FY 2011 Annual Results

Briefing Presentation

David Salisbury CEO,
Craig Jones CFO

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New Zealand Oil & Gas Ltd

FY 2011 Summary

- Kupe field
  - Strong earnings
  - Reserves confirmed
- Tui field
  - Performing to expectations
  - Reserves reduced
- Expanded Horizons
  - Two new core areas established: Indonesia and Tunisia
- New Zealand exploration
  - Seeking suitable rig to drill in offshore southern Taranaki this summer
- Pike River Coal Limited (in Receivership)
  - Receivers working to realise value from assets (insurance + sale)
- Cashflow and balance sheet remains strong
  - 2 cents per share dividend declared

Financial Highlights

FY 2011 Financial Results

		FY 2011	FY 2010	Change
Production	*mmboe*	1.14	1.03	*+11%*
Ave Sales Price (oil & light oil)	*US$/bbl*	96	73	*+31%*
In NZ$ million				
Revenue		106.5	99.4	*+7%*
EBITDAX*		58.5	64.5	*-9%*
Exploration write-offs		(3.4)	(30.7)	
EBITDA		55.0	33.8	*+63%*
EBIT		32.6	18.2	*+79%*
Net Loss After Tax		**(75.9)**	**(3.9)#**	**-**
Normalised Profit After Tax**		**30.6**	**14.7#**	***+108%***
Net Operating Cash Flow		**68.6**	**47.4**	***+45%***

** Earnings Before Interest, Tax, Depreciation, Amortisation, Exploration.*

*** Adjusting for foreign exchange losses (net of 30% tax) and PRCL (in Receivership) associated earnings and impairment losses.*

 # Restated due to a change in accounting treatment.

FY 2011 Financial Results - Abnormals

In NZ$ million	*1H*	*2H*	FY 2011
PRCL related losses			
- Equity investment	*77.1*	-	77.1
- Net fair value loss on bonds	*7.5*	*(1.1)*	6.4
- Unsecured debt and interest	*13.3*	*1.3*	14.6
- Coal option	*0.7*	-	0.7
Total PRCL related losses	***98.6***	***0.2***	**98.8**
Foreign Exchange Losses (net of tax)	*5.2*	*2.5*	7.7
Total Abnormal Items	***103.8***	***2.7***	**106.5**

FY 2011 Financial Results - Game of two halves

In NZ$ million	*1H*	*2H*	FY 2011
Revenue	*40.5*	*66.0*	106.5
EBITDAX*	*15.4*	*43.1*	58.5
Exploration write-offs	*(2.6)*	*(0.8)*	(3.4)
EBITDA	*12.8*	*42.2*	55.0
EBIT	*0.9*	*31.7*	32.6
Net Profit (Loss) After Tax	***(99.0)***	***23.1***	**(75.9)**
Normalised Profit After Tax**	***4.8***	***25.8***	**30.6**
Net Operating Cash Flow	***23.1***	***45.5***	**68.6**

** Earnings Before Interest, Tax, Depreciation, Amortisation, Exploration.*

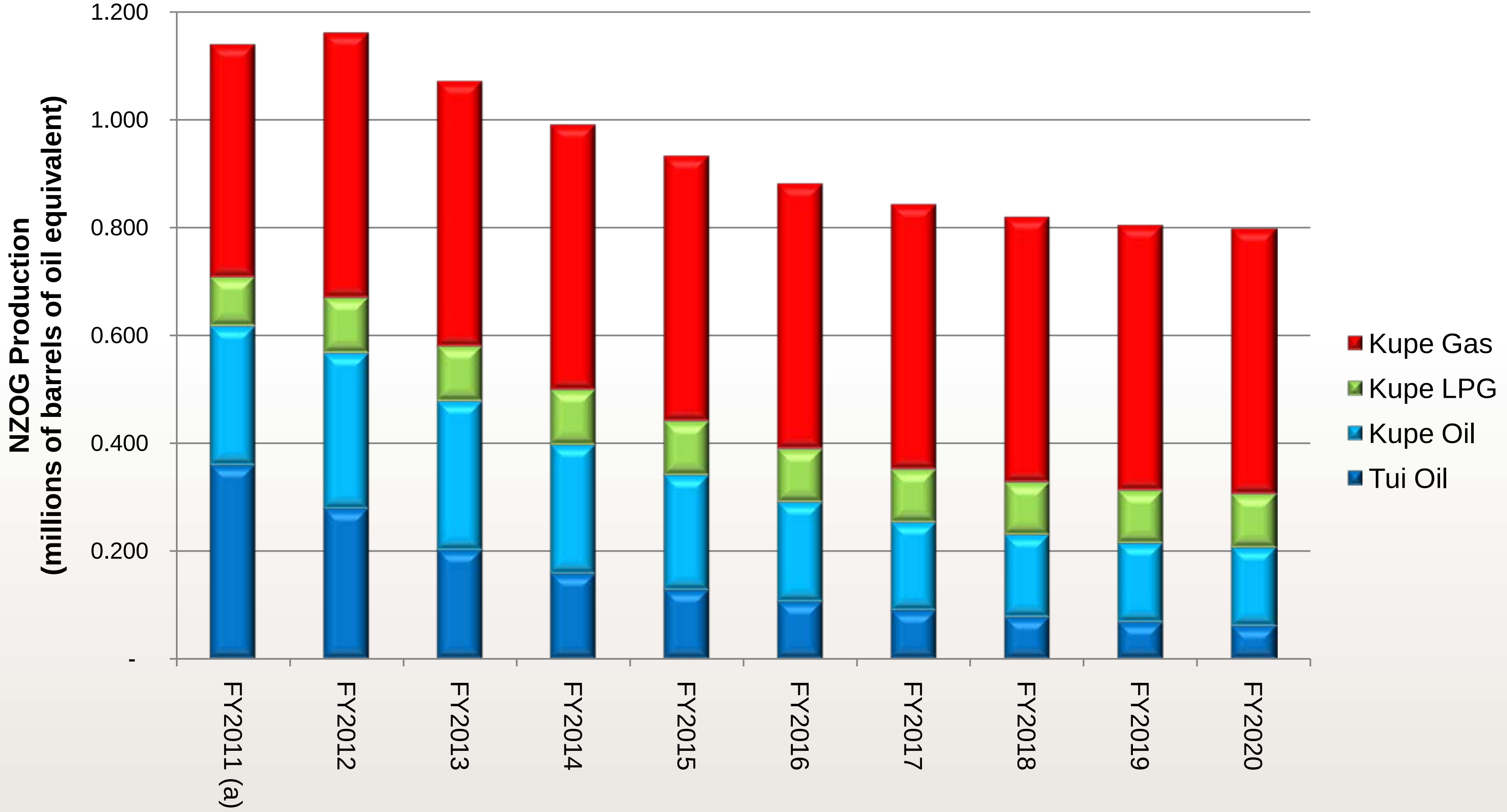
*** Adjusting for forex losses (net of 30% tax) and PRCL (in Receivership) associated earnings and impairment losses.*

FY 2011 Investment, Cash and Debt

- Investment during the year (NZ$)
  - Approx $33 million (FY 2010: $120 million)
    - Pike River Coal loans $25 million
    - Oil & Gas capex $4 million
    - Exploration & Evaluation expenditure $4 million
- Cash Position at 30 June 2011 (NZ$)
  - $149 million cash balance
    - 57% held in US dollars (US$70 million), balance in NZ dollars
  - $63 million debt facility, fully drawn
  - $86 million net cash

Production Forecast

Two existing fields providing long term cash flows



Pike River Coal Ltd (In Receivership)

- NZOG's exposure as at 30 June 2011:
  - $51.5m secured debt, including interest
  - $14.6m unsecured debt, including interest (Fully impaired)
  - Shareholding with book value $77.1m (Fully impaired)
- Mine stabilisation work nearly completed
- Sales process underway with shortlisted bidders
- NZOG expects to at least recover secured debt
  - No impairment taken over secured debt
  - Impairment left in place against unsecured debt and shareholding

Dividend

- Dividend policy is to distribute a reasonable proportion of profit, subject to the need to retain sufficient capital to meet investment requirements
- Following the substantial loss in first half year, Board did not intend to pay a dividend for FY2011
- Strong performance in second half year and outlook positive
- Board has therefore declared a fully imputed dividend of 2c per share
  - Record date 16 September
  - Payment date 30 September

Operational Highlights

Kupe

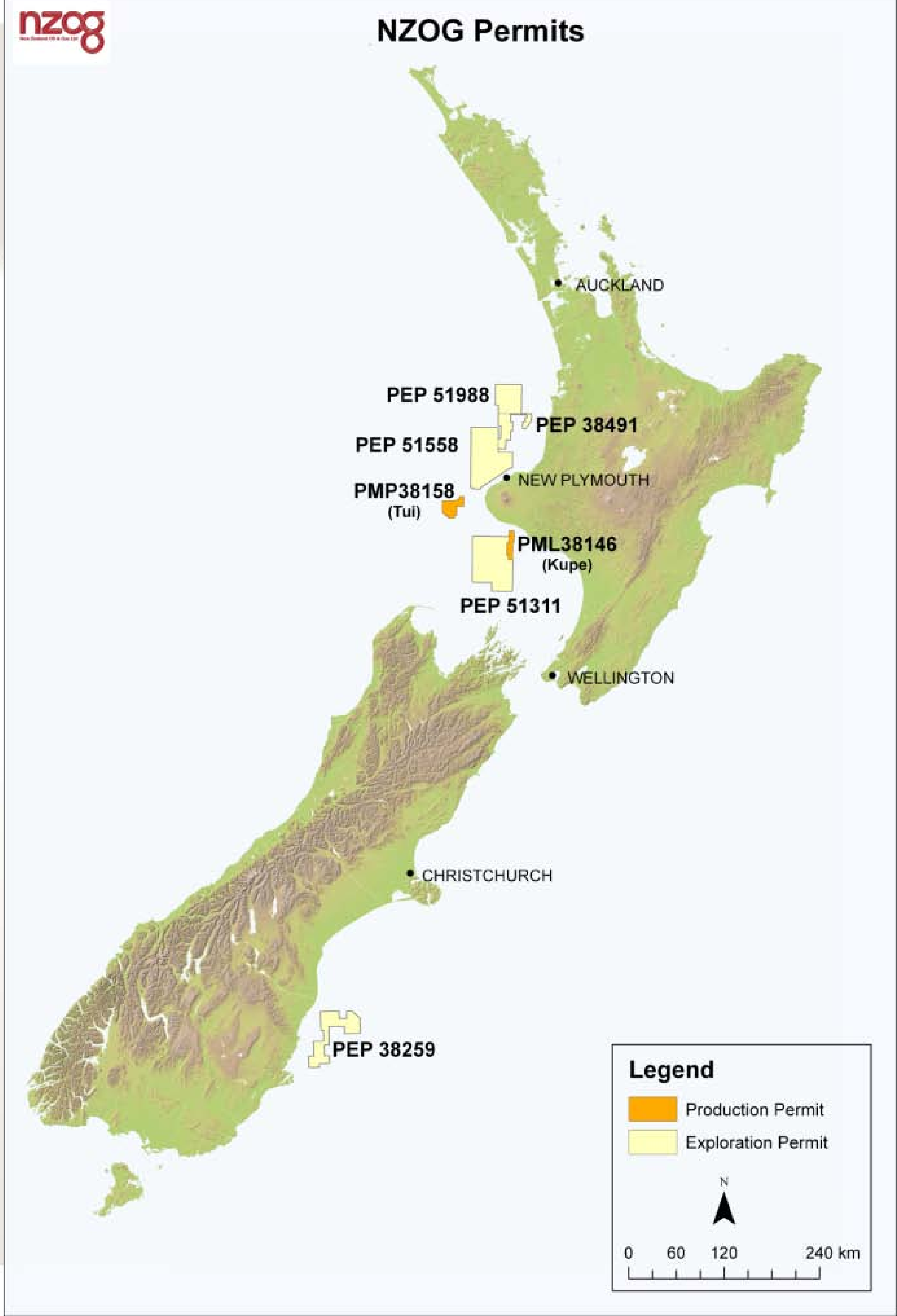
- NZOG's largest revenue source
  - FY11 Revenue: $66.33m
- FY11 Production *(NZOG's 15% share)*
  - 2.63 PJ sales gas
  - 11,200 tonnes of LPG
  - 276,000 barrels of oil
- FY12 Production Forecast *(NZOG's 15% share)*
  - 3 PJ sales gas
  - 12,800 tonnes of LPG
  - 320,000 barrels of oil

Tui

- FY11 Revenue: $40.14m
- FY11 Production *(NZOG's 12.5% share):*
  - 350,000 barrels of oil
- Reduction in estimated initial developed proved and probable (2P) reserves
  - Range of 40-42 mmbbls being independently reviewed
- Further work on possibly accessing additional volumes of oil with new or sidetracked wells
- Nearby exploration targets also under evaluation

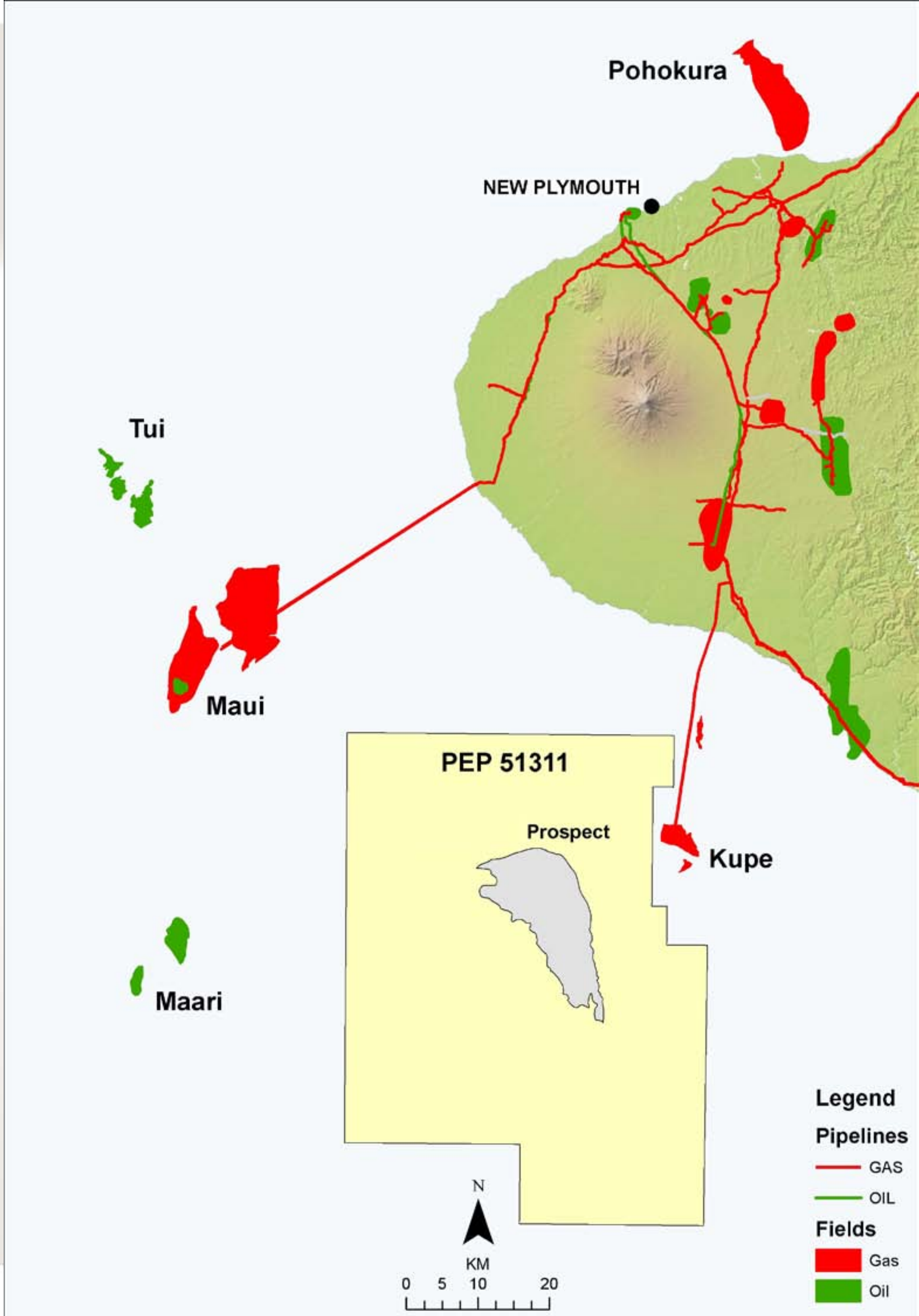
NZ Exploration Portfolio

Permit	NZOG Stake
Taranaki Basin	
PMP 38158 Tui	12.5%
PML 38146 Kupe	15%
PEP 51311 Kaupokonui	90%
PEP 51988 Mangaa	100%
PEP 38491 Albacore	100%
PEP 51558 Kanuka	50%
Canterbury Basin	
PEP 38259 Barque	40%



PEP 51311

- Prospect is a stacked series of Miocene coastal sands
- Estimated mean prospective resources over 200 mmbbls
- NZOG seeking suitable drilling rig for this summer



Expanded Horizons

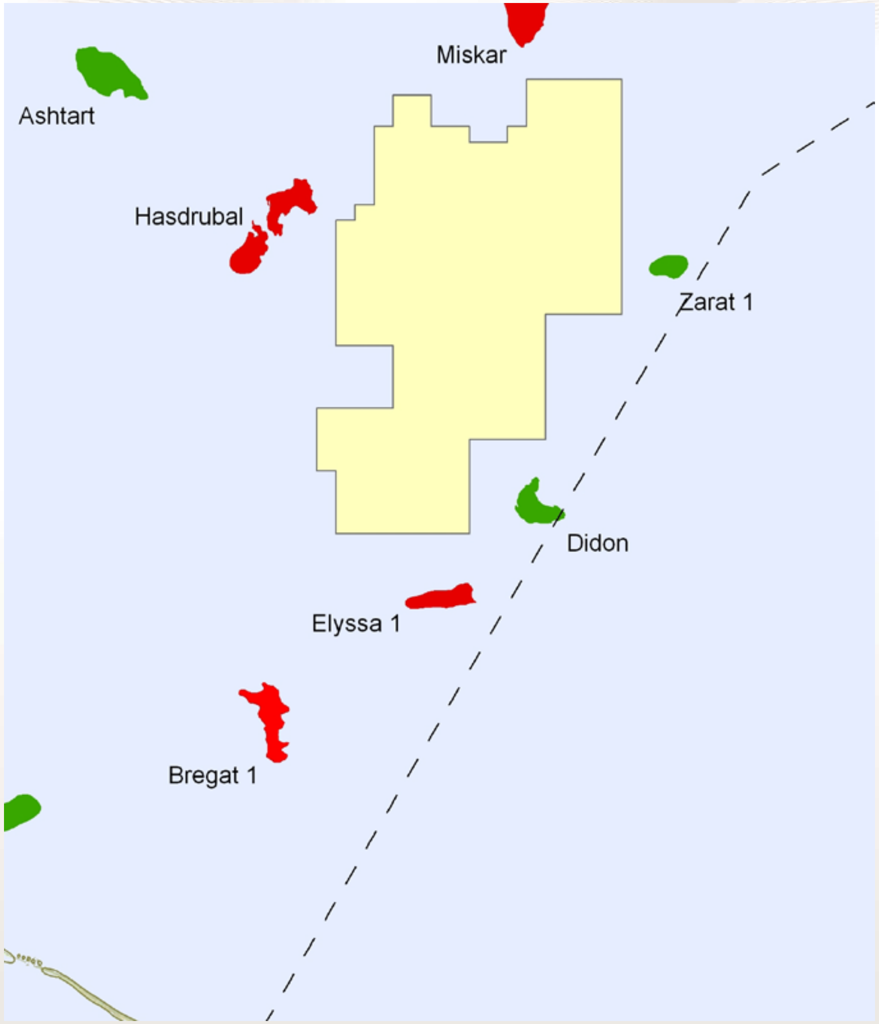
- The number of available opportunities in New Zealand are limited
- Strategic intent to establish new core areas outside of New Zealand
- Ongoing assessment of overseas opportunities
- Two overseas areas of interest established:
  - Tunisia
  - Indonesia

Tunisia

- Attracted to Tunisia due to its combination of good prospectivity, established exploration and production activity, reasonable fiscal terms, and ease of doing business
- Move towards more open democracy enhances its attractiveness
- Identified available acreage in productive basin in Gulf of Gabes

Tunisia

- Diodore prospecting permit awarded June 2011
- 2D seismic survey to be conducted this year
- Senior explorationist relocated to Tunis
- NZOG pursuing further opportunities



Indonesia

- Indonesia has long oil and gas history but underexplored by western standards
- Contract terms and business climate has improved
- NZOG strategic relationship with Bukit Energy
- Portfolio of opportunities being pursued

Indonesia

- Focus on Sumatra
- Joint Study Agreement (JSA) awarded in northern Sumatra
- Two farm-in offers made
- Other opportunities under assessment

Returns for Shareholders

- Current market price significantly below analyst estimates of the core value of company
- Strong balance sheet can fund capital investment in growth and provide for dividend
  - Dividend of 2 cents per ordinary share declared
  - Dividend Reinvestment Plan available
- NZOG remains focussed on delivering results and enhancing value

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