

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 30 September 2014

Quarterly Report of Consolidated Cash Flows prepared in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are unaudited. All figures are in New Zealand dollars. The Company has a formally constituted Audit Committee of the Board of Directors.

NZSX Ref	Notes	Cash Flows Relating to Operating Activities	Current Quarter September 2014 \$NZ'000	Year to Date (3 months) \$NZ'000
1(a)		Receipts from product sales and related debtors	28,819	28,819
1(b)		Payments for		
		(a) exploration and evaluation	(15,012)	(15,012)
		(b) development	(1,151)	(1,151)
		(c) production	(7,572)	(7,572)
		(d) administration	(5,561)	(5,561)
1(c)		Dividends received	-	-
1(d)		Interest and other items of a similar nature received	983	983
1(e)		Interest and other costs of finance paid	-	-
1(f)		Income taxes (paid)/received	(1,710)	(1,710)
1(g)		Royalties	(3,577)	(3,577)
1(h)		Other	-	-
1(i)		Net Operating Cash Flows	(4,782)	(4,782)
		Cash Flows Related to Investing Activities		
2(a)		Cash paid for purchases of:		
		(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(252)	(252)
2(b)		Cash proceeds from sale of:		
		(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
2(c)		Loans to other entities	-	-
2(d)		Loans repaid by other related entities	-	-
2(e)		Other	(122)	(122)
2(f)		Net Investing Cash Flows	(374)	(374)
		Total Operating and Investing Cash Flows	(5,156)	(5,156)
		Cash Flows Related to Financing Activities		
3(a)(i)		Cash proceeds from issue of NZOG shares	10	10
3(a)(ii)		Buyback of NZOG shares	-	-
3(b)		Proceeds from sale of forfeited shares	274	274
3(c)		Borrowings	-	-
3(d)		Repayment of borrowings	-	-
3(e)		Dividends paid	(8,894)	(8,894)
3(f)		Other	-	-
3(g)		Net Financing Cash Flows	(8,610)	(8,610)
4(a)		Net Increase/(Decrease) in Cash Held	(13,766)	(13,766)
4(b)		Cash at beginning of quarter/year	135,074	135,074
4(c)		Exchange rate adjustments to Items 4(b) above	9,336	9,336
4(d)		Cash at End of Quarter	130,646	130,646

Notes:

This report is for the NZOG consolidated group at 30 September 2014.

New Zealand Oil & Gas Limited
Quarterly Report of Consolidated Cashflows

Non-Cash Financing and Investing Activities

- 5(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 5(b) Provide details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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- 6 **Financing Facilities Available**
Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

	Notes	Amount Available \$ million	Amount Used \$ million
Tui letters of credit (USD)	1	USD 3.1	USD 3.1

Notes:

1. NZOG has a letter of credit facility with ANZ Bank (New Zealand branch) in respect of the Tui area oil fields.

- 7 **Estimated Outlays for Specified Quarter**

	Notes	Current Quarter \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation	1	16,482	2,994
Development	2	1,788	1,358
Total		18,271	4,352

The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. When these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report.

8

Reconciliation of Cash

For the purposes of this statement of cashflows, cash includes:
bank bills, cash on hand and at bank, short term deposits and government stock less any overdraft.

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:	Current Quarter \$NZ'000	Previous Quarter \$NZ'000
Cash on hand and at bank	3,603	2,286
Deposits at call, term and bank bills	113,512	125,263
Bank overdraft	-	-
Other – Joint venture cash	13,531	7,526
Total: Cash at End of Quarter (Item 4(d)/4(b))	130,646	135,074

The above cash at end of quarter includes cash held in the following material currencies:	Current Quarter '000	Previous Quarter '000
United States Dollars	USD 18,938	USD 30,034

NZSX
Ref
9

Changes in Interests in Mining Tenements

Note	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter %	Interest at End of Quarter %
9(a)	Interests in mining tenements relinquished, reduced or lapsed			
	PEP 52593 (Taranga)	Relinquished	50%	0%
	PEP 53473 (Takapou) Diodore (Tunisia)	Relinquished Relinquished	50% 100%	0% 0%
9(b)	Interests in mining tenements acquired or increased			
	MNK Kisaran	Exploration	-	11.25%

9(c) The Company's "Petroleum Interests" as at 30 September 2014 are set out below.

PETROLEUM INTERESTS AT 30 September 2014

	GROSS AREA SQ KM	DIRECT INTEREST %
1. PETROLEUM MINING PERMITS		
PML 38146 (Kupe field)	257	15.0
PMP 38158 (Tui field)	467	27.5
2. PETROLEUM EXPLORATION PERMITS		
PEP 52181 (Kaheru)	312	35.0
PEP 54857 (Waru)	525	100.0
PEP 51906 (Matuku)	1613	12.5
PEP 52717 (Clipper)	3,423	50.0
PEP 55792 (Galleon)	1,654	100.0
PEP 55793 (Vulcan)	2,418	30.0
PEP 55794 (Toroa)	9,835	30.0

New Zealand Oil & Gas Limited
Quarterly Report of Consolidated Cashflows

Kisaran PSC	2,179	22.5
Bohorok PSC	5,022	45.0
Palmerah Baru PSC	989	36.0
MNK Kisaran PSC (1)	2,179	11.25

(1) (1) MNK Kisaran unconventional PSC was awarded to New Zealand Oil & Gas and its partners during the quarter.

NZSX
Ref
 10

Issued and Quoted Securities at End of Current Quarter – 30 September 2014

(NEW ZEALAND OIL & GAS LIMITED ONLY)

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Note		Number Issued	Number Quoted	Value (cents)	Paid-Up Value (cents)
	Ordinary Securities	430,081,661	421,048,661	N/A	N/A
	Fully paid during quarter	5,052,508	5,052,508	76.6	
	Cancelled during quarter	-	-		
	Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	9,033,000	-	77.0-204.0	1.0
	Issued during quarter	1,562,000	-	94.0	1.0
	Fully paid during quarter	(350,000)	-	78.3	
	Options	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		



Andrew Knight
Chief Executive Officer
 29 October 2014