

15 April 2013

Kisaran Exploration Well: Target depth reached

A target depth of 9225 feet (2812m) has been reached in the exploration well Parit Minyak-2 (PM-2), located in the Kisaran PSC in onshore Sumatra, Indonesia, and the well is being readied for further assessment.

Initial evaluation by wireline logging in the open hole section began 10 April, and is due to be completed this week. If the results are positive, the well will be reinforced with steel casing and cement (a 4-5 day process) and flow testing will be undertaken. An announcement will be made if flow testing is pursued.

Depending on the nature of the tests and the performance of the well, this testing could take 10-20 days. It is only after the testing results are known that the commercial viability of the well can be estimated.

New Zealand Oil & Gas Ltd has a 22.5% stake in the joint venture through the share ownership of its subsidiary NZOG Asia Pty Ltd in Pacific Oil & Gas (North Sumatra) Ltd.

The Kisaran Joint Venture partners are Pacific Oil & Gas (Kisaran) Ltd (55 per cent and operator) and Pacific Oil & Gas (Sumatera) Inc. (22.5 per cent).