

NZOG Joins Canterbury Basin Venture

New Zealand Oil & Gas (NZOG) is poised to take a 40% stake in permit PEP38259 in the New Zealand's offshore Canterbury Basin after signing an agreement with Tap Oil.

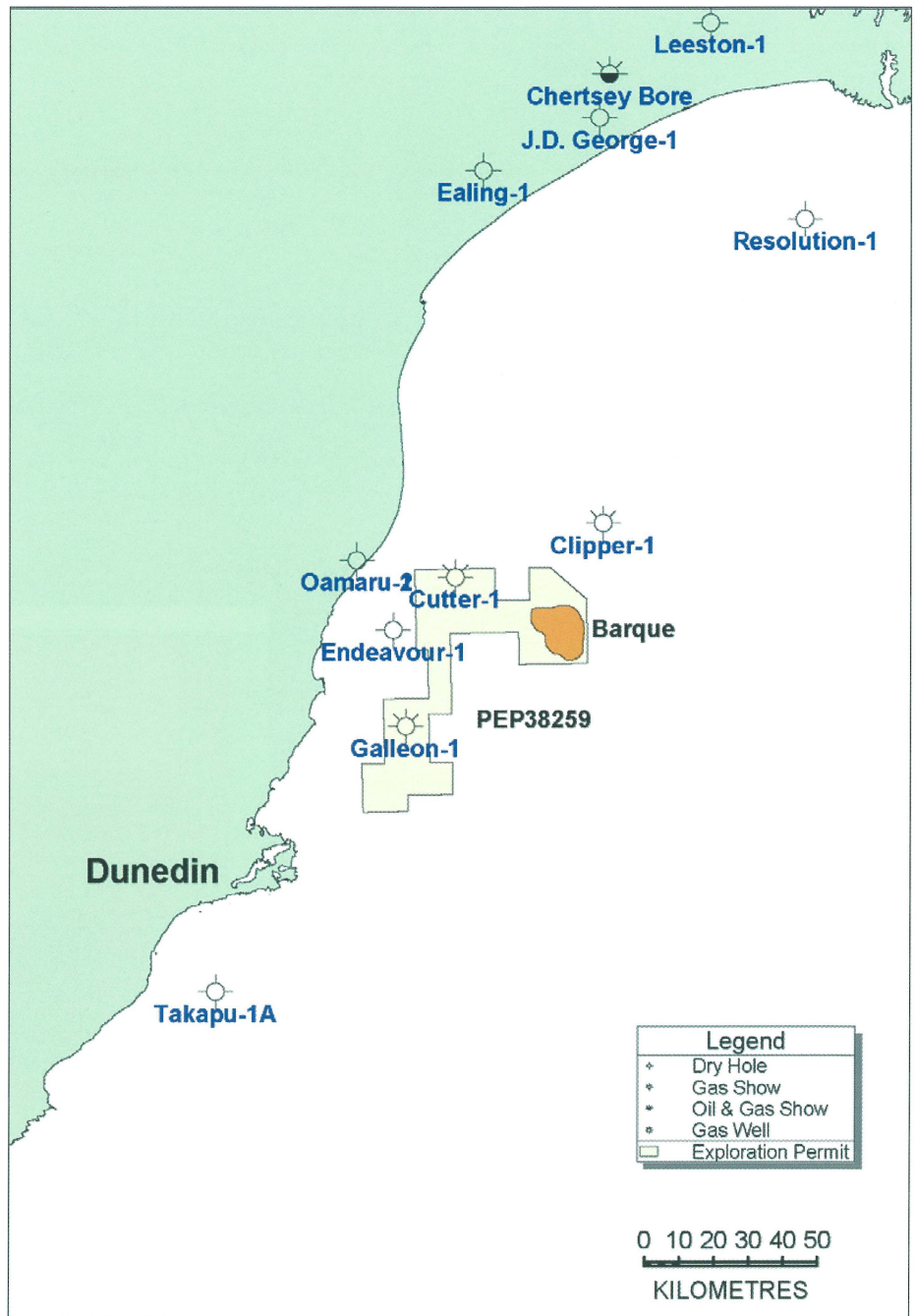
The other joint venture parties in the permit are Australian Worldwide Exploration (AWE) as the operator with a 25% interest, Beach Petroleum with a 20% stake, and Anzon Energy holding the remaining 15% share.

NZOG CEO David Salisbury said over the past year the company's technical team had completed a detailed evaluation of many of the New Zealand basins.

"This has enabled us to independently assess the Barque prospect and rank it against other opportunities. We have concluded that the Canterbury Basin has proven effective petroleum systems present and the potential to produce commercial quantities of oil and gas. From our evaluation, the Barque prospect stands out as having potential for P50 (best estimate) recoverable resources of 600 Bcf of dry sales gas and 58 MMbbl of light oil/condensate", he said.

However, Salisbury said much work remained to be done to assess the prospect, beginning with further seismic studies. He warned there was no certainty an exploration well would be drilled or that a commercial discovery would be the end result.

AWE is planning a marine seismic sweep for early 2009. Under the deal, NZOG will participate at 40% through the seismic programme. The permit conditions require a decision on whether to drill an exploration well by August 2010. ■



Map showing permit PEP38259.