

# QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

## NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 31 March 2013

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 March 2013 \$NZ'000	Year to Date (9 months) \$NZ'000
1(a)		Receipts from product sales and related debtors	23,393	75,193
1(b)		Payments for		
		(a) exploration and evaluation	(13,338)	(23,864)
		(b) development	(964)	(2,030)
		(c) production	(4,786)	(16,084)
		(d) administration	(3,636)	(8,985)
1(c)		Dividends received	-	-
1(d)		Interest and other items of a similar nature received	1,167	4,236
1(e)		Interest and other costs of finance paid	(447)	(1,292)
1(f)		Income taxes (paid)/received	(312)	(4,013)
1(g)		Royalties	(2,618)	(10,888)
1(h)		Other	25	64
1(i)		<b>Net Operating Cash Flows</b>	<b>(1,302)</b>	<b>12,337</b>
		<b>Cash Flows Related to Investing Activities</b>		
2(a)		Cash paid for purchases of:		
		(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(115)	(173)
2(b)		Cash proceeds from sale of:		
		(a) prospects	-	-
		(b) equity investments	-	5,554
		(c) other fixed assets	-	-
2(c)		Loans to other entities	-	-
2(d)		Loans repaid by other related entities	-	6,927
2(e)		Other	-	791
2(f)		<b>Net Investing Cash Flows</b>	<b>(115)</b>	<b>13,099</b>
		<b>Total Operating and Investing Cash Flows</b>	<b>(1,417)</b>	<b>25,436</b>
		<b>Cash Flows Related to Financing Activities</b>		
3(a)(i)		Cash proceeds from issue of NZOG shares	470	554
3(a)(ii)		Buyback of NZOG shares	-	-
3(b)		Proceeds from sale of forfeited shares	-	2,496
3(c)		Borrowings	-	-
3(d)		Repayment of borrowings	(38,000)	(46,800)
3(e)		Dividends paid	-	(17,971)
3(f)		Other	9	9
3(g)		<b>Net Financing Cash Flows</b>	<b>(37,521)</b>	<b>(61,712)</b>
4(a)		<b>Net Increase/(Decrease) in Cash Held</b>	<b>(38,938)</b>	<b>(36,276)</b>
4(b)		Cash at beginning of quarter/year	208,997	209,222
4(c)		Exchange rate adjustments to Items 4(b) above	(1,483)	(4,369)
4(d)		<b>Cash at End of Quarter</b>	<b>168,576</b>	<b>168,576</b>

**Notes:**

This report is for the NZOG consolidated group at 31 March 2013.

2(b)(b)

During the December 2012 quarter the Group received a return of capital in the form of a dividend from Pan Pacific Petroleum NL.

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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

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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
	1		
Tui letters of credit (USD)	2	USD 2.8	USD 2.8

**Notes:**

1. NZOG repaid a Cash Advance Facility with Westpac Banking Corporation during the quarter, NZD\$38.0m.
2. NZOG has a letter of credit facility with the Commonwealth Bank of Australia (New Zealand branch) and ANZ Banking Group Limited 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	13,500	19,000
Development	2	3,400	1,200
<b>Total</b>		<b>16,900</b>	<b>20,200</b>

# 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.

1. Actual outlay within 15% of estimate.
2. Lower outlay for Kupe Umbilical capex during quarter and deferred to following quarter.

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## 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	13	149
Deposits at call, term and bank bills	161,400	196,986
Bank overdraft	-	-
Other – Joint venture cash	7,163	11,862
<b>Total: Cash at End of Quarter (Item 4(d)/4(b))</b>	<b>168,576</b>	<b>208,997</b>

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 40,429	USD 68,166

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## 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	-	-
9(b)		Interests in mining tenements acquired or increased	-	-

9(c) The Company's "Petroleum Interests" as at 31 March 2013 are set out below.

### PETROLEUM INTERESTS AT 31 March 2013

	GROSS AREA SQ KM	DIRECT INTEREST %
<b>1. PETROLEUM MINING PERMITS</b>		
PML 38146 (Kupe field)	257	15.0
PMP 38158 (Tui field)	467	12.5
<b>2. PETROLEUM EXPLORATION PERMITS</b>		
PEP 51311 (Kakapo) (note 1)	2,985	100.0
PEP 51558 (Kanuka)	2,850	50.0
PEP 52181 (Kaheru) (note 2)	312	60.0
PEP 54857 (Waru)	525	100.0
PEP 54867 (Manaia)	111	40.0
PEP 51906 (Matuku) (note 3)	1613	12.5
PEP 52593 (Taranga) (note 4)	3,509	50
PEP 53473 (Takapou) (note 4)	853	50
Kisaran PSC	2,179	22.5

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Bohorok PSC	5,022	45.0
<b>3. PROSPECTING PERMITS</b>		
Diodore (Tunisia)	1,232	100.0
<b>4. CONCESSIONS</b>		
Cosmos (Tunisia)	422	40.0

1. NZOG had entered into a farm-out agreement with Raisama Limited to reduce NZOG's interest in PEP 51311 to 90%, subject to final conditions being met. Raisama has subsequently withdrawn its interest.
2. NZOG has farmed out a 25% interest in the permit to Beach Petroleum (NZ) Pty Limited, subject to ministerial approval, leaving NZOG with a 35% interest. NZOG is the Operator of this permit.
3. In November 2012 NZOG entered into a conditional agreement to purchase a 12.5% interest in PEP 51906 (Matuku).
4. In November 2012 NZOG entered into a conditional agreement to purchase a 50% interest in PEP 53473 (Takapou) and a 50% interest in PEP 52593 (Taranga). NZOG is the Operator of these permits.

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**Issued and Quoted Securities at End of Current Quarter – 31 March 2013**

(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)
	<b>Ordinary Securities</b>	410,443,686	404,388,686	N/A	N/A
	Fully paid during quarter	-	500,000	95	95
	Cancelled during quarter	-	-	-	-
	<b>Partly Paid Securities</b> <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	6,055,000	-	77-204	1
	Issued during quarter	-	-	-	-
	Fully paid during quarter	(500,000)	-	95	95
	<b>Options</b>	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		



Andrew Knight  
**Chief Executive Officer**  
**30 April 2013**