

# The Explorer

## A STORY OF DISCOVERY

This New Zealand scientist discovered footprints left in the sand by a dinosaur 70 million years ago.

Creatures and plants that lived millions of years ago are today oil and gas buried deep beneath the surface. We're exploring for them.

See inside for details of the national touring exhibition **Dinosaur Footprints**.



A 70 MILLION YEAR OLD DISCOVERY

# DINOSAUR FOOTPRINTS

*A Story of Discovery*



**When we search for oil and gas, we are exploring for the remnants of plants and animals that grew millions of years ago.**

That's why New Zealand Oil & Gas is pleased to support a national exhibition of the first dinosaur footprints ever found in New Zealand.

The footprints were probably made by the largest animal that ever walked on earth: sauropods. Some of these plant-eating dinosaurs grew to more than 40-metres in length and weighed over a hundred tonnes.

When Dr Greg Browne of GNS Science located the footprints near Nelson no other evidence existed that dinosaurs had been in New Zealand's South Island. He spent 15 years of research from first noticing the footprints to finally concluding they were made by ancient dinosaurs.

The national tour opens on 13 June 2014 at Auckland War Memorial Museum, and will be on the road through to 2016.

**Auckland War Memorial Museum**  
13 June, until  
27 July 2014

**Rotorua Museum**  
September -  
early October 2014

**National Aquarium of NZ, Napier**  
October 2014 -  
January 2015

**Puke Ariki, New Plymouth**  
January - March 2015

**Nelson Provincial Museum**  
July - September 2015

further venues to be confirmed



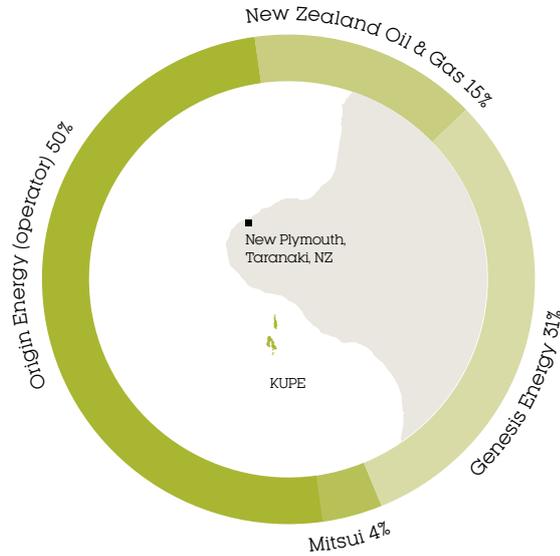
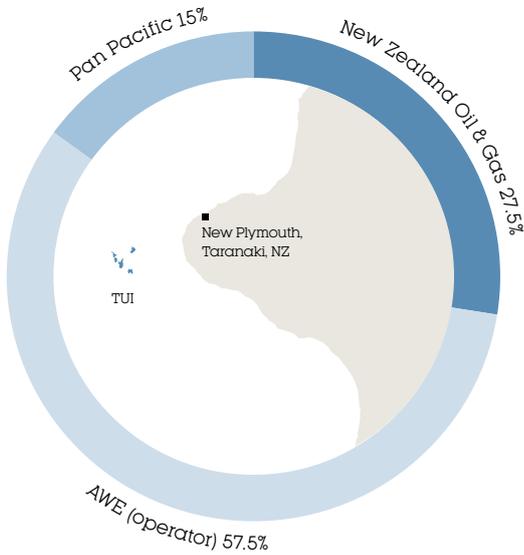
THE EXPLORERS  
NEW ZEALAND OIL & GAS



● PRODUCTION



NEW PLYMOUTH, NEW ZEALAND



**TUI**

New Zealand Oil & Gas revenue from Tui in the quarter was NZ\$13.7 million.

**Tui area oil fields (PMP 38158).**

**New Zealand Oil & Gas interest 27.5%**

Production was stable in the quarter.

There was one tanker shipment of 401,300 barrels in the 31 March 2014 quarter (New Zealand Oil & Gas share 110,350 barrels). As at quarter end there were approximately 74,000 barrels of oil in stock (New Zealand Oil & Gas share 20,350 barrels).

**KUPE**

New Zealand Oil & Gas revenue from Kupe in the quarter was NZ\$15.8 million.

**Kupe oil and gas field (PML 38146).**

**New Zealand Oil & Gas interest 15%**

Gas sales were stable in the quarter aside from a short scheduled shutdown to support routine inspection of the well head platform to production station pipeline.

Tui production	Total Field	New Zealand Oil & Gas share for the 3 months to 31 March 2014	Previous Quarter	Comparable quarter a year ago
Oil [bbls]	339,400	93,330	83,383	43,622
Revenue [NZ\$m]		13.7	8.3	6.1

Kupe production	Total Field	New Zealand Oil & Gas share for the 3 months to 31 March 2014	Previous Quarter	Comparable quarter a year ago
Gas [PJ]	5.04	0.76	.72	.63
LPG [tonnes]	20,084	3,013	3,100	2,705
Light Oil [bbls]	371,113	55,667	55,268	54,702
Revenue [NZ\$m]		15.8	13.0	16.3



3 cents  
per share dividend

## DIVIDEND REINVESTMENT PLAN

### The Dividend Reinvestment Plan is changing

Shareholders resident in New Zealand or Australia are able to choose to invest all or part of their dividends in taking up additional New Zealand Oil & Gas shares instead of receiving cash. The plan is a convenient way to reinvest dividends in shares without incurring brokerage charges.

Recently, ASX Limited made changes to the ASX Listing Rules. These changes require that the company must accept shareholders' choices about whether to participate in the plan up to at least one business day after the record date for a dividend. This differs from the current terms and conditions of the New Zealand Oil & Gas plan, which require elections to be made before the relevant record date for a dividend.

**New Zealand Oil & Gas has made changes to its dividend reinvestment plan. Your election to join the dividend reinvestment plan may be made up to one business day (on the ASX) after the record date or, if later, the next day the NZX is open for trading after the record date.**

The changes also provide that [and plan participants should note that] copies of the most recent New Zealand Oil & Gas annual report and financial statements are available online at [www.nzog.com](http://www.nzog.com) as well as from New Zealand Oil & Gas directly on request, free of charge.

The changes take effect on 30 April 2014, and are set out on this page. A copy of the offer document with the relevant changes is available free of charge on request to Computershare.

## WHAT DO YOU NEED TO DO?

You don't need to do anything if you are already a participant in the plan and don't want to make any changes. If you want to change your participation, or join the plan, please contact Computershare.

## DIVIDEND 2013

### 3 cents per share interim dividend paid on 4 April

New Zealand Oil & Gas paid an interim 3 cents per share dividend [unimputed] on 4 of April 2014 to all shareholders on the register at the record date of 21 March 2014.

#### FORMAL NOTICE OF AMENDMENTS TO DIVIDEND REINVESTMENT PLAN TERMS AND CONDITIONS

Take note that the terms and conditions of the New Zealand Oil & Gas dividend reinvestment plan, as set out in an offer document dated 29 July 2009, are amended in the following respects with effect from 30 April 2014:

- (a) by deleting the second sentence of clause 3.2 and inserting the following in its place:
- A properly completed Participation Notice will be effective for a dividend [and, subject to the other provisions of this Offer Document, subsequent dividends] only if it is received by Computershare no later than:
- the next business day [as defined in the ASX Listing Rules] following the record date for that dividend; or
  - if later, the next day on which NZSX is open for trading following the record date for that dividend.
- (b) by deleting the words "a record date" from clause 9.2 and inserting the following in their place:
- the business day [as defined in the ASX Listing Rules] following a record date; or
  - if later, the next day on which NZSX is open for trading following a record date,
- (c) by inserting the words "or relevant replacement legislation" after "Financial Reporting Act 1993" in clause 14; and
- (d) by inserting the words "online at [www.nzog.com](http://www.nzog.com) or" after "Shareholder" in clause 14.

OFFSHORE TARANAKI BASIN

**Matuku** [PEP 51906]

New Zealand Oil & Gas 12.5%, OMV 65% [Operator], Octanex 22.5%

The 400km<sup>2</sup> Kaka 3D survey acquired in the Southeast of the permit is being processed. The processed data is expected in October.

Analysis is continuing on data from the Matuku-1 well, drilled late in 2013.

**Taranga** [PEP 52593]

New Zealand Oil & Gas 50% [Operator], Octanex 50%

Interpretation of the Karoro 3D continued with the Karoro Prospect being refined. The Crown approved an application to extend the drill/drop date to September 2014 to allow ample time to interpret the data.

**Takapou** [PEP 53473]

New Zealand Oil & Gas 50% [Operator], Octanex 50%

Interpretation of the Kokako 3D continued with prospectivity of the Riroriro and Kokako leads being refined. The Crown approved an application to extend the drill/drop date to September 2014 to allow ample time to interpret the data.

**Vulcan** [PEP 55793]

New Zealand Oil & Gas 30%, Woodside 70% [Operator]

The permit was formally conferred on 1 April 2014. Planning is underway with a seismic survey to be conducted next summer.

**Manaia** [PEP 54867]

New Zealand Oil & Gas 40%, New Zealand Energy Corp. 60% [Operator]

The joint venture parties have made a decision to relinquish this early-stage permit.

**Kaheru** [PEP 52181]

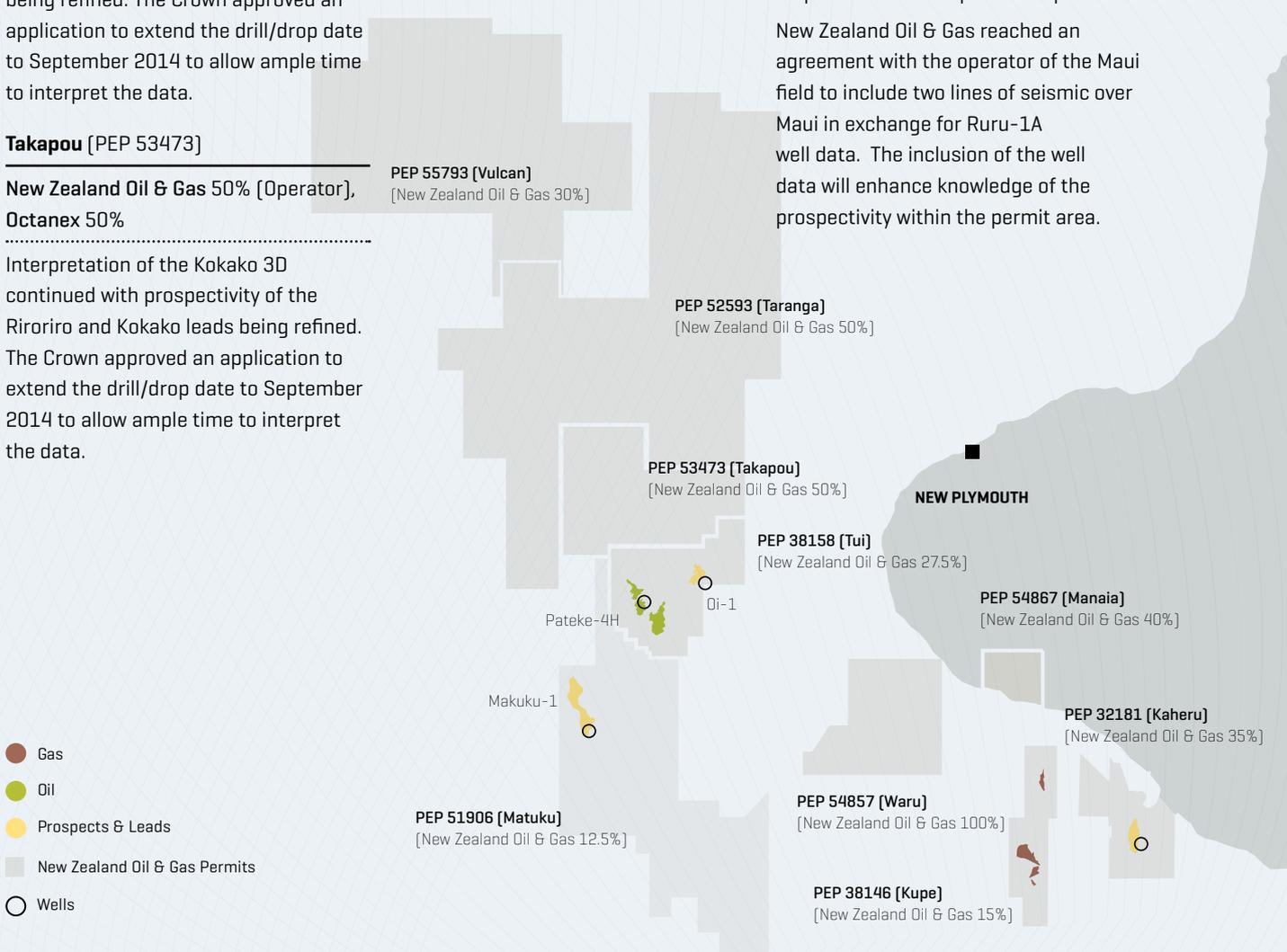
New Zealand Oil & Gas 35% [Operator], TAG Oil 40%, Beach Energy 25%

Kaheru-1 well planning is ongoing. A vessel has been on site conducting a site survey. Two 30 metre cores were taken along with shallow seismic and bathymetry. These operations were delayed by weather and are now expected to complete in May.

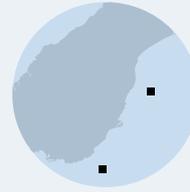
**Waru** [PEP 54857]

New Zealand Oil & Gas 100% [Operator]

SeaBird Exploration was contracted to acquire 548 km of 2D seismic data. Acquisition was completed in April. New Zealand Oil & Gas reached an agreement with the operator of the Maui field to include two lines of seismic over Maui in exchange for Ruru-1A well data. The inclusion of the well data will enhance knowledge of the prospectivity within the permit area.



- Gas
- Oil
- Prospects & Leads
- New Zealand Oil & Gas Permits
- Wells



CANTERBURY



NEW PLYMOUTH

## OFFSHORE CANTERBURY - GREAT SOUTH BASIN

### Tui [PMP 38158]

**New Zealand Oil & Gas 27.5%, AWE 57.5% [Operator],**

**Pan Pacific Petroleum 15%**

.....  
 Oi\* and Pateke-4H

The Kan Tan IV semi-submersible rig began operations at Pateke-4H on the 6th February 2014, following completion of operations at Matuku-1.

In mid-March a problem was experienced with a parted drill string. This led to having to abandon the lower drilled portion of the well and side-tracking to the reservoir. A second side-track was later also required.

An oil bearing reservoir was intersected at 4,023m and the well is being drilled horizontally to a planned total measured depth of 5,381 metres.

Results to date are positive. Oil shows and real time measurement logs are consistent with pre-drill estimates.

The commercial significance of Pateke-4H will be determined once horizontal drilling is completed and the reservoir size and quality is fully assessed.'

Following completion of the Pateke-4H well the drilling rig Kan Tan IV will move to the Oi location. Preparations for drilling Oi are complete.

\*Pan Pacific Petroleum will increase its participation in the Oi well to 50% under the sole risk provisions of the Tui Joint Venture Operating Agreement. AWE and New Zealand Oil & Gas elected to participate in the Oi exploration well at reduced equities of 31.25% and 18.75% respectively, with the option to restore their full equities in any development subject to their reimbursement of pro-rata costs and payment of a buy back premium.

### Toroa [PEP 55794]

**New Zealand Oil & Gas 30%, Woodside 70% [Operator]**

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 This permit was formally conferred on 1 April 2014. Planning has begun for a seismic survey to be conducted next summer.

### Clipper [PEP 52717]

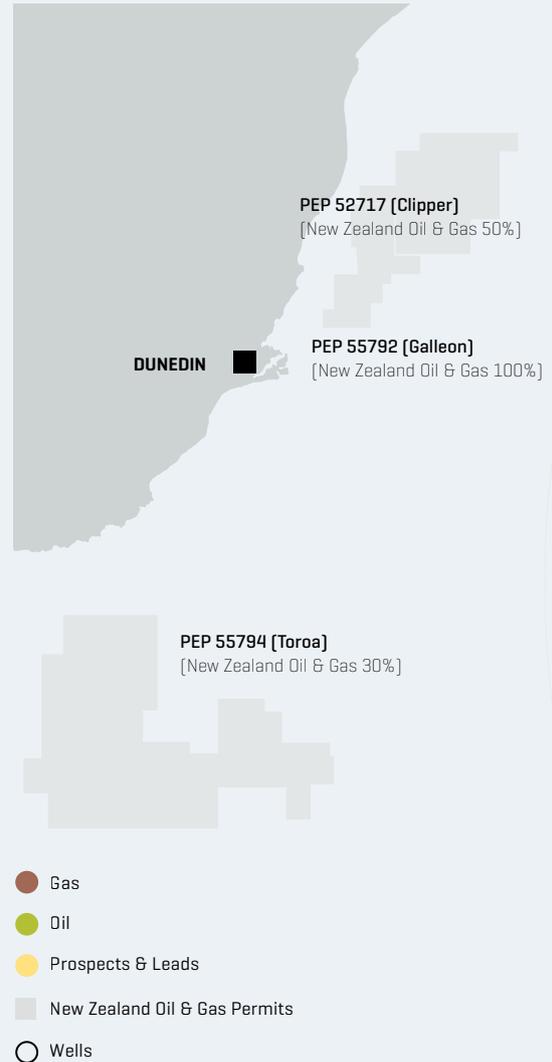
**New Zealand Oil & Gas 50% [Operator], Beach Energy 50%**

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 The company completed an incident-free 3D seismic survey covering approximately 700 square kilometres on 31 December 2013, more than a week ahead of schedule. ION Geophysical have been contracted to process the data and tie lines. The processed data is expected to be received in July. Further analysis by New Zealand Oil & Gas geoscientists in Wellington will be undertaken over the next one to two years.

### Galleon [PEP 55792]

**New Zealand Oil & Gas 100% [Operator]**

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 The permit was formally conferred on 1 April 2014. The seismic commitment for this permit was completed in early January. The survey mapped a tie line from a previous well in Galleon in the 1980s to the Clipper prospects, which helps geophysicists analyse the Clipper subsurface by tying seismic lines to actual drill results. A thorough review of the 1985 Galleon-1 well results has commenced. New Zealand Oil & Gas geoscientists are working towards a 3D commitment decision before Oct 2015.





TUNISIA



INDONESIA

**TUNISIA**

**Diodore Prospecting Permit**

**New Zealand Oil & Gas 100% [Operator]**

The Diodore block is situated within a trend of producing and undeveloped oil and gas fields in the Gulf of Gabes, SE Tunisia. Seismic reprocessing and inversion projects have been completed, and used to upgrade the interpretation, definition and evaluation of an inventory of prospects and leads, principally involving Eocene nummulitic carbonate reservoir targets with additional potential at deeper Cretaceous levels. Some of these prospects could be commercially viable, especially if developed in conjunction with adjacent operations.

New Zealand Oil & Gas is working to farm down its interest in this block in advance of the mid-2014 deadline to notify authorities of intention to convert to an exploration permit with the requirement to drill an exploration well during its initial four year term.

**INDONESIA**

**Palmerah Baru Production Sharing Contract**

**New Zealand Oil & Gas 36%, Bukit Energy Palmerah Baru 54% [Operator], PT SNP Indonesia 10%**

This Production Sharing Contract in onshore South Sumatra, Indonesia was officially awarded in February 2014.

Under the Production Sharing Contract the joint venture will be committed to an initial three year exploration work programme to include both 2D and 3D seismic acquisition and one exploration well.

**Kisaran Production Sharing Contract**

**New Zealand Oil & Gas 22.5%, Pacific Oil & Gas 55% [Operator], Bukit Energy 22.5%.**

Both the Parit Minyak 2 and 3 wells have been suspended, as potential future production wells, with the wellsites fenced and wellhead caged for health and safety compliance. A draft Plan of Development (POD) is currently being generated to obtain government approval for development activities. Approval and initial pursuit of a final POD is expected to take 8-12 months.

**Bohorok Production Sharing Contract**

**New Zealand Oil & Gas 45%, Bukit Energy 45% [Operator], Surya Buana Lestarijaya Bohorok 10%**

Preparation for acquisition of a 2D seismic survey of approximately 205 kilometres is ongoing. Acquisition is expected to take place in Q2 2014.



## ● PORTFOLIO SNAPSHOT

Early Evaluation	Seismic	Drilling	Appraisal	Production
Taranaki				
Kupe, 15%		Assessment of further opportunities		
Tui, 27.5%		Drilling at Pateke, Oi* Portfolio		
Matuku, 12.5%		3D seismic acquired* - Decision by November 2014 whether to collect more seismic and drop either 25% or 50% of the permit.		
Taranga, 50%		3D acquired 2013 - Commitment to drill or drop by Sept 14		
Takapou, 50%		3D acquired 2013 - Commitment to drill or drop by Sept 14		
Manaia, 40%	Application to relinquish permit submitted Q2			
Waru, 100%		2D acquired 2014 - Decision by Dec 14 whether to collect 3D in 2015 or drop		
Kaheru, 35%		Preparing to drill 2015		
Vulcan, 30%		Preparing for 3D seismic 2014/15 - Acquire 3D seismic by April 2015		
Canterbury				
Clipper, 50%		3D seismic acquired - By April 2016 commit to drill or drop.		
Galleon, 100%		3D seismic acquired - By October 2015 commit to acquiring more 3D seismic or drop.		
Great South				
Toroa, 30%		Preparing for 3D seismic 2014/15 - Acquire 3D seismic by April 2015.		
Indonesia				
Kisaran, 22.5%				Plan of development underway
Bohorok, 45%		Seismic 2D April 2014		
Palmerah Baru		Permit conferred February 2014		
Tunisia				
Diodore, 100%		Seismic 2D assessed - Drill or drop decision by July 2014		

\* A well was drilled in Matuku permit in the previous reporting period.  
New Zealand Oil & Gas will participate in the Oi well at a reduced equity of 18.75%.



4 November

Annual Meeting

**UPCOMING EVENTS & INVESTOR BRIEFINGS**

Hamilton Investor Briefing

- **Wednesday, 30 July**
- **Hamilton City Oaks** - Wesley Room

Release of Quarterly Activities Report

Auckland Investor Briefing

- **Tuesday, 26 August**
- **Ellerslie Racing Club** - Great Northern Room

Release of Preliminary Result for financial year to 31 June 2014.

ANNUAL MEETING\*

- **Tuesday, 4 November**
- **Wellington** - Intercontinental Hotel

Christchurch Investor Briefing

- **Wednesday, 5 November**
- **The Chateau on the Park** - The Camelot Room

Refreshments will be served at each event. There will be an opportunity for questions and informal discussion with management.

\* A formal notice of meeting for the Annual Meeting will be posted later in the year.

**MEETING DATES & VENUES 2014**

This year, we are adding extra investor events, to allow more opportunities to meet the Board and Management and discuss the company's progress.

We're moving some events around in the calendar so that more investors have the chance to discuss results closer to the date of release.

Shareholders are invited to join us at our next investor briefing in Hamilton on 30 July when we release our next Quarterly Report.

Please keep an eye on our website to re-check details closer to the date at [nzog.com](http://nzog.com).

**FINANCIAL UPDATE**

Operating revenue for the quarter was NZ\$29.5 million.

As at 31 March 2014, New Zealand Oil & Gas's cash balance was NZ\$138.4 million, with cash holdings held in both NZ and US dollar accounts. New Zealand Oil & Gas had no outstanding debt at end of the period.

More financial information is contained in the 31 March 2014 Quarterly Cash Flows Report, which has been released to the NZX and ASX.

Financial Update	3 months to 31 March 2014	Previous Quarter	Comparable quarter a year ago
Revenue (NZ\$m)	29.5	21.3	22.4
Cash Balance (NZ\$m)	138.4	164.2	168.6

# DINOSAURS FROM NEW ZEALAND

These footprints were left by a dinosaur in sands similar to those where New Zealand Oil & Gas is exploring.

**Andrew Knight**  
Chief Executive Officer

**John Pagani**  
External Relations Manager

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For information about your share holding or to change your address please contact the share registrars as follows:

**New Zealand Oil & Gas stock symbols**  
NZX Shares – NZO  
ASX Shares – NZO

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