content of the fracture, which may have provided an indication of hydrocarbon content, but the result was inconclusive. The forward plan remains to drill to total depth of 5100m over the next two to three weeks.

The primary targets are reservoirs within the Tariki Sandstone and the Kapuni Formation. NZOG's estimated potential for each of these reservoirs is 50 BCF of gas.

Participants in the Tuihu-1A well are

Swift Energy New Zealand Limited	50 %	(Operator)
New Zealand Oil and Gas Limited	20 %	
Origin Energy Resources NZ Limited	20 %	
Indo-Pacific Energy Ltd	10 %	

FOR FURTHER INFORMATION PLEASE CONTACT:

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NZOG stock symbols:	New Zealand Exchange	shares - NOG	options - NOGOC
	Australian Stock Exchange	shares - NZO	options - NZOOA