

Discovering Our Energy Future

New Horizons

Excellence in Oil and Gas Conference,
Sydney

Andrew Knight, CEO

20 March 2012



Disclaimer



New Zealand Oil & Gas Limited has prepared this presentation to provide information about the company.

The information presented here does not, in any way, constitute investment advice. It is of a general nature and includes forecasts and estimates based on current knowledge. It is possible that changes in circumstances after the date of publication may impact on the accuracy of the information.

The company accepts no responsibility or liability for the public's subsequent use or misuse of the information provided.

New Zealand Oil & Gas Limited strongly advises you to seek independent professional advice before making any investment decisions.

NZOG (New Zealand Oil & Gas Ltd)



Issued Capital:	393 million shares
Listed:	ASX and NZX (since 1981)
Shareholding:	~ 1/3rd held by institutions ~ 15,500 shareholders
Market cap:	~A\$230 (NZ\$300) million
Head Office:	Wellington, New Zealand
Website:	www.nzog.com

Our Key Assets



- 15% of **Kupe gas & oil field**, offshore Taranaki NZ
- 12.5% of **Tui area oil fields**, offshore Taranaki NZ
- NZ exploration permits with identified **drilling targets**
- Existing **discovery** and exploration block in **Tunisia**
- Exploration opportunities in **Indonesia**
- **Cash** – NZ\$137m (A\$105m)net
- Experienced technical and commercial team

Strong Financial Position



- Solid cash flows from two profitable fields
- Large cash reserves for new investments
- Able to pay dividends (a total of 22cps in last 4 years) and reinvest in growth

<i>Amounts in NZ\$ millions</i>	Half Y/E 31 Dec 11
Revenue	54.6
EBITDAX*	33.1
Exploration Write offs	(0.6)
Depreciation and Amortisation	(13.3)
EBIT**	19.2
Net Profit After Tax	2.3
Add back Abnormal Items***	17.4
Normalised Profit After Tax***	19.7
Net Operating Cash Flow	26.5
Net Cash Balance	136.7

* Earnings before interest, tax, depreciation, amortisation and exploration

** Earnings before interest and tax.

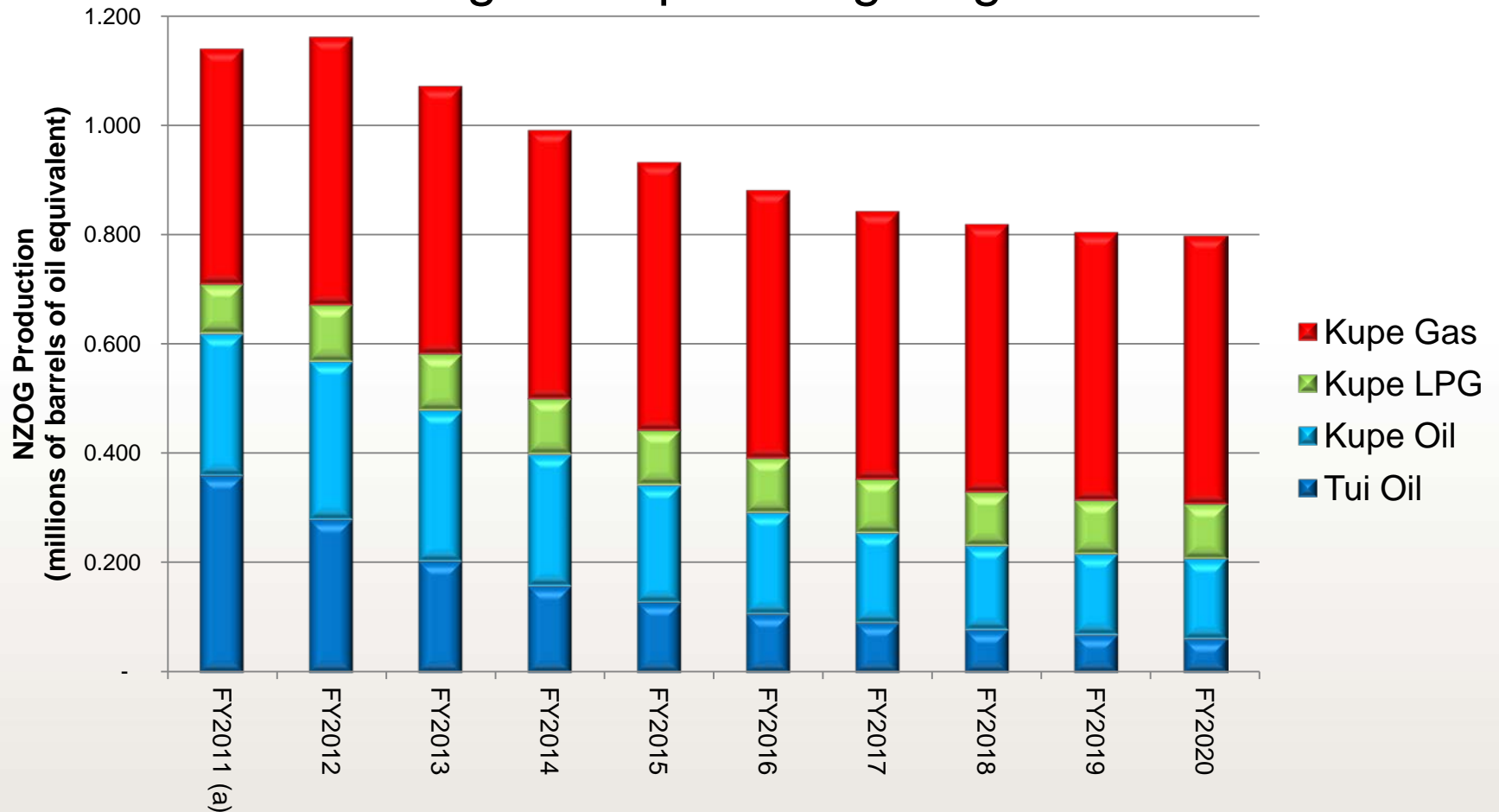
*** Includes foreign exchange gains and impairment of Pike River Coal Limited debt

Looking Forward

- Utilise our strong balance sheet, good cash flows and technical know-how to:
 - Extract maximum value from existing assets
 - Identify and develop further opportunities in our 'home' base of Taranaki, NZ
 - Build a portfolio of investments in North Africa and South-East Asia
- Exploration remains a key focus
 - Acquiring acreage, identifying prospects, drilling, making discoveries and taking them through to production has defined NZOG and remains best way to create value

Production

Two existing fields providing long term cash flows



Production

Kupe - NZ offshore field producing gas, oil and LPG

- Origin Energy operator, NZOG 15%
- NZOG's revenue: FY11 NZ\$66m, 1H FY12 NZ\$37m
- Remaining NZOG 2P Reserves: 35.4 PJ gas, 2.2 mmbbls oil, 145,000 tonnes LPG
- Production anticipated until 2025
- Further prospects within permit

Tui - NZ offshore oil field

- AWE operator, NZOG 12.5%
- NZOG's revenue: FY11 NZ\$40m, 1H FY12 NZ\$18m
- Remaining NZOG 2P Reserves: 1.1 mmbbls
- FPSO leased until 2015 and then yearly extensions available
- Further prospects within permit



NZ Exploration

Permit	NZOG Stake
Taranaki Basin	
PMP 38158 Tui	12.5%
PML 38146 Kupe	15%
PEP 51311 Kakapo	90% (Operator)
PEP 51558 Kanuka	50%
Canterbury Basin	
PEP 38259 Barque	40% (Operator)

NZOG seeking to expand NZ exploration portfolio

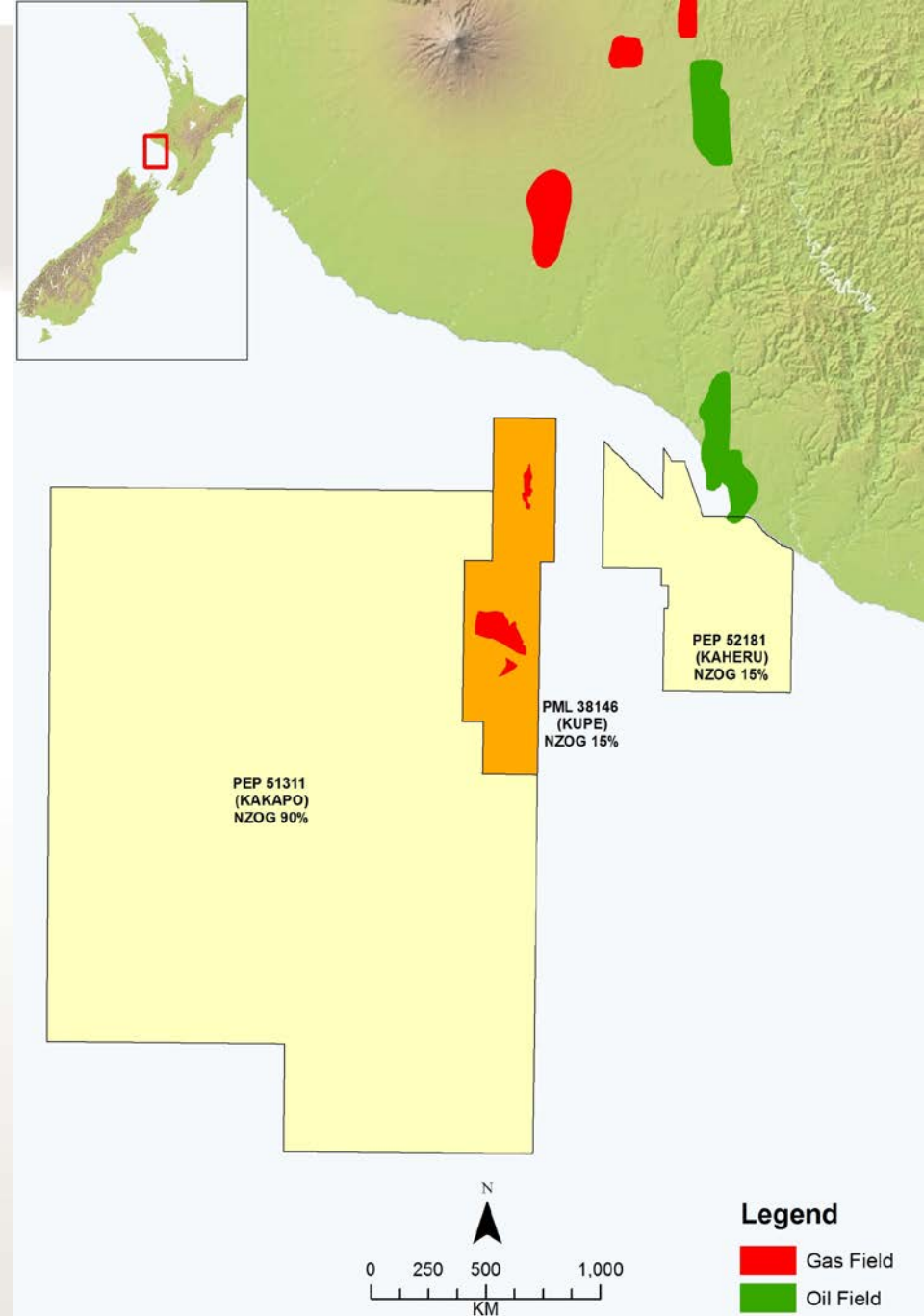
- Deal agreed last Friday



Kaheru PEP 52181

NZOG 15%

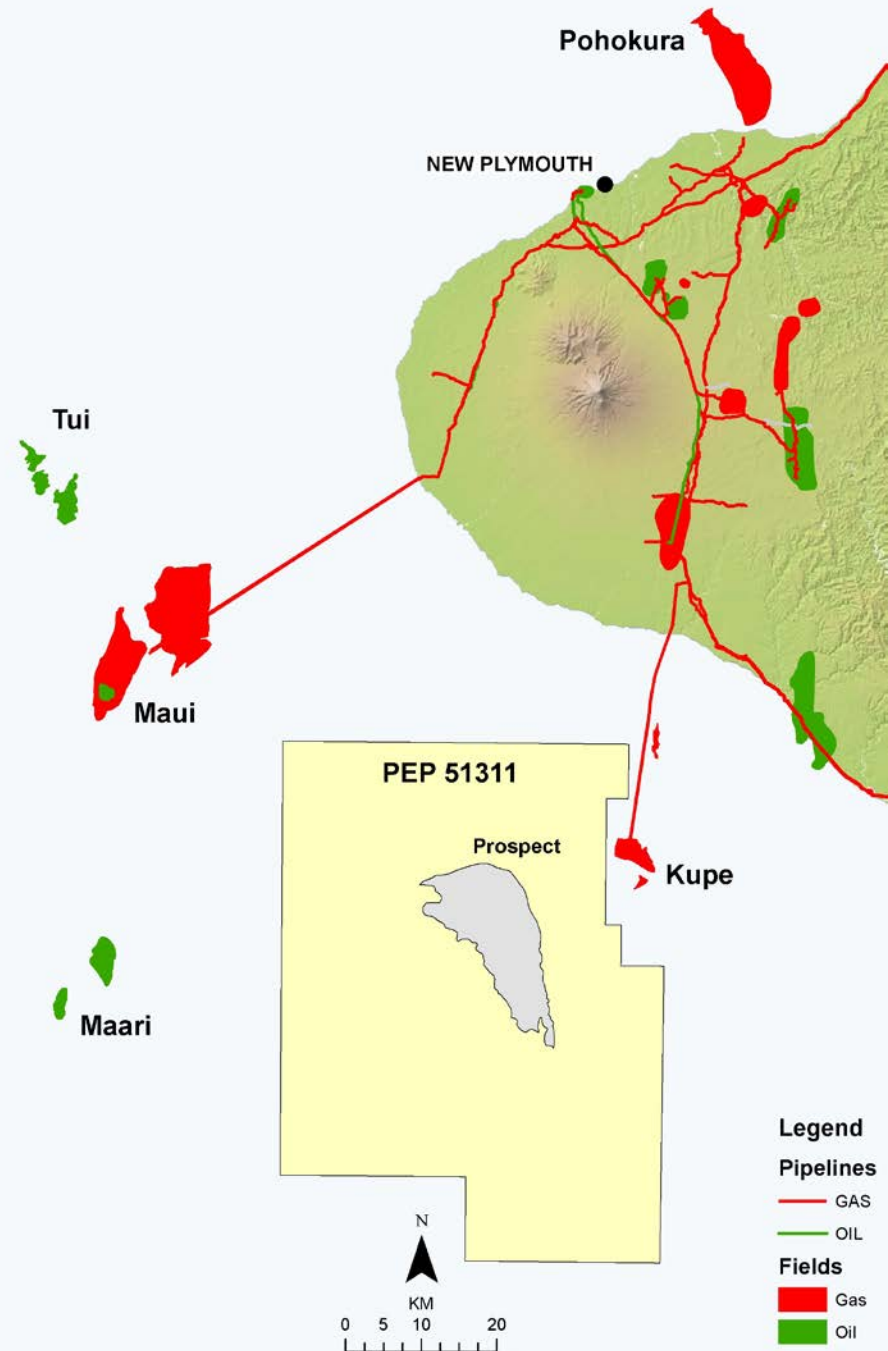
- Agreement to acquire 15% stake from AGL
- Subject to JV making well commitment
- Promising target on trend with producing onshore fields



Kakapo PEP 51311

NZOG 90%

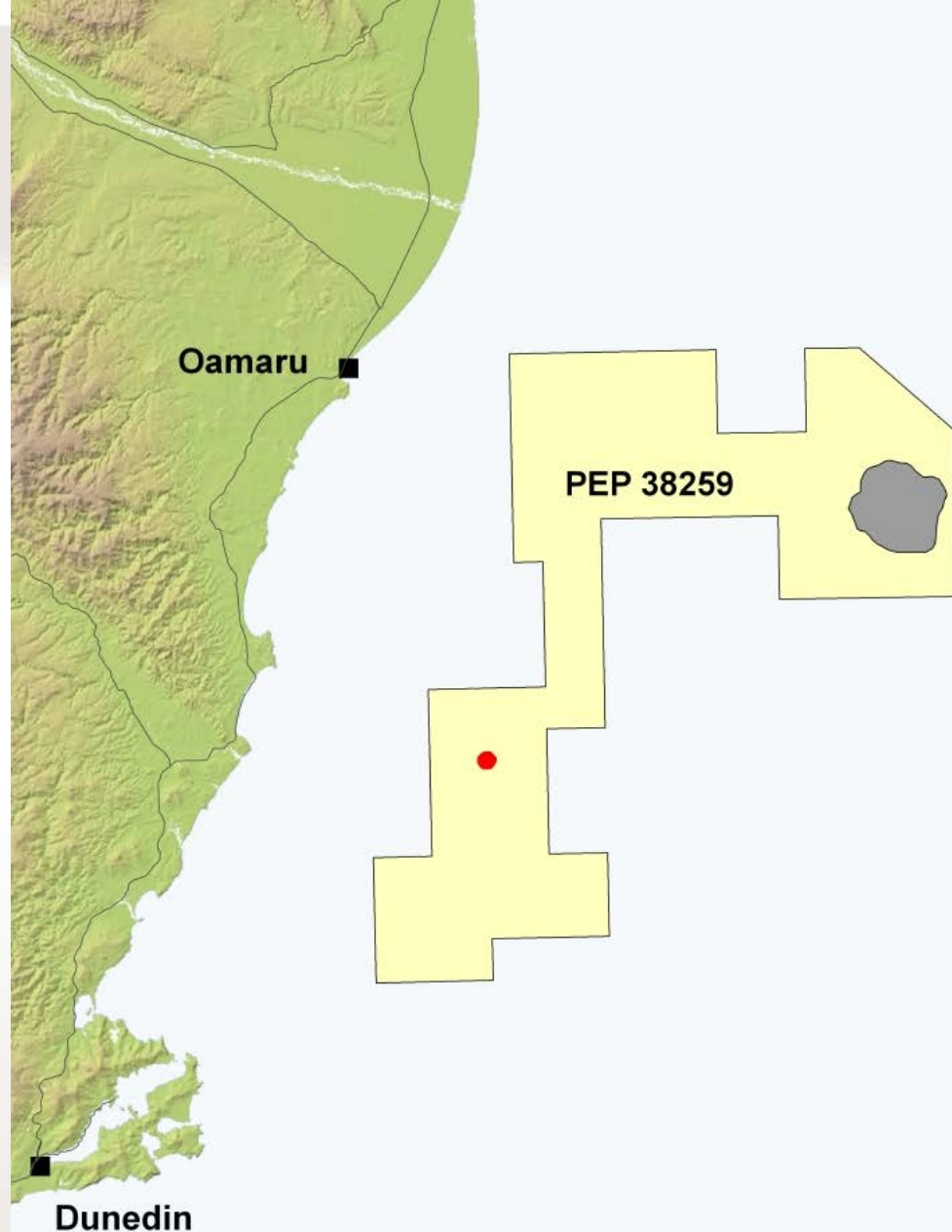
- Kakapo prospect a stacked series of Miocene coastal sands
- Estimated mean prospective resources over 200 mmbbls
- NZOG seeking suitable drilling rig and additional partner



Barque PEP 38259

NZOG 40%

- NZOG has taken on Operatorship
- International campaign to attract additional partner into joint venture
- “Drill or drop” decision required by August



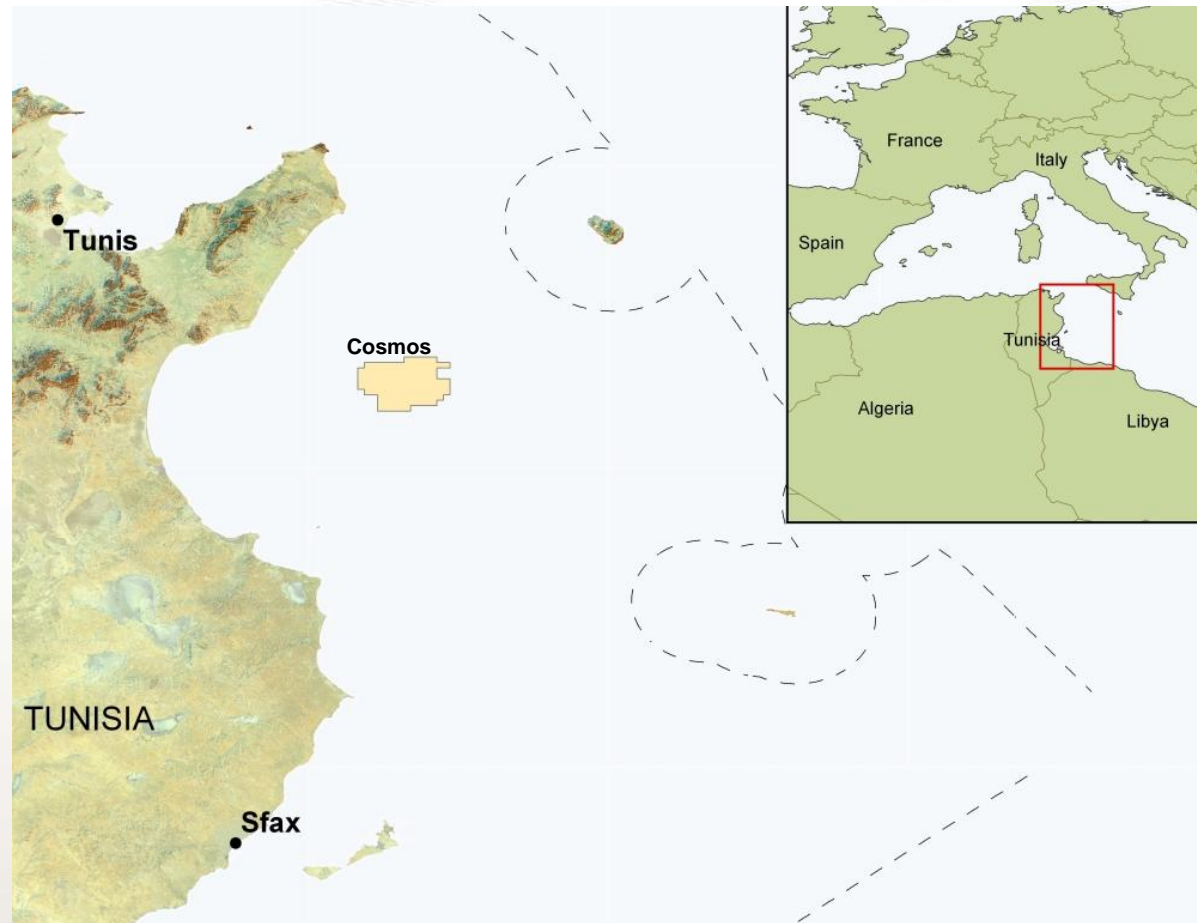
Tunisia



- Attracted to Tunisia due to its combination of good prospectivity, established exploration and production activity, reasonable fiscal terms, and relative ease of doing business
- Move towards more open democracy enhances its attractiveness
- NZOG has made two initial investments and is actively pursuing further opportunities

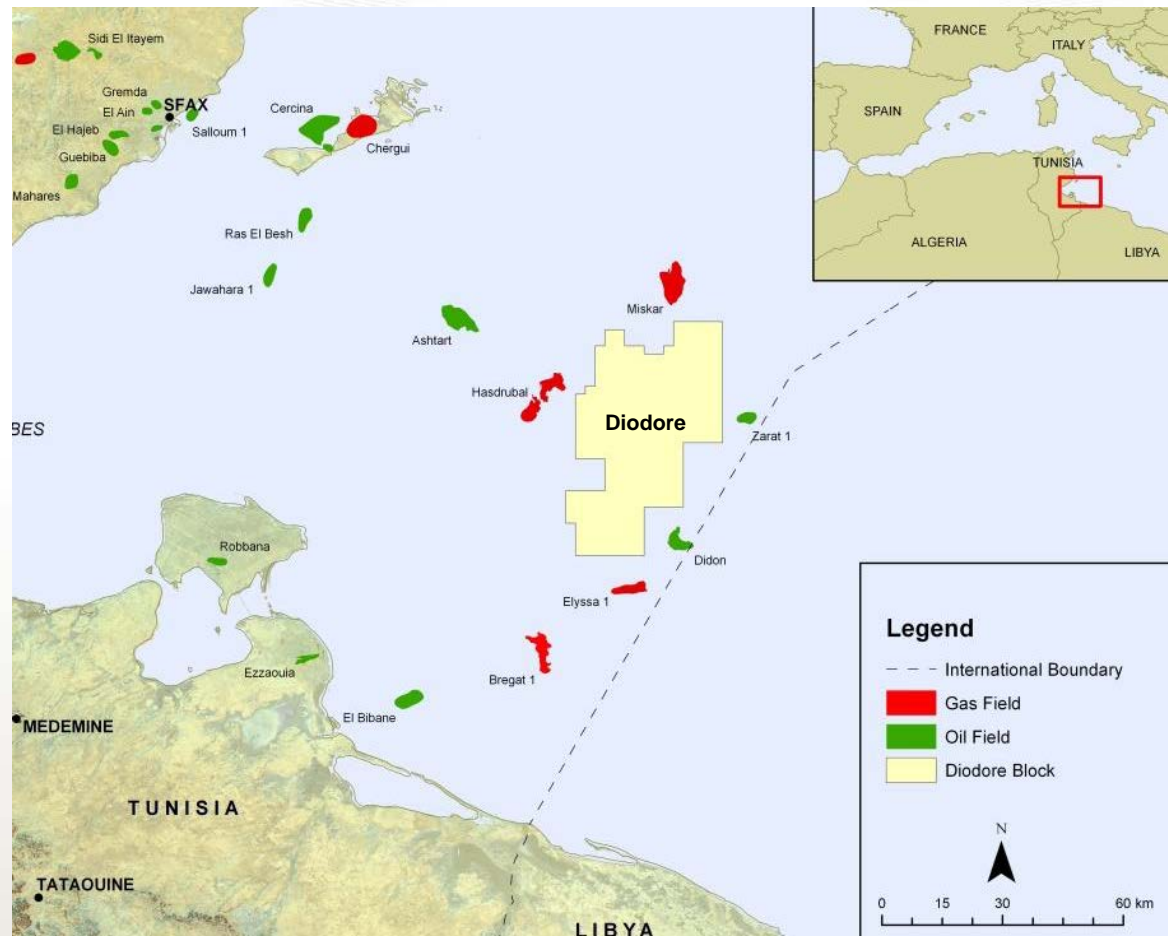
Cosmos Concession

- Existing discovery
 - 6.3mmbbls with potential upside
- 40% stake acquired
 - US\$3m upfront payment
 - US\$19m contribution to partner's cost if development proceeds
- Reservoir assessment and engineering design under way
 - FID decision later in 2012



Diodore Block

- 2 year prospecting permit obtained at 100%
- On trend with producing fields
- Covered by approx 1000 km 2D and 800 sq km 3D seismic
- New 470km 2D Seismic Survey completed in February
- Analysis will determine whether an exploration permit is applied for
- NZOG will look to farm-down ahead of drilling



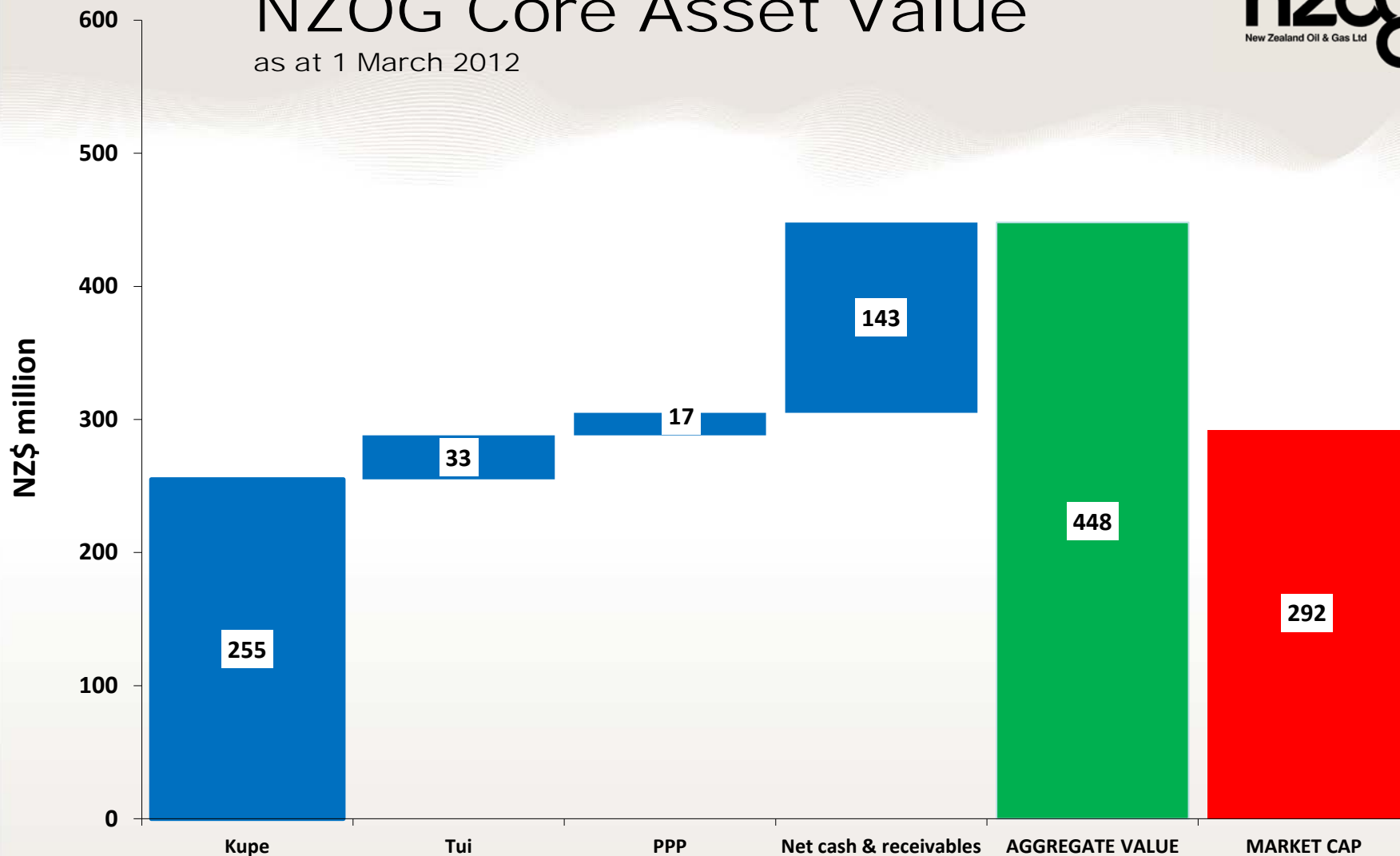
Indonesia

- Working with Indonesian-focused partner
- Current focus on Sumatra
- 22.5% stake in permit with drilling imminent
- Two Joint Study Agreements (JSA) awarded and 3rd applied for
- Other opportunities under assessment



NZOG Core Asset Value

as at 1 March 2012



Assumptions:

Broker average discount rate, forward curve for oil and exchange rates, broker average gas and LPG prices, PRCL debt fully impaired, PPP valued at market, 2.5% pa inflation, 2P Reserves at Kupe and Tui.

Summary

- NZOG a different investment proposition to the typical mid-cap Australian E&P company:
 - Long term revenue from two producing fields
 - ca. A\$80m pa
 - Strong cash reserves
 - Able to fund new investments from balance sheet
 - Regular dividends
 - 22 cps paid in last 4 years
 - Further opportunities in core area
 - 30 year track record of success in Taranaki
 - Carefully establishing two new core areas of interest
 - Promising exploration and development opportunities

Discovering Our Energy Future

