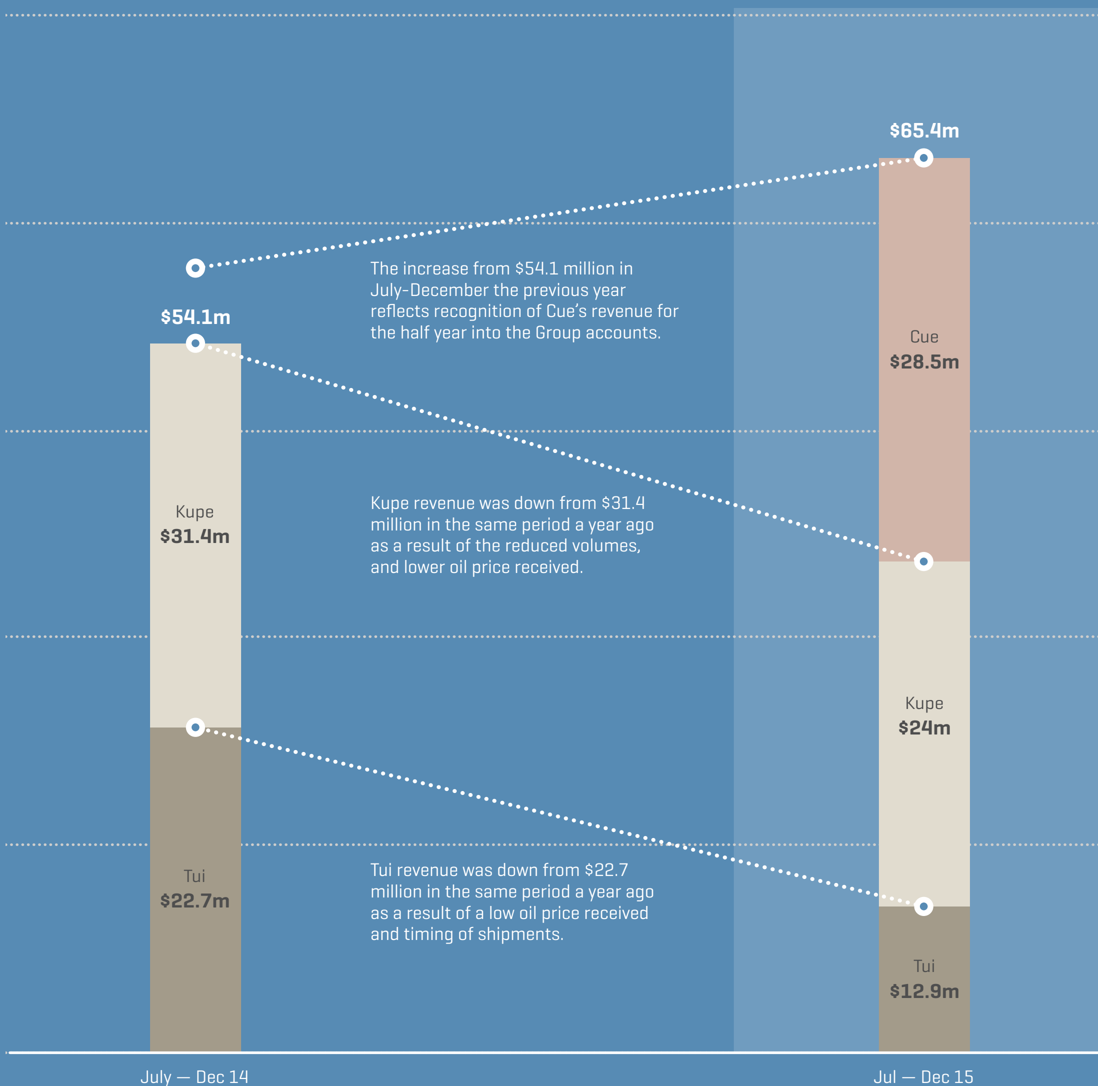
NEW ZEALAND OIL & GAS LIMITED

INTERIM REPORT 2016

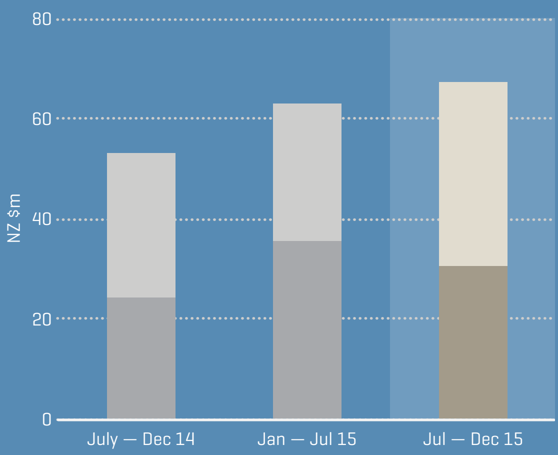
New Zealand Oil & Gas Limited Interim Report

Overview

Sales revenue was $65.4 million up 21%



Cash Flows from Operations was $31.7 million up 40%



Despite lower oil prices, cash flows remain positive.

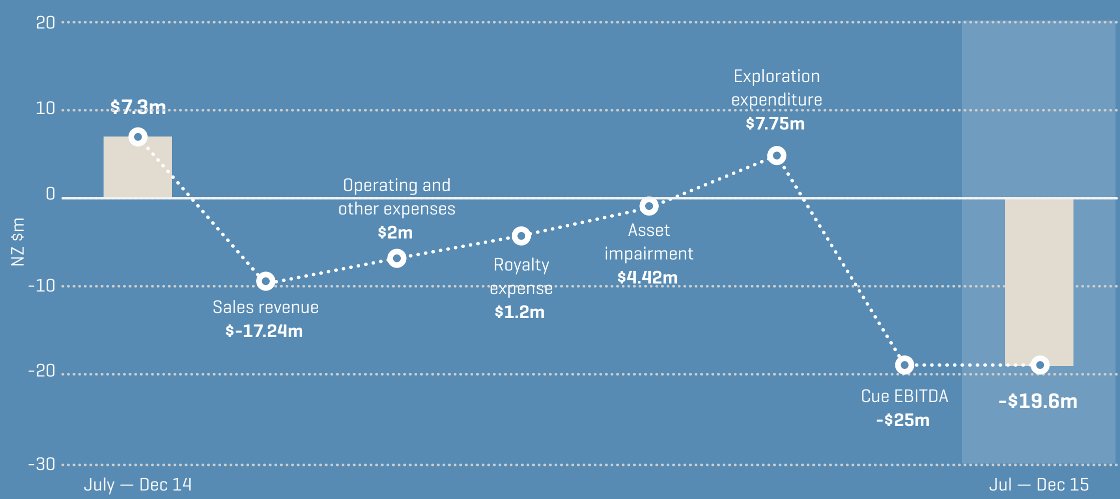
Cashflow reflects a $12.7million contribution from Cue, partly offset by lower receipts due to lower oil prices and timing of shipments.

Cue's revenue and cash flows from operations are not included in comparative figures from a year ago as the effective date for control was 31 March 2015.

Revenue
Cash from operations

EBITDA was a loss of $19.6 million

Significant drop in oil price resulted in a $14.5 million reduction in revenue.



Earnings Before Interest, Tax, Depreciation, Amortisation

Cue's EBITDA is not included in comparative figures from a year ago as the effective date for control was 31 March 2015.

Consolidation of Cue Energy into the Group accounts contributed negative $25.0 million towards the EBITDA for the period mainly as a result of its impairment of Maari ($26.8 million) and exploration expenditure ($10.9 million).

Chairman's & CEO's Report

Chairman's Report

Since I was appointed in February to chair our company, your Board's priority has been to adjust our strategy for oil prices that have fallen from the US$50 range when we held our annual meeting in 2015, into the $30s as the year opened.

Considerable cost savings are necessary to respond to this new environment. The Board is intensifying its focus on minimising cash burn.

Corporate costs will be reduced. Exploration costs have been minimised, with no intention to spend further on exploration beyond our contractual obligations.

The Board will lead by example. The outgoing chairman will not be replaced on the Board and Directors have volunteered a reduction in their fees. The resulting cost reduction of around 30 per cent demonstrates the Board's determination to restructure corporate costs.

Meanwhile, the company is looking to extract more value from existing assets. Opportunities to grow through acquisition are being carefully assessed.

I expect to see more value created from our Cue asset. In March we sought the replacement of several directors on the Board of Cue Energy because we would like to see a fresh, more viable strategy in that company.

Despite write downs of asset valuations, New Zealand Oil & Gas is performing well. It is cash positive with a strong balance sheet. The Board intends to manage the company's capital carefully. We will retain only that capital needed for the company's strategy.

In the coming year your Board expect to see further cost reductions and growth through acquisition if assets come to market at value.

I would like to take the opportunity to acknowledge and thank my predecessor, Peter Griffiths, for his stewardship of your company through extraordinary macroeconomic turbulence and considerable strategic change.

It is a privilege to be your Chairman. Be assured, I will deliver a singular focus on positioning our company for significant shareholder returns.

Rodger Finlay
Chairman

CEO's Report

The first half of the financial year saw consistent operational performance in challenging market conditions as oil prices fell further again.

Despite the lower oil price, the company continues to be strongly cash flow positive, providing a platform for the numerous opportunities in the market. A majority of our revenue comes from gas, which is not linked to oil prices, while LPG retail prices have only a partial link to international prices.

However, in response to the oil price we took a write down in our oil-producing assets such as Tui, where we have a 27.5 per cent interest. The value was reduced by a further $8.7 million. The company now forecasts that the field's economic life will end in the first quarter of 2018. Tui will then be abandoned, assuming current oil prices.

Overall the company reported a loss for the half year of $45 million.

In addition to asset value write-downs, we also changed an accounting policy. We now expense exploration costs when they are incurred, instead of capitalising exploration. Details are explained in the accounts.

We also had some excellent news to report. Despite the loss, the company achieved a cash surplus from operations of $31.7 million, up by $9.0 million from a year ago.

Net group revenue was up by $11.3 million, including a $28.5 million revenue contribution from Cue Energy and a $3.4 million gain on foreign exchange. The oil price had a negative impact of $14.5 million and lower sales reduced revenue by a further $6.1 million as shipments were deferred to exploit the potential for some recovery in prices. There was also a planned maintenance shutdown at Kupe, and therefore I expect production to be stronger in the second six months of this financial year.

Our Kupe asset remains the centre-piece of the company's performance. At contracted gas prices Kupe has positive cash flow even if oil and LPG prices were nil. Kupe gas revenues alone more than cover operating costs of the asset.

During the half-year Kupe reserves were upgraded by more than a third. Looking ahead, more work is continuing to assess the potential for development of further Kupe resources. I expect an announcement about our plans in the next 12 months.

Meanwhile, in this half-year update your company has begun reporting its '2C' contingent resources. These are estimates of the potentially recoverable volumes of discovered hydrocarbons where no final decision has been made on the commercial viability of production due to one or more contingencies.

In this half-year we announce contingent resources of 47.45 million barrels of oil equivalent* (See contingent resources statement, page 10).

Reporting contingent resources provides shareholders with insight into the volumes we have been analysing at Kisaran, in Indonesia, and in Clipper, near the Barque prospect.

Clipper was discovered in the 1980s and assessed as non-commercial at the time because no market was believed to exist in the South Island for the gas found there. We have taken a new look at Clipper and we are analysing whether a potential industrial market for gas may be available in the South Island.

Contingent resources are different to prospective resources, such as the Barque prospect in the same permit, where in our June 2015 Quarterly Report we were able to disclose that the unrisked 2P size of the Barque structure is 530 million barrels of oil equivalent (265 million barrels net to New Zealand Oil & Gas)*. Barque is classed as a prospective resource because the presence of hydrocarbons cannot be confirmed until a well is drilled.

Contingent resources also differ from proven and probable reserves, because the commerciality of the discovery hasn't been confirmed. Among other factors, reserves are calculated after making an estimate about the economics of production. For example, in the past half-year we reduced our estimated Tui reserves because lower oil prices led us to bring forward our estimate of the date when it will be no longer economic to pump oil from Tui. We didn't change our estimate of the total volume of resource in the ground.

Looking ahead, we have enough cash from long term gas contracts to sustain the business through the oil price downturn. That creates opportunities for us to grow through acquisition as other companies with weaker balance sheets and higher costs have to exit quality assets in markets we understand.

While we have actively managed costs in the last year, going forward we expect further costs savings and the full value of this year's savings to be realized. Although costs are being trimmed out of the business, we intend to achieve savings without affecting our focus on safe operating in our own activities or those of our operating partners.

One example of where we can cut back costs without affecting safety is our decision to distribute our quarterly reports online. In the past we have mailed out updates six times a year, including quarterly, half-year and annual reports. We will still produce an activities and cash flow report every three months and it will be available on our website. You can sign up there, or through Computershare, to get an email alert as soon as the new edition is posted.

Also online, we have transformed our communications with communities where we are active. Community Panels in South Taranaki and Otago/Southland from a wide cross section of local residents provide a means for the company to understand our community's perspectives on our activities. You can read about their work at communitypanel.org.nz. Our community relationships are providing the company with a competitive advantage as we are sought out by potential partners.

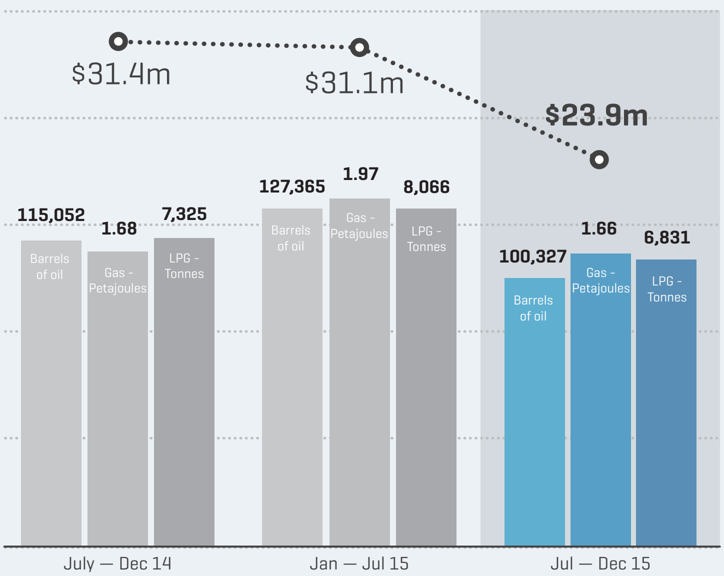
New Zealand Oil & Gas continues to produce enough cash to sustain it and to be capable of taking opportunities to grow.

Andrew Knight
Chief executive

*New Zealand Oil & Gas is not aware of new information or data that materially affects this announcement. All material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed. The estimated quantities of petroleum that may potentially be recovered by the application of the future development project(s) relate to undiscovered accumulations.
These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Production

Kupe



Production at Kupe is steady

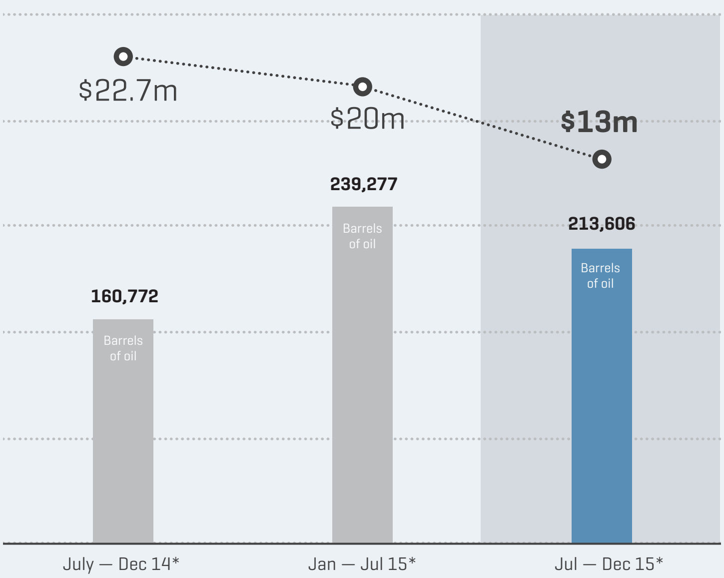
KUPE OIL & GAS FIELD (PML 38146)

15%	New Zealand Oil & Gas
50%	Origin Energy (Operator)
31%	Genesis Energy
4%	Mitsui

Volumes were lower relative to the same period a year ago, as a result of a scheduled 28-day plant shutdown for maintenance and project activities work in October and November. The work was executed successfully and on schedule.

Revenue was down from $31.4 million in the same period a year ago as a result of the reduced volumes, and lower oil price received.

Tui



*Figures are net of fuel used in production.

Tui production in natural decline

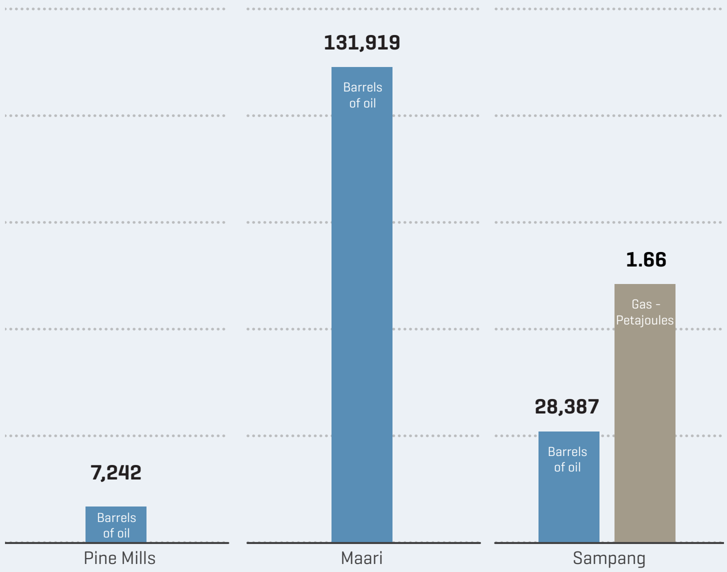
TUI AREA OIL FIELDS (PMP 38158)

27.5%	New Zealand Oil & Gas
57.5%	AWE (Operator)
15%	Pan Pacific Petroleum

Production was down on the same period a year ago, but continued in-line with natural field decline and New Zealand Oil & Gas budgeted expectations. The Pateke-4H well continues to produce above Operator expectations in terms of oil production and with slower water cut development.

Revenue was down from $22.7 million the same period a year ago as a result of a low oil price received and timing of shipments.

Pine Mills | Maari | Sampang PSC



Production Jul — Dec 15

MAARI AREA OIL FIELDS (PMP 38160)
5% Cue Energy*
69% OMV New Zealand (Operator)
16% Todd Maari
10% Horizon Oil International

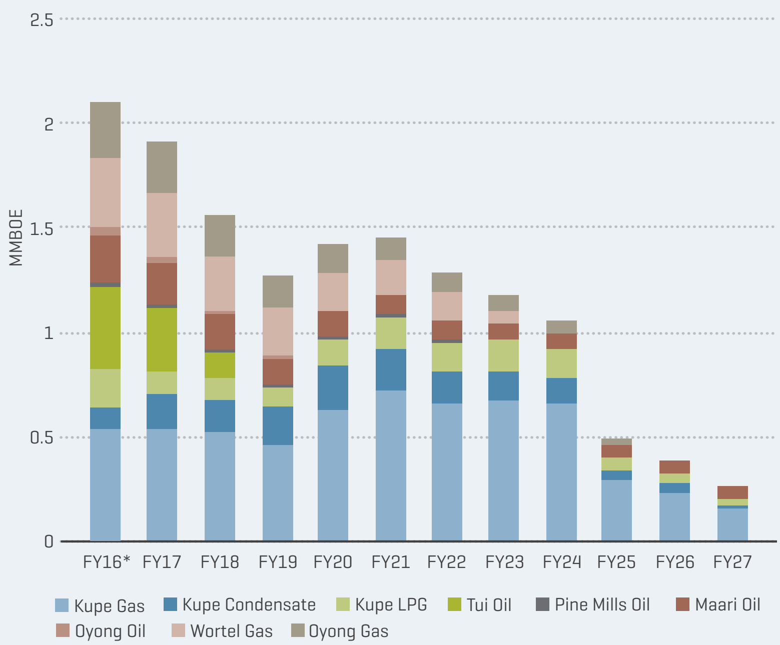
SAMPANG PSC
15% Cue Energy*
45% Santos (Operator)
40% Singapore Petroleum Company

PINE MILLS
80% Cue Energy*
20% Gale Force Petroleum

* New Zealand Oil & Gas has a 48.11 percent interest in Cue Energy.

There are no half year comparative production figures from the same period a year ago as the effective date for control of Cue was 31 March 2015.

Production Forecast



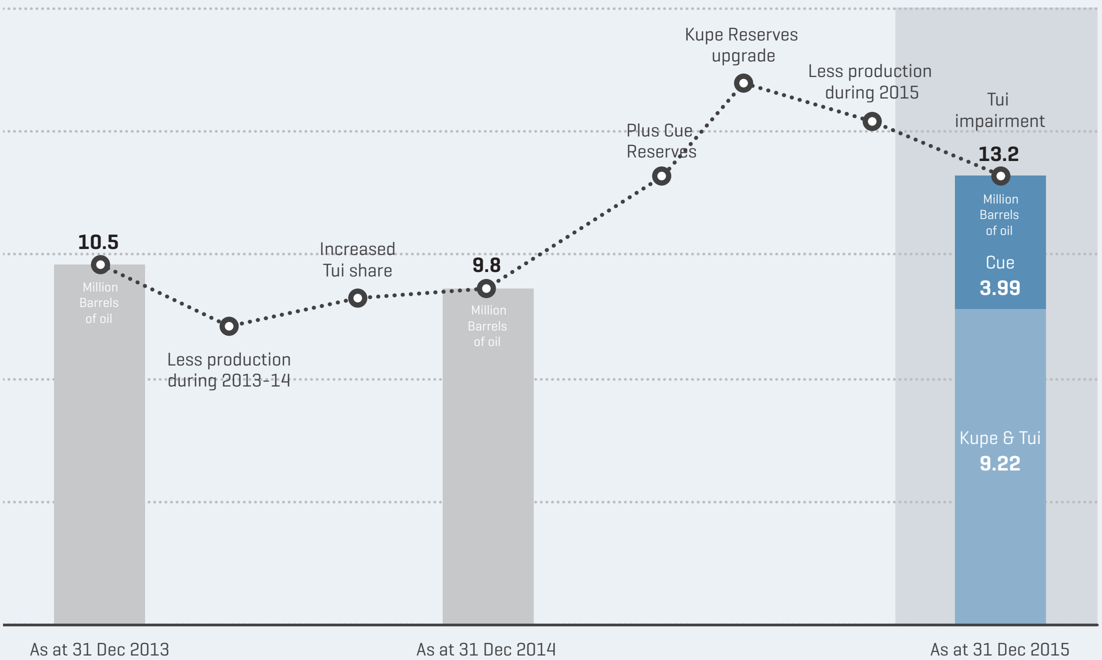
* FY16 includes actual production for period July 15 to Dec 15.

MMBOE - Million barrels of oil equivalent have been calculated as the total oil equivalent of the oil, condensate/light oil, natural gas and LPG figures, using conversion factors consistent with Society of Petroleum Engineers (SPE) guidelines, as provided below.

The MMBOE conversion factors used throughout this report are: 163.40 barrels of oil equivalent per terajoule of natural gas and 8.15 barrels of oil equivalent per tonne of LPG.

New Zealand Oil & Gas Reserves (1P + 2P)

Total reserves 13.2 mmboe up 35%



Geographic area	Proved (1P) Reserves											
As at evaluation date 31/12/2015	Developed				Undeveloped				Total			
	Gas (Petajoules)	**LPG** (kilotonnes)	**Oil & Condensate** (million barrels)	**total** (million boe)	**Gas** (Petajoules)	**LPG** (kilotonnes)	**Oil & Condensate** (million barrels)	**total** (million boe)	**Gas** (Petajoules)	**LPG** (kilotonnes)	**Oil & Condensate** (million barrels)	**total** (million boe)
New Zealand												
Tui			0.41	0.41							0.41	0.41
Kupe	14.81	64.65	0.58	3.53	3.93	15.80	0.11	0.88	18.74	80.45	0.69	4.41
Maari*			0.75	0.75			0.04	0.04			0.79	0.79
Indonesia*												
Sampang PSC	4.49			0.74					4.49			0.74
USA*												
Pine Mills			0.56	0.56							0.56	0.56

* New Zealand Oil & Gas has a 48.11 percent interest in Cue Energy. Cue's full interest is shown.

Geographic area	Proved + Probable (2P) Reserves											
As at evaluation date 31/12/2015	Developed				Undeveloped				Total			
	Gas (Petajoules)	**LPG** (kilotonnes)	**Oil & Condensate** (million barrels)	**total** (million boe)	**Gas** (Petajoules)	**LPG** (kilotonnes)	**Oil & Condensate** (million barrels)	**total** (million boe)	**Gas** (Petajoules)	**LPG** (kilotonnes)	**Oil & Condensate** (million barrels)	**total** (million boe)
New Zealand												
Tui			0.60	0.60							0.60	0.60
Kupe	22.79	95.01	0.96	5.45	13.19	55.46	0.56	3.17	35.99	150.47	1.52	8.62
Maari*			1.26	1.26			0.34	0.34	0.00	0.00	1.61	1.61
Indonesia*												
Sampang PSC	6.68		0.04	1.13	3.42			0.56	10.09		0.04	1.69
USA*												
Pine Mills			0.69	0.69							0.69	0.69

* New Zealand Oil & Gas has a 48.11 percent interest in Cue Energy. Cue's full interest is shown.

Reserves are the quantities of petroleum anticipated to be commercially recoverable from known accumulations from a given date forward; that are judged to be discovered, recoverable, commercial and remaining.

Proven (1P) reserves are the estimated quantities of oil and gas which the geological and engineering data demonstrate with reasonable certainty (90% chance) to be recoverable in future years from known reservoirs, under existing economic and operating conditions. Probable (2P) reserves are defined as those which have a 50% chance or better of being technically and economically producible.

Developed reserves are those expected to be recoverable from existing wells and facilities. Undeveloped reserves are those that will be recovered through future investments (e.g. through installation of compression, new wells into different but known reservoirs, or infill wells that will increase recovery). Total reserves are the sum of developed and undeveloped reserves at a given level of certainty. Oil and gas reserves are reported as at 31 December 2015.

The Kupe estimate is based on production data and compositional simulation models provided by the field operator, Origin Energy. It is the result of deterministic reservoir simulation modelling, matched with full production history on a well-by-well basis, in addition to decline curve analysis, supported by rate transient analysis, and both flowing and static material balance. Kupe field reserves and the development plan are currently under review by the operator.

The Tui reserves estimate is based on the latest information provided by the field operator. The estimate is the result of deterministic decline curve analysis of the Tui area reservoirs, including the recent Pateke-4H well production performance data.

The Maari, Sampang and Pine Mills reserves report is based on information provided by Cue Energy Resources.

The Oyong estimates are based on the operator's probabilistic reservoir simulations. Maari is independently assessed using probabilistic well-by-well decline curve analysis. The Wortel and Pine Mills estimates are based on deterministic decline curve analysis.

All reserves and resources reported herein refer to hydrocarbon volumes post-processing and immediately prior to point of sale across the different assets. The volumes refer to standard conditions, defined as 14.7 psia and 60°F.

This reserves statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Vice President & General Manager, Exploration & Production Andrew Jefferies BEng (Mech Hons), MSc Pet Eng MBA, an SPE (Society of Petroleum Engineers) Certified Petroleum Engineer with over 23 years of industry experience. Mr Jefferies, reviews reserves holdings twice a year by reviewing data supplied and comparing assessments at scheduled technical committee meetings.

Contingent Resources (2C)

2C Resources

Geographical Area	Permit	Accumulation	Equity	Gas (Petajoules)	Oil (million barrels)	Total Oil Equivalent (million boe*)
New Zealand	Kupe	Toru	15%	2.69	0.12	0.56
New Zealand	Kupe	KS4	15%	0.99	0.03	0.19
New Zealand	Kupe	Momoho West	15%	0.39	0.01	0.07
New Zealand	Kupe	KS5	15%	-	0.23	0.23
New Zealand	Kupe	Kupe Oil Rim	15%	-	0.87	0.87
New Zealand	Galleon	Galleon	100%	98.28	4.91	20.97
New Zealand	Clipper	Clipper	50%	87.47	6.56	20.85
New Zealand*	Maari	Maari	5%	-	0.46	0.46
Indonesia	Kisaran PSC	Parit Minyak	22.5%	-	2.00	2.00
Indonesia*	Sampang PSC	Jeruk	8.18%	-	1.24	1.24
New Zealand	Total			189.82	13.18	44.20
Indonesia	Total			-	3.25	3.25
	Total			**189.82**	**16.43**	**47.45**

All reserve and resource totals shown above and herein are arithmetic summations and may not visually add up due to rounding.

* New Zealand Oil & Gas has a 48.11 percent interest in Cue Energy. Cue's full interest is shown.

Oil and gas contingent and prospective resources reported in this statement are as at 31 December 2015 and follow the guidelines set out by Chapter 5 of the ASX listing rules (July 2014) and the SPE PRMS Guidelines (2007).

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources.

A Known Accumulation is an accumulation of an individual body of petroleum-in-place. The key requirement to consider an accumulation as "known," and hence containing Reserves or Contingent Resources, is that it must have been discovered, that is, penetrated by a well that has established through testing, sampling, or logging the existence of a significant quantity of recoverable hydrocarbons.

Prospective Resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

The term 2C denotes best estimate scenario of Contingent Resources. With respect to resource categorization, the term 'Best Estimate' is considered to be the best estimate of the quantity that will actually be recovered from the accumulation by the project. It is the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

For the conversion to equivalent units; standard industry factors have been used of 6Bcf:1mmboe* and 1Bcf:1.05PJ*.

This resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Vice President & General Manager, Exploration & Production Andrew Jefferies, B Eng (Mech Hons), MSc Pet Eng, MBE, and SPE (Society of Petroleum Engineers) Certified Petroleum Engineer with over 23 years of industry experience.

*BOE – barrels of oil equivalent
*MMBOE – million barrels of oil equivalent
*PJ – Petajoules

MAP LEGEND

Permits

Oil Field

Gas Field

NZ PMP 38146

Kupe Area – Toru, Kupe South 4 and Momoho West Discoveries

(Operator: Origin Energy)

Background: Each of these three small accumulations relates to a discovery well that was drilled, cored, logged and drill-stem tested: Toru-1 (1990), Kupe South 4 (1989) and Momoho-1 (2008).

Evaluation method: The Contingent Resources of these three discoveries has been extracted from work completed by Gaffney, Cline and Associates on behalf of Genesis Energy as part of the Initial Public Offering of Genesis Energy shares in November 2013 and announced in the associated prospectus. Specifically, it includes the following assumptions:

- New Zealand Oil & Gas equity in the permit at 15%,
- The accumulations are to be developed through the existing Kupe facilities,
- Inert gases have been removed from the resource estimate,
- Offshore fuel and flare gas has been removed at 6.5%,
- The volumes are unrisked, and
- The addition of condensate volumes to the above is based upon the sampled fluid composition and the expected behaviour under depletion.

Reason for contingent classification: Each of the accumulations are assessed to be currently uneconomic due to the combination of development costs (assuming subsea tieback to the Kupe facilities / extended reach drilling) and market prices.

Further work required: Additional seismic surveying would be required to investigate extension / alternate structural interpretations.

NZ PMP 38146

Kupe Area – Kupe South 5 Discovery

(Operator: Origin Energy)

Background: The Kupe South 5 discovery well was drilled, cored, logged and tested in 1990.

Evaluation method: A post-drill volumetric estimate has been conducted and combined with an analogue based recovery factor estimate. The potential associated gas resources have not been included at this point based on the dependency of development mechanism and potential for onward sale through the Kupe facilities.

Reason for contingent classification: This accumulation is assessed to be currently uneconomic due to the combination of development costs (assuming subsea tieback to the Kupe facilities / extended reach drilling) and market prices.

Further work required: Additional seismic surveying would be required to investigate extension / alternate structural interpretations.

NZ PMP 38146

Kupe Area – Kupe Field Oil Rim

(Operator: Origin Energy)

Background: Beneath the producing Kupe field gas leg lies an oil rim that has been penetrated by several of the discovery, appraisal and development wells. Separate logging, coring and production testing has been conducted over the interval in wells including; KS-1, KS-2, KS-3B, KS-6 and KS-7st1.

Evaluation method: Volumetric estimate of STOIIP (stock tank original oil in place) with over 20 producing analogues reviewed for an estimation of recovery factor and recovery per well. The potential associated gas resources have not been included at this point based on the dependency of development mechanism and potential for onward sale through the Kupe facilities.

Reason for contingent classification: The Kupe Production Station (KPS) is not currently set-up to receive the black oil associated with the rim. There needs to be an estimation of what material CAPEX spend would be required on the facility and the drilling of additional horizontal production wells offshore to produce. At current and expected future oil prices this is not calculated as an economic incremental project.

Further work required: Price recovery on macro-scale to source market, a focused reservoir (sector) modelling for bespoke oil rim development recovery estimate at Kupe's current conditions and a drilling feasibility study.

MAP LEGEND

- Permits
- Gas Field
- Prospect

NZ PEP 52717

Clipper – Clipper-1 Discovery Well

[Operator: New Zealand Oil & Gas]

Background: The Clipper-1 discovery well was drilled, cored and wireline logged (including samples) in 1984 and confirmed a gas condensate accumulation.

Evaluation method: A deterministic review of the structural and petrophysical interpretation has been incorporated into a screening model of the reservoir to evaluate the potential hydrocarbon recovery factors.

Reason for contingent classification: The volume is marginally-commercial for a single offshore development with no nearby infrastructure to assist in reducing costs.

Further work required: A 3D seismic survey to improve structural and reservoir characterisation and an appraisal well to demonstrate long-term deliverability of the sands.

NZ PEP 55792

Galleon – Galleon-1 Discovery Well

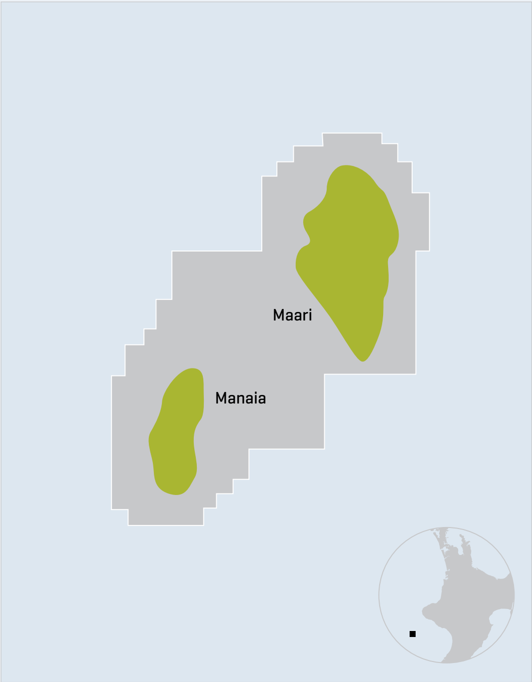
[Operator: New Zealand Oil & Gas]

Background: The Galleon-1 well (1985) was drilled, cored, logged and confirmed a rich gas condensate accumulation.

Evaluation method: Deterministic review of structural interpretation, updated from the post-drill analysis to include the swath line acquired as part of the 3D survey over the Barque prospect. Analogue review of small, single-well offshore subsea tie-backs.

Reason for contingent classification: The volume is sub-commercial for a single offshore development with no nearby infrastructure to assist in reducing costs.

Further work required: Development of nearby in the basin, appraisal of the Galleon South and other local prospects and development of commercial markets onshore South Island.



NZ PMP38160

Maari

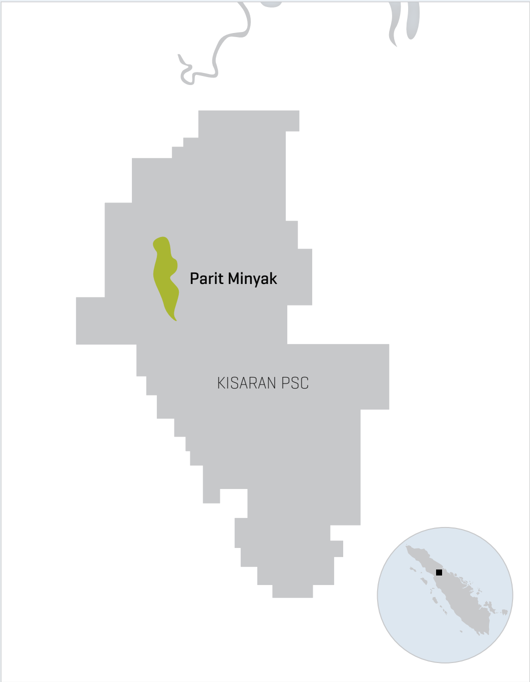
(Operator: OMV New Zealand Ltd)

Background: Presence of hydrocarbons within the Moki formation of the Manaia structure have been proven through the Manaia-2 well. Further Contingent Resources are also considered around the potential reinstatement of the Maari M2A well as an injector.

Evaluation method: Initial development screening studies have been completed by the operator using numerical and analytical methods.

Why contingent: The volume is believed to be sub-commercial for the required development strategy (multiple production and water / gas injection wells).

Further work required: Further studies and an approved field development plan is required to transfer the volume to Reserves. There is no CAPEX planning from the joint venture to add an additional M2A injector at this stage.



Indonesia Kisaran PSC

Parit Minyak Field Development

(Operator: Pacific Oil & Gas)

Background: Within the Kisaran Production Sharing Contract lies the Parit Minyak field that was initially drilled, logged and tested by the Parit Minyak -1 (PM-1) well in 2006. This has been further supported (in 2013) by the PM-2 and PM-3 wells (including the acquisition of core and further drill stem testing).

Evaluation method: Volumetric estimate of stock tank original oil in place with an analogue review of lower Pematang producing fields in Central Sumatra conducted for expected recovery both from the field and per well.

Why contingent: A Plan of Development has been approved by the government of Indonesia, however the joint venture has yet to make a final investment decision in consideration of the developments costs and current macro-economics.

Further work required: Investigation of lower cost alternate development scenarios, oil price recovery and subsequent internal approvals across the joint venture.

Indonesia Sampang PSC

Jeruk

(Operator: Santos Sampans Pte Ltd)

Background: To-date; three wells have been drilled on and around the Jeruk structure and short-term drill-stem tested.

Evaluation method: Probabilistic oil-in-place calculations and dynamic modelling to estimate the volumes.

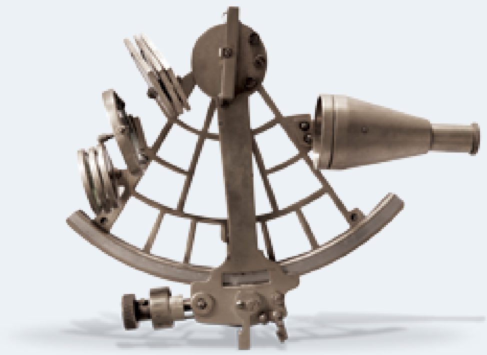
Why contingent: The current development plan is deemed sub-commercial, given the subsurface uncertainties.

Further work required: A further appraisal well is required and the subsequent evaluation of this and approval of a field development plan is required.

MAP LEGEND

Permits

Oil Field



FINANCIAL SUMMARY

Condensed Interim Financial Statements
For the half year ended 31 December 2015

The condensed interim financial statements of New Zealand Oil & Gas Limited, presented on pages 17 to 27, are approved for and on behalf of the Board:

R J Finlay	**M Tume**
Chairman	Director
28/2/16	28/2/16

Condensed Statement of Comprehensive Income

For the half year ended 31 December 2015

	Notes	Unaudited Half Year 31 Dec 2015 $000	Unaudited Half Year 31 Dec 2014* $000	Audited Full Year 30 Jun 2015* $000
Revenue	3	**65,402**	54,092	116,235
Operating costs	4	**(31,490)**	(17,503)	(36,884)
Amortisation of production assets		**(28,764)**	(15,692)	(39,639)
Gross profit		**5,148**	20,897	39,712
Other income		**5,389**	1,316	17,862
Exploration and evaluation costs expensed	6	**(10,948)**	(7,799)	(24,083)
Asset impairment	7	**(35,465)**	(13,116)	(36,300)
Other expenses		**(10,151)**	(6,639)	(13,934)
Results from operating activities		**(46,027)**	(5,341)	(16,743)
Finance costs		**(121)**	(980)	(2,951)
Finance income		**652**	3,824	5,846
Net finance income		**531**	2,844	2,895
Loss before income tax and royalties		**(45,496)**	(2,497)	(13,848)
Income tax credit/(expense)	8	**2,906**	(1,929)	5,032
Royalties expense		**(2,626)**	(3,284)	(6,658)
Net loss for the period		**(45,216)**	(7,710)	(15,474)
Loss for the year attributable to				
Shareholders of the Group		**(27,588)**	(7,710)	(14,394)
Non-controlling interest		**(17,628)**	-	(1,080)
Loss for the year		**(45,216)**	(7,710)	(15,474)
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Fair value loss through other comprehensive income		**-**	(5,172)	(3,652)
Items that may be classified to profit and loss				
Foreign currency translation differences		**(4,621)**	9,694	26,695
Total comprehensive (loss)/income for the period, net of tax		**(49,837)**	(3,188)	7,569
Total comprehensive income for the year is attributable to				
Shareholders of the Group		**(32,209)**	(3,188)	8,649
Non-controlling interest		**(17,628)**	-	(1,080)
Total comprehensive (loss)/income for the year		**(49,837)**	(3,188)	7,569
Basic earnings per share attributable to shareholders (cents per share)		**(7.9)**	(1.8)	(3.5)

* Comparative numbers have been restated due to a voluntary change in accounting policy. Refer to note 2.

The above consolidated statement should be read in conjunction with the accompanying notes on pages 21 to 27.

Condensed Statement of Financial Position

As at 31 December 2015

	Notes	Unaudited Half Year 31 Dec 2015 $000	Audited Full Year 30 Jun 2015* $000	Audited Full Year 30 Jun 2014* $000
Assets				
Current assets				
Cash and cash equivalents		**96,487**	83,659	135,075
Receivables and prepayments		**21,288**	29,579	27,102
Inventories		**4,501**	8,842	6.930
Current tax receivables		**-**	-	1,752
Total current assets		**122,276**	122,080	170,859
Noncurrent assets				
Evaluation and exploration	6	**15,145**	15,258	11,843
Oil and gas	7	**224,080**	289,356	223,801
Plant, property and equipment		**452**	277	1,095
Intangible		**1,245**	1,449	724
Other financial		**326**	1,960	9,842
Total noncurrent assets		**241,248**	308,300	247,305
Total assets		**363,524**	430,380	418,164
Liabilities				
Current liabilities				
Payables		**24,018**	31,415	32,349
Current tax		**29**	3,625	-
Other current		**-**	-	304
Total current liabilities		**24,047**	35,040	32,653
Noncurrent liabilities				
Borrowings		**993**	1,001	776
Rehabilitation provision		**79,346**	78,930	41,173
Other provisions		**6,476**	6,864	-
Deferred tax	8	**20,558**	26,706	34,822
Total noncurrent liabilities		**107,373**	113,501	76,771
Total liabilities		**131,420**	148,541	109,424
Net assets		**232,104**	281,839	308,740
Equity				
Share capital		**319,135**	319,060	377,662
Reserves		**4,324**	(1,563)	(24,620)
Retained earnings		**(109,200)**	(71,131)	(44,302)
Attributable to shareholders of the Group		**214,259**	246,366	308,740
Non-controlling interest in subsidiaries		**17,845**	35,473	-
Total equity		**232,104**	281,839	308,740
Net asset backing per share (cents per share)		**67**	82	73
Net tangible asset backing per share (cents per share)		**62**	76	70

* Comparative numbers have been restated due to a voluntary change in accounting policy. Refer to note 2.
The above consolidated statement should be read in conjunction with the accompanying notes on pages 21 to 27.

Condensed Statement of Changes in Equity

For the half year ended 31 December 2015

	Attributable to equity holders of New Zealand Oil & Gas Limited					
	Issued capital $000	Reserves $000	Retained earnings $000	Total $000	Non-controlling interest $000	Total equity $000
Balance as at 1 July 2014*	377,662	(24,620)	(44,302)	308,740	-	308,740
Comprehensive income						
Loss for the period	-	-	(14,394)	(14,394)	(1,080)	(15,474)
Other comprehensive income, net of tax						
Fair value loss through other comprehensive income	-	(3,652)		(3,652)	-	(3,652)
Foreign currency translation differences	-	26,695	-	26,695	-	26,695
Total comprehensive income/(loss)	-	23,043	(14,394)	8,649	(1,080)	7,569
Transactions with owners						
Non-controlling interest on acquisition of subsidiary	-	-	-	-	36,553	36,553
Shares issued	4,560	-	-	4,560	-	4,560
Buy back of issued shares	(63,163)	-	-	(63,163)	-	(63,163)
Partly paid shares issued	1	-	-	1	-	1
Share based payment	-	72	-	72	-	72
Transfer of expired share based payments	-	(58)	58	-	-	-
Dividends paid (3 cents per ordinary share)	-	-	(12,493)	(12,493)	-	(12,493)
Audited balance as at 30 June 2015	319,060	(1,563)	(71,131)	246,366	35,473	281,839
Balance as at 1 July 2015*	**319,060**	**(1,563)**	**(71,131)**	**246,366**	**35,473**	**281,839**
Comprehensive income						
Loss for the period	**-**	**-**	**(27,588)**	**(27,588)**	**(17,628)**	**(45,216)**
Other comprehensive income, net of tax						
Foreign currency translation differences	**-**	**(4,621)**	**-**	**(4,621)**	**-**	**(4,621)**
Total comprehensive income	**-**	**(4,621)**	**(27,588)**	**(32,209)**	**(17,628)**	**(49,837)**
Transactions with owners						
Shares issued	**67**	**-**	**-**	**67**	**-**	**67**
Partly paid shares issued	**8**	**-**	**-**	**8**	**-**	**8**
Share based payment	**-**	**27**	**-**	**27**	**-**	**27**
Transfer of expired share based payments	**-**	**(53)**	**53**	**-**	**-**	**-**
Asset revaluation reserve transferred to retained earnings	**-**	**10,534**	**(10,534)**	**-**	**-**	**-**
Unaudited balance as at 31 December 2015	**319,135**	**4,324**	**(109,200)**	**214,259**	**17,845**	**232,104**

* Comparative numbers have been restated due to a voluntary change in accounting policy. Refer to note 2.
The above consolidated statement should be read in conjunction with the accompanying notes on pages 21 to 27.

Condensed Statement of Cash Flows

For the half year ended 31 December 2015

	Unaudited Half Year 31 Dec 2015 $000	Unaudited Half Year 31 Dec 2014 $000	Audited Full Year 30 Jun 2015 $000
Cash flows from operating activities			
Receipts from customers	**75,133**	53,490	120,578
Interest earned	**475**	2,140	3,346
Production and marketing expenditure	**(23,423)**	(13,642)	(31,925)
Supplier and employee payments (inclusive of GST)	**(10,591)**	(8,968)	(19,792)
Interest paid	**-**	(10)	(10)
Income tax paid	**(5,934)**	(6,535)	(5,982)
Royalties paid	**(3,938)**	(3,764)	(6,944)
Net cash inflow from operating activities	**31,722**	22,711	59,271
Cash flows from investing activities			
Sale of shares in Pan Pacific Petroleum NL	**-**	-	4,708
Exploration and evaluation assets	**(9,413)**	(18,359)	(31,870)
Oil and gas assets	**(7,667)**	(5,343)	(19,256)
Acquisition of subsidiary, net of cash acquired	**-**	-	(4,229)
Purchase of oil and gas interest	**-**	-	(2,759)
Property, plant and equipment	**-**	(448)	(609)
Available for sale investments	**-**	(14,718)	-
Loan repayment from related entity	**-**	-	1,446
Other	**-**	(159)	-
Net cash outflow from investing activities	**(17,080)**	(39,027)	(52,569)
Cash flows from financing activities			
Issue of shares	**78**	37	-
Repayment of capital/cancellation of shares	**-**	-	(63,163)
Sale of forfeited shares	**-**	274	927
Dividends paid	**-**	(8,894)	(8,895)
Other	**(51)**	-	(71)
Net cash inflow/(outflow) from financing activities	**27**	(8,583)	(71,202)
Net increase/(decrease) in cash and cash equivalents	**14,669**	(24,899)	(64,500)
Cash and cash equivalents at the beginning of period	**83,659**	135,075	135,075
Exchange rate effects on cash and cash equivalents	**(1,841)**	5,001	13,084
Cash and cash equivalents at end of the period	**96,487**	115,177	83,659

The above consolidated statement should be read in conjunction with the accompanying notes on pages 21 to 27.

Notes to the Condensed Interim Financial Statements

For the half year ended 31 December 2015

1. General information

New Zealand Oil & Gas Limited (the Company) is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and Australian Stock Exchange (ASX). The Group is an FMC reporting entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013.

The condensed interim financial statements ("financial statements") presented as at and for the half year ended 31 December 2015 are for New Zealand Oil & Gas Limited, its subsidiaries and the interest in associates and jointly controlled operations (together referred to as the "Group").

These financial statements do not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015.

2. Summary of significant accounting policies

The financial statements for the half year ended 31 December 2015 have been prepared in accordance with New Zealand Generally Accepted Accounting Practices (NZ GAAP) and the NZ IAS 34 Interim Financial Reporting, as appropriate for profit oriented entities.

Foreign currency translation reserve

Some subsidiaries of the Group have functional currencies that are different to the presentation currency, which on translation give rise to foreign exchange differences that are recognised as a component of equity.

Changes in accounting policies

The Group elected to switch from full cost to successful efforts method of accounting for its investments in oil and gas exploration assets. The successful efforts method is an alternative method of accounting for exploration and evaluation costs in the energy industry. Under the successful efforts method, all general exploration and evaluation costs are expensed as incurred, except the direct costs of acquiring the right to explore, drilling exploratory wells and evaluating the results of drilling. Only the costs of successful exploration wells are capitalised as exploration and evaluation assets pending the determination of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

The Group believes that, with its increased focus on development and production activities and post the Cue Energy Resources Limited ("Cue") acquisition, the successful efforts method of accounting provides transparency of costs in the profit or loss for the period in which exploration activities are undertaken or subsequently the realisation of assets post any discovery. As a result, the Group believes that the change in accounting method was appropriate.

The change in accounting method constituted a "Change in Accounting Principle," which required that prior period financial statements be restated to reflect the results and balances that would have been reported had the Company been following the successful efforts method of accounting from its inception. The cumulative effect of the change in accounting method since 30 June 2014 is set out in the tables below:

Notes to the Consolidated Interim Financial Statements (continued)

For the half year ended 31 December 2015

	Half Year 31 December 2015	Full Year 30 June 2015	Half Year 31 December 2014	Full Year 30 June 2014
Increase/(decrease) in exploration and evaluation costs expensed	4,482	8,521	(5,662)	-
Increase in income tax expense	1,127	791	2,904	-
Increase/(decrease) in loss for the year	5,609	9,312	(2,758)	-
Decrease in exploration asset	(59,166)	(54,956)	(38,496)	(43,084)
Decrease in deferred tax liability	7,767	8,894	6,781	9,685
Decrease/(increase) in FCTR	2,133	2,405	128	(946)
Decrease in retained earnings	44,007	42,644	31,587	34,345
Decrease in non-controlling interest	5,259	1,013	-	-
cents per share				
Decrease in earnings per share	(0.4)	(1.0)	(0.3)	(4.2)
Decrease in net asset per share	(15)	(13)	(7)	(8)
Increase in net tangible asset per share	2	2	1	2

3.Segment information

Unaudited Half year to 31 December 2015*	Tui oil $000	Kupe oil & gas $000	Oil & gas exploration $000	Other & unallocated $000	Cue Energy Resources Ltd $000	Total $000
Sales to external customers – NZ	7,197	19,427	-	-	-	26,624
Sales to external customers – other countries	5,743	4,490	-	-	28,545	38,778
Total sales revenue	12,940	23,917	-	-	28,545	65,402
Other income	-	1,217	-	93	4,080	5,389
Total revenue and other income	12,940	25,134	-	93	32,625	70,791
Impairment of oil and gas assets	(8,694)	-	-	-	(26,771)	(35,465)
Segment result	(15,307)	7,993	(1,010)	(4,424)	(33,279)	(46,027)
Other net finance costs	54	(372)	864	(440)	425	531
Loss before income tax and royalties						(45,496)
Income tax and royalties expense						280
Loss for the period						(45,216)
Segment assets	27,443	142,158	15,145	-	54,479	239,225
Unallocated assets						124,299
Total assets						363,524
Included in segment results Depreciation and amortisation expense	9,120	10,859	-	237	8,802	29,018

3. Segment information (continued)

Unaudited

Half year to 31 December 2014*	Tui oil $000	Kupe oil & gas $000	Oil & Gas Exploration $000	Other & Unallocated $000	Cue Energy Resources Ltd $000	Total $000
Sales to external customers NZ	-	20,963	-	-	-	20,963
Sales to external customers other countries	22,659	10,470	-	-	-	33,129
Total sales revenue	22,659	31,433	-	-	-	54,092
Other income	-	1,179	-	137	-	1,316
Total revenue and other income	22,659	32,612	-	137	-	55,408
Impairment of oil and gas assets	(13,116)	-	-	-	-	(13,116)
Segment result	(7,193)	15,241	(7,502)	(5,887)	-	(5,341)
Reversal of impairment on other financial assets	-	-	-	1,700	-	1,700
Other net finance costs						1,144
Loss before income tax and royalties						(2,497)
Income tax and royalties expense						(5,213)
Loss for the period						(7,710)
Segment assets	58,016	152,127	13,248	17,722	-	241,113
Unallocated assets						161,493
Total assets						402,606
Included in segment results Depreciation and amortisation expense	5,362	10,330	-	208	-	15,900

Notes to the Consolidated Interim Financial Statements (continued)

For the half year ended 31 December 2015

3. Segment information (continued)

Audited Full year to 30 June 2015*	Tui oil $000	Kupe oil & gas $000	Oil & gas exploration $000	Other & unallocated $000	Cue Energy Resources Ltd $000	Total $000
Sales to external customers NZ	-	42,903	-	-	-	42,903
Sales to external customers other countries	42,655	19,582	-	-	11,095	73,332
Total sales revenue	42,655	62,485	-	-	11,095	116,235
Gain on purchase of subsidiary	-	-	-	15,357	-	15,357
Other income	-	2,183	-	322	-	2,505
Total revenue and other income	42,655	64,668	-	15,679	11,095	134,097
Impairment of oil and gas assets	(36,300)	51,562	(15,562)	-	-	(51,862)
Segment result	(28,860)	29,881	(24,083)	3,956	2,363	(16,743)
Other net finance costs						2,895
Loss before income tax and royalties						(13,848)
Income tax and royalties expense						(1,626)
Loss for the year						(15,474)
Segment assets	46,330	151,330	15,258	-	91,696	304,614
Unallocated assets						125,766
Total assets						430,380
Included in segment results Depreciation and amortisation expense	14,207	22,570	-	451	2,867	40,095

4. Operating Costs

	Unaudited Half Year 31 Dec 2015 $000	Unaudited Half Year 31 Dec 2014 $000	Audited Full Year 30 Jun 2015 $000
Production expenditure	26,380	12,721	32,903
Carbon emission expenditure	385	13	465
Insurance expenditure	920	1,081	1,979
Movement in inventory	3,753	3,355	2,322
Movement in stock over/(under) lift	52	329	(785)
Total operating costs	31,490	17,503	36,884

5. Oil and gas interests

	Unaudited Half Year 31 Dec 2015 $000	Unaudited Half Year 31 Dec 2014 $000	Audited Full Year 30 Jun 2015 $000
Share of oil and gas interests' assets and liabilities			
Current assets			
Cash and cash equivalents	**8,603**	9,370	11,536
Trade receivables*	**7,551**	2,082	7,034
Inventory	**1,604**	465	4,834
Non-current assets			
Petroleum interests**	**542,425**	431,005	594,419
Total assets	**560,183**	442,922	617,823
Current liabilities			
Shortterm	**20,396**	8,760	20,168
Total	**20,396**	8,760	20,168
Net assets	**539,787**	434,162	597,655
Share of oil and gas interests' revenue, expenses and results			
Revenues*	**28,175**	179	548
Expenses	**(23,957)**	(11,706)	(35,292)
Profit/(loss) before income tax	**4,218**	(11,527)	(34,744)

* Trade receivables and revenues above do not include petroleum sales in relation to the Tui, Kupe and Maari fields, as the Group's share of production volumes are transferred from the Joint Venture to wholly owned subsidiaries and invoiced directly by the subsidiaries to third parties.

** Prior to amortisation of production assets, borrowings and impairment adjustments in the Group's own account.

6. Exploration and evaluation assets

The Group uses the successful efforts method of accounting for oil and gas exploration costs. All general exploration and evaluation costs are expensed as incurred except the direct costs of acquiring the rights to explore, drilling exploratory wells and evaluating the results of drilling. These direct costs are capitalised as exploration and evaluation assets pending the determination of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

Key judgement: recoverability of exploration and evaluation assets

Assessment of the recoverability of capitalised exploration and evaluation expenditure requires certain estimates and assumptions to be made as to future events and circumstances, particularly in relation to whether economic quantities of reserves have been discovered. Such estimates and assumptions may change as new information becomes available. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future development or sale, the relevant amount will be expensed in the profit and loss.

Notes to the Consolidated Interim Financial Statements (continued)

For the half year ended 31 December 2015

Capitalised exploration and evaluation assets, including expenditure to acquire mineral interests in oil and gas properties, related to wells that find proven reserves are classified as development assets within oil and gas assets at the time of sanctioning of the development project.

	Unaudited Half Year 31 Dec 2015 $000	Audited Full Year 30 Jun 2015* $000
Opening balance	**15,258**	11,843
Revaluation of USD exploration and evaluation assets	**(113)**	3,415
Closing balance	**15,145**	15,258

* Comparative numbers have been restated due to a voluntary change in accounting policy. Refer to note 2.

7. Oil and gas assets

	Unaudited Half Year 31 Dec 2015 $000	Audited Full Year 30 Jun 2015 $000
Opening balance	**289,356**	223,801
Oil and Gas asset on acquisition (i)	**-**	78,014
Expenditure capitalised	**3,022**	22,628
Impairment	**(35,465)**	(36,300)
Amortisation	**(27,838)**	(38,874)
Depreciation	**(15)**	(35)
Revaluation of foreign currency production assets	**(5,675)**	37,289
Abandonment provision	**695**	2,833
Closing balance	**224,080**	289,356

(i) The Group acquired a controlling interest in Cue on 27 March 2015 and recognised the fair value of the oil and gas assets acquired as at 31 March 2015 (refer to note 13 of Annual Report).

(ii) At 31 December 2015 the Group assessed each asset to determine whether an indicator of impairment existed. Indicators of impairment include changes in future selling prices, future costs and reserves. The recoverable amount of each oil and gas asset was estimated and compared to its carrying amount, which resulted in an impairment loss of $35.5 million (31 December 2014: $13.1 million, 30 June 2015: $36.3 million) being recognised. The Tui oil and gas asset was impaired by $8.7 million (31 December 2014: $13.1 million, 30 June 2015: $36.3 million) and the Maari oil and gas asset was impaired by $26.8 million (31 December 2014: nil, 30 June 2015: nil). The impairment is included in Asset impairment in the profit and loss.

Estimates of recoverable amounts of oil and gas assets are based on their value in use with a discount rate of 10% applied. The oil price assumptions used are based on forward prices, rising to the consensus mean over 3 years, as taken from Bloomberg (adjusted for the last 60 days of consensus) around the reporting date. Gas and LPG prices are based on contracted terms.

8. Taxation – Deferred taxation

Deferred taxation is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and future tax benefits are recognised where realisation of the asset is probable. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

The utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of the existing temporary timing differences. As at 31 December 2015 Cue Energy Resources Ltd (Cue) have accumulated tax losses in New Zealand of $14.3 million (30 June 2015: $21.0 million), together with unclaimed tax deductions for production development expenditure incurred previously. The Group has not recognised a New Zealand deferred tax asset as under current oil price assumptions it is not expected that sufficient future taxable profits will be generated. The future availability of accumulated tax losses in New Zealand remains subject to Cue satisfying the shareholder continuity requirements.

9. Related parties

All transactions and outstanding balances with related parties are in the ordinary course of business on normal trading terms. There have been no material transactions with related parties during the year.

Certain directors have relevant interests in a number of companies that the Group has transactions in the normal course of business. A number of directors are also non-executive directors of other companies. Any transactions undertaken with these entities have been entered into as part of the ordinary business of the Group.

10. Commitments and contingent assets and liabilities

a) Evaluation and Exploration expenditure commitments

In order to maintain the various permits in which the Group is involved the Group has ongoing operational expenditure as part of its normal operations. The actual costs will be dependent on a number of factors such as joint venture decisions including final scope and timing of operations.

b) Production commitments

The Company is committed to certain operational commitments in respect of the Tui Joint Venture. These operational commitments relate to costs that are integral parts of the Floating Production Storage and Offtake (FPSO) vessel until 31 December 2017 with optional one year renewal terms. The total committed by the Group to the FPSO charter and operating and maintenance contracts for the period to 31 December 2017 is currently estimated to be US$ 8.6 million.

11. Subsequent events

There have been no significant subsequent events since balance date.

Independent Review Report

To the shareholders of New Zealand Oil & Gas Limited

We have completed a review of the condensed interim financial statements (the "financial statements") of New Zealand Oil & Gas Limited ("the Group") on pages 17 to 27 which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in the independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's shareholders as a body, for our review work, this report or any of the conclusions we have formed.

Directors' responsibilities

The Directors of the Group are responsible for the preparation and fair presentation of interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting. As the auditor of the Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

Our firm has also provided other services to the Group in relation to taxation, general accounting and advisory services. These matters have not impaired our independence as auditors of the Group. The firm has no other relationship with, or interest in, the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2015, and of its financial performance and its cash flows for the period ended on that date, in accordance with NZ IAS 34 Interim Financial Reporting.

KPMG

Wellington
29 February 2016

Permits

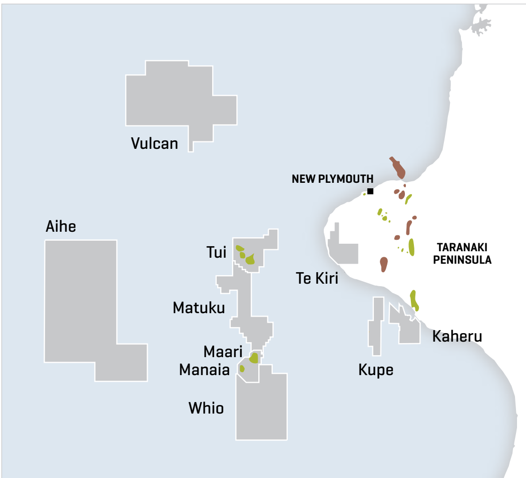
New Zealand Oil & Gas held the following interests
as at 31 December 2015:

Name	Region	Country	Type	Interest
Kupe PML 38146	Taranaki Basin	New Zealand	Mining Licence	15%
Tui PMP 38158	Taranaki Basin	New Zealand	Mining Permit	27.5%
Matuku PEP 51906	Taranaki Basin	New Zealand	Exploration Permit	12.5%
Vulcan PEP 55793	Taranaki Basin	New Zealand	Exploration Permit	30%
Kaheru PEP 52181	Taranaki Basin	New Zealand	Exploration Permit	35% Operator
Maari PMP 38160*	Taranaki Basin	New Zealand	Mining permit	Cue Energy 5%
Aihe PEP 54865*	Taranaki Basin	New Zealand	Exploration Permit	Cue Energy 20%
Whio PEP 51313*	Taranaki Basin	New Zealand	Exploration Permit	Cue Energy 14%
Te Kiri PEP 51149*	Taranaki Basin	New Zealand	Exploration Permit	Cue Energy 20%
Clipper PEP 52717	Canterbury Basin	New Zealand	Exploration Permit	50% Operator
Galleon PEP 55792	Canterbury Basin	New Zealand	Exploration Permit	100% Operator
Toroa PEP 55794	Great South Basin	New Zealand	Exploration Permit	30%
MNK Bohorok	North Sumatra	Indonesia	Joint Study Agreement	20.25%
MNK Kisaran	Central Sumatra	Indonesia	Production Sharing Contract	11.25%
MNK Palmerah	South Sumatra	Indonesia	Production Sharing Contract	15.84%
Bohorok PSC	North Sumatra	Indonesia	Production Sharing Contract	45%
Kisaran PSC	Central Sumatra	Indonesia	Production Sharing Contract	22.5%
Palmerah Baru PSC	South Sumatra	Indonesia	Production Sharing Contract	36%
Sampang PSC*	East Java Basin	Indonesia	Production Sharing Contract	Cue Energy 15%
Mahato*	Central Sumatra Basin	Indonesia	Production Sharing Contract	Cue Energy 12.5%
Mahakam Hilir*	Kutei Basin	Indonesia	Production Sharing Contract	Cue Energy 100% Operator
WA-359-P*	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 100% Operator
WA-360-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 37.5%
WA-361-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 15%
WA-389-P*	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 40%
WA-409-P*	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 100% Operator
Pine Mills*	Pine Mills area oil fields, East Texas,	USA	Mining permit	Cue Energy 80% Operator

Producing Asset

* New Zealand Oil & Gas has a 48.11 per cent interest in Cue Energy.
** WA-360-P and WA-361-P were surrendered at the end of quarter four 2015.

Permit Maps

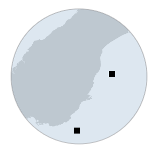


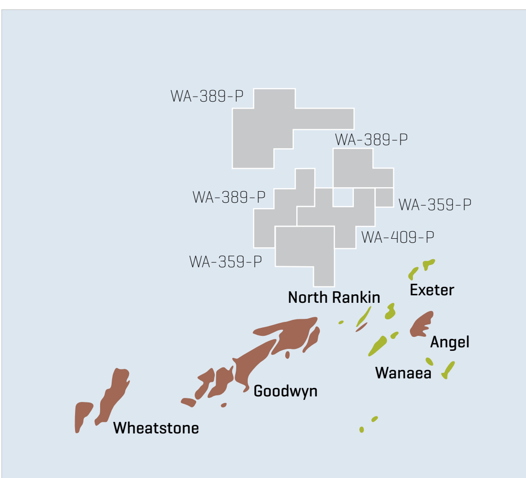
OFFSHORE TARANAKI BASIN

NEW PLYMOUTH

OFFSHORE CANTERBURY - GREAT SOUTH BASIN

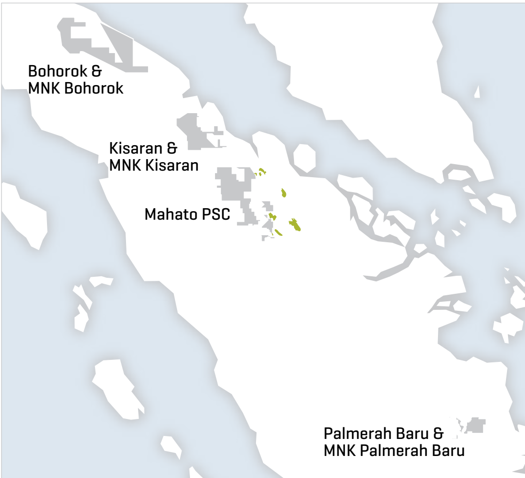
CANTERBURY

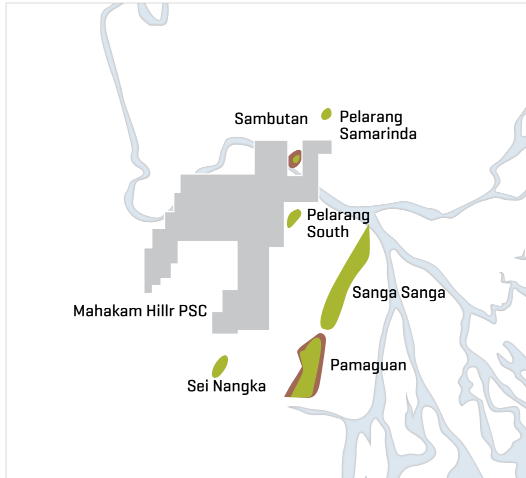




AUSTRALIA

JAVA





SUMATRA

KALIMANTAN

TEXAS

MAP LEGEND

Permits
Oil Field
Gas Field

Corporate Directory

Directors

Rodger Finlay
Chairman

Dr Rosalind Archer

Roderick Ritchie

Duncan Saville

Mark Tume

Management

Andrew Knight
Chief Executive

Andre Gaylard
Chief Financial Officer

Andrew Jefferies
Vice President & General Manager,
Exploration and Production

Dr Chris McKeown
General Manager South East Asia

Ralph Noldan
General Counsel and Company Secretary

John Pagani
External Relations Manager

Michael Wright
General Manager Commercial

Registered and Head Office

Level 20, 125 The Terrace
PO Box 10725
Wellington, New Zealand

Telephone: + 64 4 495 2424
Facsimile: + 64 4 495 2422
Email: enquiries@nzog.com
Website: www.nzog.com

Auditors

KPMG

KPMG Centre, 10 Customhouse Quay
PO Box 996 Wellington 6011, New Zealand

Share Registrar

New Zealand

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
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Private Bag 92119
Auckland 1142

Freephone: 0800 467 335 (within NZ)
Telephone: + 64 9 488 8777
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Facsimile: + 61 3 9473 2500

Managing your shareholding online

To change your address, update your payment instructions and to view your registered details including transactions, please visit:
www.investorcentre.com/nz

General enquiries can be directed to:
enquiry@computershare.co.nz

Please assist our registry by quoting your CSN or shareholder number when making enquiries.