

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS
NEW ZEALAND OIL & GAS LIMITED
For Quarter ended 30 September 2016

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	Current Quarter Sep-16 \$NZ'000	Year to Date (3 months) \$NZ'000
	Cash Flows Relating to Operating Activities		
1(a)	Receipts from product sales and related debtors	31,161	31,161
1(b)	Payments for		
	(a) exploration and evaluation	(1,495)	(1,495)
	(b) development	(1,646)	(1,646)
	(c) production	(10,921)	(10,921)
	(d) administration	(4,986)	(4,986)
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	136	136
1(e)	Interest and other costs of finance paid	-	-
1(f)	Income taxes (paid)/received	(4,365)	(4,365)
1(g)	Royalties	(1,252)	(1,252)
1(h)	Other	18	18
1(i)	Net Operating Cash Flows	6,650	6,650
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(124)	(124)
	(c) other fixed assets	(7)	(7)
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	-	-
2(f)	Net Investing Cash Flows	(131)	(131)
	Total Operating and Investing Cash Flows	6,519	6,519
	Cash Flows Related to Financing Activities		
3(a)(i)	Cash proceeds from issue of NZOG shares	2	2
3(a)(ii)	Buyback of NZOG shares	(9,447)	(9,447)
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	-	-
3(d)	Repayment of borrowings	-	-
3(e)	Dividends paid	-	-
3(f)	Other	-	-
3(g)	Net Financing Cash Flows	(9,445)	(9,445)
4(a)	Net Increase/(Decrease) in Cash Held	(2,926)	(2,926)
4(b)	Cash at beginning of quarter/year	96,811	96,811
4(c)	Exchange rate adjustments to Items 4(b) above	(2,065)	(2,065)
4(d)	Cash at End of Quarter	91,820	91,820

Notes:

This report is for the New Zealand Oil & Gas consolidated group at 30 September 2016.

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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

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.

None

Notes	Amount Available \$ million	Amount Used \$ million
	N/A	N/A

Notes:

7 **Estimated Outlays for Specified Quarter**

Exploration and evaluation

Notes

Development

Total

	Current Quarter \$NZ'000	Following Quarter \$NZ'000
1	2,698	4,423
2	1,429	1,503
	4,127	5,927

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.

Notes:

1. Scale back of exploration activity
2. Timing

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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	11,321	36,674
Deposits at call, term and bank bills	73,548	52,791
Bank overdraft	-	-
Other – Joint venture cash	6,951	7,347
Total: Cash at End of Quarter (Item 4(d)/4(b))	91,820	96,811

The above cash at end of quarter includes cash held in the following material currencies:	Current Quarter '000	Previous Quarter '000
New Zealand Dollars	NZD 2,130	NZD 10,026
United States Dollars	USD 59,687	USD 56,786
Australian Dollars	AUD 427	AUD 620
Indonesian Rupiah	IDR 1,374,006	IDR 1,264,547

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-51313	Exploration	14	0
		PEP-51149	Exploration	20	0
		PEP-54865	Exploration	20	0
		PEP 55792 (Galleon)	Exploration	100	0
9(b)	Interests in mining tenements acquired or increased				

9(c) The Company's "Petroleum Interests" as at 30 September 2016 are set out below.

PETROLEUM INTERESTS AT 30 September 2016

	GROSS AREA SQ KM	DIRECT INTEREST %
1. PETROLEUM MINING PERMITS		
PML 38146 (Kupe field)	257	15
PMP 38158 (Tui field)	467	27.5
Sampang PSC	535	15
PMP 38160 (Maari)	80	5
Pine Mills	8.9	80
2. PETROLEUM EXPLORATION PERMITS		
PEP 51906 (Matuku)	1613	12.5
PEP 52717 (Clipper)	3,423	50

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PEP 55793 (Vulcan)	2,418	30
PEP 55794 (Toroa)	9,835	30
Kisaran PSC	2,179	22.5
Bohorok PSC	5,022	45
Palmerah Baru PSC	989	36
MNK Kisaran PSC	2,179	11.25
Mahakam Hilir PSC	222	100
Mahato PSC	5,600	12.5
WA-359-P	645	100
WA-389-P	1,939	40
WA-409-P	565	100

10 **Issued and Quoted Securities at End of Current Quarter – 30 September 2016**
 (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	329,957,243	318,855,243	N/A	N/A
Fully paid during quarter	-	-	-	-
Cancelled during quarter	(17,151,466)	-	55.00	55.00
Partly Paid Securities (included in ordinary securities, but not part of quoted ordinary securities)	11,102,000	-	56.8-113.00	1.0
Issued during quarter	1,596,000	-	59.5	1.0
Fully paid during quarter	-	-	-	-
Options	-	-	-	-
Issued during quarter	-	-	-	-
Exercised during quarter	-	-	-	-
Expired during quarter	-	-	-	-



André Gaylard
 Chief Financial Officer
 28 October 2016