

news release

24 JUNE 2021

CHAIR'S ADDRESS TO SPECIAL MEETING OF SHAREHOLDERS

10am Thursday, 24 June 2021
Front+Centre, Cnr Tory & Tennyson Sts
Wellington 6140, and online / virtually

Ladies and gentlemen

As you have already heard, this special meeting has been called to consider the proposed acquisition of assets from Central Petroleum.

The details of the proposal are in your Notice of Meeting.

In a few moments, Andrew Jefferies will speak to the quality of the assets and the associated work plan.

But first I wanted to take a few moments to explain, on behalf of the board, why we are recommending that shareholders support this transaction.

As you may recall, last year the board undertook a review of our strategy for the company. As part of this process, we met with many of our largest shareholders.

That review reaffirmed our commitment to grow New Zealand Oil & Gas.

We identified a few key principles that will guide us as we pursue that growth:

We will focus regionally on the Australian and New Zealand markets, where Andrew's team has extensive familiarity and deep relationships.

We will pursue substantial positions in high-quality producing assets, preferably with development upside.

We will work within our means, pursuing transactions that our balance sheet can support.

The Central Petroleum transaction ticks all those boxes.

It will provide us with a toehold in the Australian market, which we expect to be important to our future growth.

It will increase our 2P reserves by almost five-fold — by 14.5 million barrels of oil equivalent. We will add 8.6 million barrels of oil equivalent to net 2C resources. (Please see the disclaimers related to all those resource estimates.)

These assets have a proven production track record. They are linked by pipeline into markets hungry for gas. They offer multiple development opportunities that are manageable for our balance sheet and cashflows.

We look forward to working collaboratively with Central Petroleum and Cue Energy, who will join us in this transaction, in a joint venture that is well-aligned and squarely focused on long-term valuation creation.

For all of these reasons, the Board is excited about this transaction. I am also pleased to let you know that our major shareholder, O.G. Oil & Gas (Singapore), has voted its shares in favor of the transaction.

We hope you will join us in supporting this transaction and as we embark on an exciting new era of growth. Andrew Jefferies will now talk in more detail about the specifics of the transaction and the quality of the assets.

For further information please contact the Company on:
email enquiries@nzog.com
phone +64 4 495 2424