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## NEW ZEALAND OIL & GAS FARMS IN TO 25% OF KOHATUKAI

New Zealand Oil & Gas has agreed to acquire a 25 per cent interest in PEP 55768, onshore northern Taranaki, New Zealand, where the Kohatukai gas prospect is expected to be drilled in the fourth quarter of 2018.

The farm-in agreement is subject to conditions, including regulatory approvals.

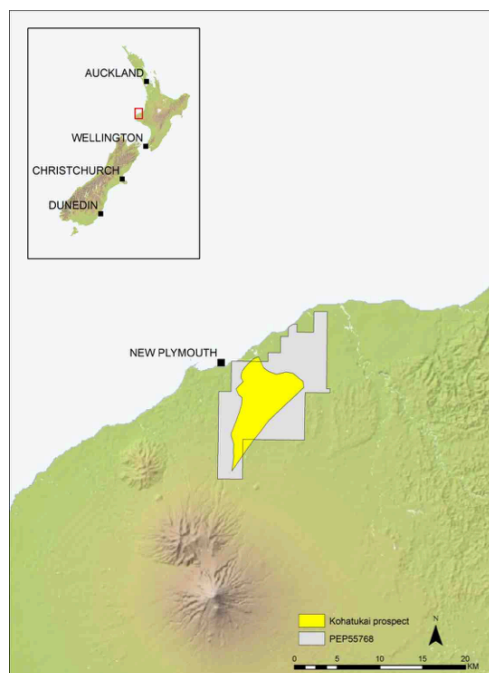
After completion the joint venture will comprise Mitsui E&P Australia Pty Ltd (Mitsui) 37.5%; AWE Holdings NZ Limited (AWE) 12.5% (Operator); New Zealand Oil & Gas 25%; and O.G. Oil and Gas Limited 25%. O.G. Oil & Gas is the largest shareholder in New Zealand Oil & Gas.

PEP 55768 was awarded in 2014 and is operated by AWE (51%) with Mitsui holding 49%. The exploration well is committed.

The Kohatukai well targets reservoir objectives that are currently producing at the Pohokura, Turangi, and Mangahewa Fields to the north.

New Zealand Oil & Gas chief executive Andrew Jefferies says Kohatukai provides low cost exposure to an onshore Taranaki prospect with joint venture partners the company knows well.

"The Kohatukai well will test dual objectives in the Eocene Matapo and Mangahewa sands targeting a prospect that is analogous to the nearby Pohokura Gas Field. It is in proximity to existing infrastructure and local gas markets, with an expectation of a gas condensate discovery. The prospect offers reasonable drilling costs and the opportunity to participate in a New Zealand well this year," Andrew Jefferies said.



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