

news release

31 December 2013

Clipper seismic survey completed

New Zealand Oil & Gas has completed an incident-free 3D seismic survey covering approximately 650 square kilometres of the Clipper permit East of Oamaru.

The seismic vessel Polarcus Alima began the survey on 17 December towing twelve seismic streamers, each 100 metres apart and reaching eight kilometres behind the vessel. The survey was completed at approximately 8.30 this morning, more than a week ahead of schedule. The terms of the Clipper exploration permit required a 3D survey to be completed by October 2014.

The survey included an extension into the Galleon permit immediately southwest of Clipper. Rights to explore in the Galleon permit were awarded to New Zealand Oil & Gas in the New Zealand Government 2013 Block Offer on 6 December. The completed seismic survey extension satisfies New Zealand Oil & Gas's first year work obligation for this permit. (Details of the Block Offer award are at <http://goo.gl/k4T1B7> .)

Data from the survey will be processed overseas and then analysed by New Zealand Oil & Gas geoscientists in Wellington. The next process of study could take one to two years.

The Clipper and Galleon permits lie in the Canterbury Basin, which is a focus for frontier, conventional oil and gas exploration. Extensive surveys were conducted in the Canterbury Basin in the 1970s and 1980s and wells were drilled by BP in 1984. Drilling by another operator is scheduled in an adjacent permit in early 2014.

A seismic survey is a method of testing the earth's physical properties using acoustic (sound) waves similar to ultrasound. Data collected is analysed to create an image of the subsurface, which helps to determine whether prospects to drill exist and to resolve the location of any exploration well. The New Zealand Government has a description of the process on the Petroleum and Minerals website at <http://is.gd/EE5thh> .

The survey was conducted under the New Zealand Department of Conservation 2013 Code of Conduct For Minimising Acoustic Disturbance To Marine Mammals From Seismic Survey Operations. Details of the Code can be found at <http://goo.gl/oQLY3v>.

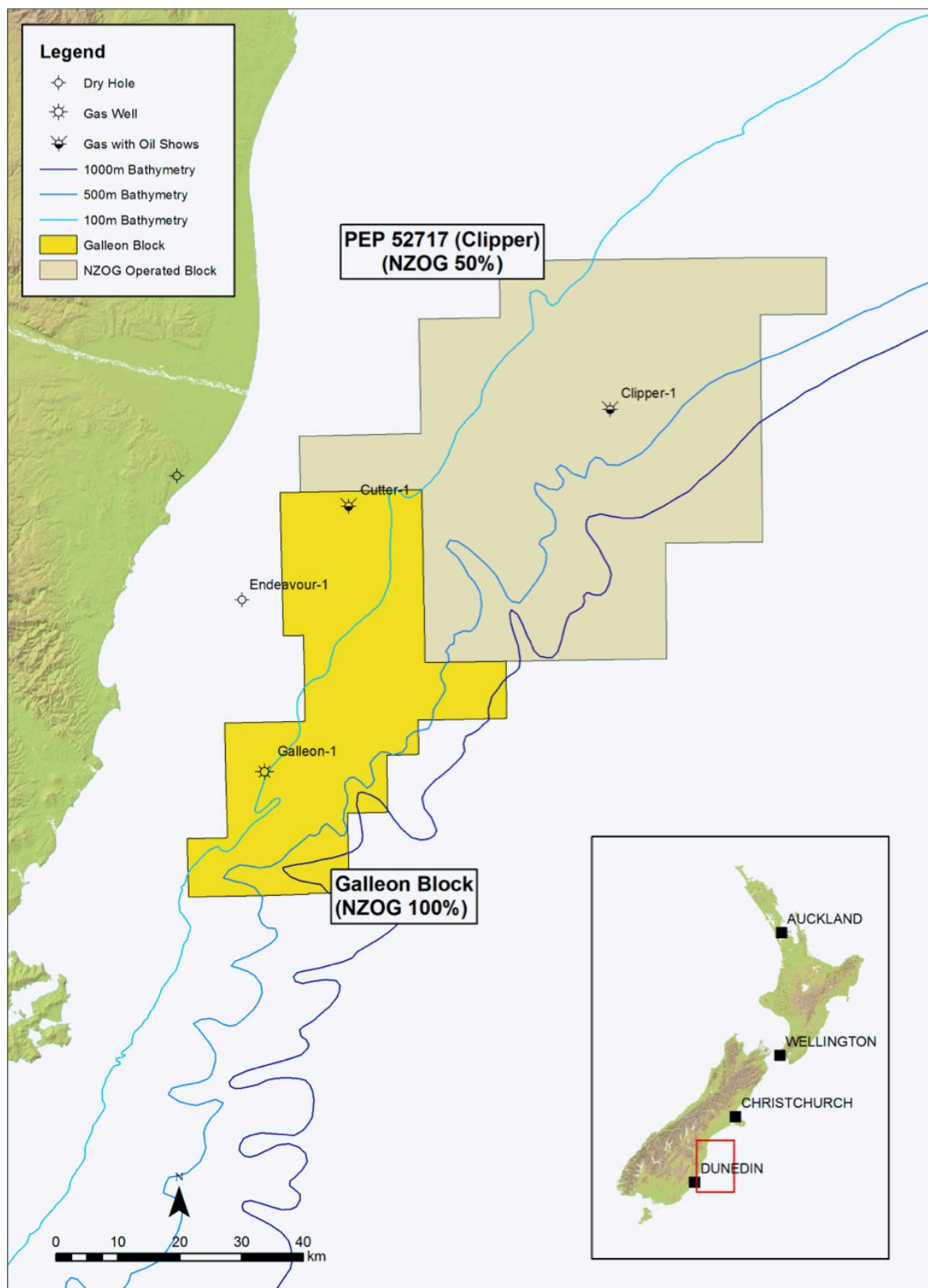
New Zealand Oil & Gas ceo Andrew Knight thanked the local community.

"Tangata whenua, the Department of Conservation and community representatives enabled a successful survey to occur with no impact on the marine environment," he said.

New Zealand Oil & Gas has a 50 per cent interest in Clipper (Petroleum Exploration Permit 52717) and is the operator. The remaining 50 per cent is held by ASX-listed Beach Energy. Beach Energy is also a partner with New Zealand Oil & Gas in the Kaheru prospect (PEP52181) offshore South Taranaki.

New Zealand Oil & Gas holds a 100 per cent interest in Galleon (PEP 55792).

Attached: Map of Clipper and Galleon permits.



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NZOG stock symbols:

NZX shares – NZO

ASX shares – NZO