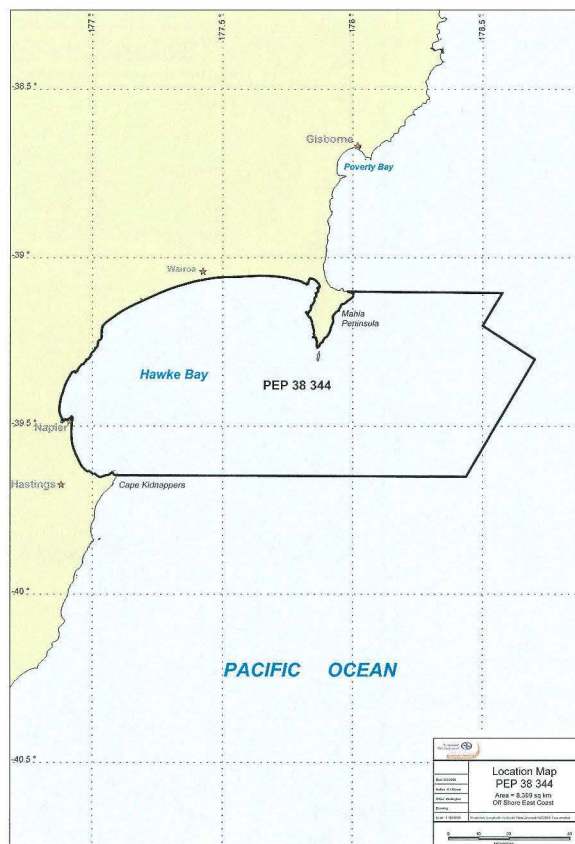


Pogo Bounces Into North Island Acreage

The New Zealand government has awarded an offshore exploration permit covering an area of over 8,000 km² off the east coast of the North Island to Pogo NZ.

Associate Energy Minister, Harry Duynhoven, said the permit award covers an area in the Hawke Bay, between Mahia and Cape Kidnappers. "We have received a high quality bid from Pogo which highlights both the potential of the east coast and the commitment to more aggressive exploration from international companies", Duynhoven said.

Pogo's minimum work programme includes provision for 1500 km of 2D seismic data and up to two exploration wells, with estimated exploration expenditure over the five year permit period of up to US\$45 million.



"It is important for the development of New Zealand's petroleum industry that production happens within its frontier basins, and the proposed exploration programme of work gives justified optimism for the future of the basin," Duynhoven said.

The company, a wholly owned subsidiary of Pogo Producing Company, listed on the New York Stock Exchange, has been involved in oil and gas exploration and production for over 30 years.

Pogo owns interests in the Gulf of Mexico, onshore United States, Canada, Vietnam and New Zealand. In 2005 Pogo spent more than US\$510 million on capital and exploration projects including US\$10 million on a 3D seismic programme in New Zealand. Pogo has a market capitalisation, including debt, of approximately US\$5 billion. ■