

news release

23 December 2013

New interest acquired in Indonesia

New Zealand Oil & Gas has picked up a new interest in a Production Sharing Contract in onshore south Sumatra, Indonesia.

The Indonesian regulator has announced that a consortium including New Zealand Oil & Gas has won a permit to explore the Palmerah Baru block covering approximately 1000 km².

Formal award of the production sharing contract is expected in late January.

Under the Production Sharing Contract the joint venture will be committed to an initial three-year exploration work programme to include both 2D and 3D seismic acquisition and one exploration well.

New Zealand Oil & Gas will have a 36% stake in the Palmerah Baru PSC. Its partners are Bukit Energy Palmerah Baru Pte Ltd (54%, Operator), and PT SNP Indonesia (10%).

New Zealand Oil & Gas chief executive Andrew Knight says South Sumatra is a prolific oil province.

“The Palmerah Baru block is surrounded by oil and gas fields, including a very large field to the south and a recent discovery to the south-southeast. Because of developments in the area, the infrastructure necessary to transport product is nearby.

“New Zealand Oil & Gas is targeting opportunities in Indonesia that are in proven onshore basins, close to existing infrastructure, and more likely to be oil than gas.

“We have gathered more knowledge about working in Indonesia from our activities in the Kisaran and Bohorok PSCs. These onshore Sumatra opportunities provide diversity to our core focus on exploration in New Zealand.”

Bukit Energy are also partners with New Zealand Oil & Gas in the Kisaran PSC in central Sumatra where two wells were drilled this year (Pacific Oil & Gas, Operator, 55%; Bukit Energy and New Zealand Oil & Gas each 22.5% through subsidiaries); And in the Bohorok PSC in north Sumatra awarded in May 2012 (Bukit Energy, Operator, and New Zealand Oil & Gas each 45%; Surya Buana Lestarijaya, 10%).

Attached: Permit map.

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NZOG stock symbols:

NZX shares – NZO

ASX shares – NZO



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