

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS
NEW ZEALAND OIL & GAS LIMITED
For Quarter ended 30 June 2009

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 June \$NZ'000	Year to Date (12 months) \$NZ'000
Cash Flows Relating to Operating Activities			
1(a)	Receipts from product sales and related debtors	15,728	161,961
1(b)	Payments for		
	(a) exploration and evaluation	(2,690)	(8,942)
	(b) development	(10,768)	(65,417)
	(c) production	(3,752)	(18,659)
	(d) administration	(1,764)	(11,292)
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	471	9,242
1(e)	Interest and other costs of finance paid	-	(7)
1(f)	Income taxes (paid)/received	-	(16,300)
1(g)	Royalties	(1,051)	(32,149)
1(h)	Other	220	220
1(i)	Net Operating Cash Flows	(3,606)	18,657
Cash Flows Related to Investing Activities			
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(11,778)	(42,466)
	(c) other fixed assets	(3)	(49)
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	188
	(c) other fixed assets	-	-
2(c)	Loans to other entities	-	-
2(d)	Loans repaid by other related entities	-	-
2(e)	Other	2,881	2,881
2(f)	Net Investing Cash Flows	(8,900)	(39,446)
Total Operating and Investing Cash Flows		(12,506)	(20,789)
Cash Flows Related to Financing Activities			
3(a)	Cash proceeds from issue of NZOG shares	931	15,368
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	-	-
3(d)	Repayment of borrowings	-	(69,048)
3(e)	Dividends paid	-	(19,790)
3(f)	Other – Finance costs and hedging settlements	(235)	(3,867)
3(g)	Net Financing Cash Flows	696	(77,337)
4(a)	Net Increase/(Decrease) in Cash Held	(11,810)	(98,126)
4(b)	Cash at beginning of quarter/year	208,703	256,461
4(c)	Exchange rate adjustments to Items 4(b) above	(22,140)	16,418
4(d)	Cash at End of Quarter	174,753	174,753

Notes:

This report is for the NZOG consolidated group at 30 June 2009.

- 2 (a) (b) During the quarter the Group partly underwrote the NZ\$41 million renounceable pro rata rights issue by associate company Pike River Coal Limited. Under the rights issue the Group acquired a further 17 million shares and 24 April 2011 bonus options for \$0.70 per share. After the rights issue the Group's interest in PRCL was 30%.
- 2 (e) Includes receipt of \$2.28 million from redemption of Redeemable Preference Shares held with associate company NZOG Nominees Ltd during the quarter.

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
Kupe Cash Advance Facilities(NZD)	2	Refer note 2	NZD 0.00
Tui letters of credit (USD)	1	USD 8.0	USD 8.0
Kupe letters of credit (NZD)	2	NZD 10.0	NZD 10.0

Notes:

1. NZOG has a letter of credit facility with the Commonwealth Bank of Australia (New Zealand branch) and ANZ Banking Group Limited for the Tui project.
2. NZOG has a Cash Advance Facility and letter of credit facility for the Kupe project. The Kupe Cash Advance Facility with Westpac Banking Corporation and Bank of Scotland International was for NZD 125 million. This loan was repaid in full on 15 October 2008. NZOG and Westpac Banking Corporation have agreed subject to completion of documentation that a NZD 75 million facility limit will be available for funding the remaining Kupe project costs and for general working capital purposes.

7 **Estimated Outlays for Specified Quarter**

	Notes	Current Quarter # \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation	1	3,100	1,000
Development	2	18,800	13,400
Total		21,900	14,400

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. Timing differences
2. Timing differences

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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	187	6,672
Deposits at call, term and bank bills	162,569	190,202
Bank overdraft	-	-
Other – Joint venture cash	11,997	11,829
Total: Cash at End of Quarter (Item 4(d)/4(b))	174,753	208,703

The above cash at end of quarter was held in the following currencies:

	Current Quarter '000	Previous Quarter '000
New Zealand Dollars	NZ\$28,844	NZ\$48,950
United States Dollars	US\$94,125	US\$89,525

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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 Licence Interests" as at 30 June 2009 are set out below.

PETROLEUM LICENCE INTERESTS AT 30 June 2009#

LICENCE	GROSS AREA SQ KM	DIRECT INTEREST %
1. PETROLEUM MINING PERMITS		
PML 38146 (Kupe field)	517	15.00
PMP 38158 (Tui field)	467	12.50
2. PETROLEUM EXPLORATION PERMITS		
OFFSHORE TARANAKI		
PEP 38483 (Aihe)	4,723	18.864
PEP 38483 (Aihe Extension)	381	12.50
PEP 51311 (Gamma)	2,985	100.00
PEP 51321 (Kahurangi)	2,991	18.864

The above summary does not include the 40% interest NZOG has in exploration permit PEP 38259 (Barque), which is conditional on the receipt of consent from the Minister of Energy.

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Issued and Quoted Securities at End of Current Quarter – 30 June 2009

(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	387,858,359	384,930,859	N/A	N/A
	Fully paid during quarter	-	863,500	1.00-1.21	1.00-1.21
	Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	2,927,500	-	1.00-1.53	0.01
	Issued during quarter	-	-	N/A	N/A
	Fully paid during quarter	863,500	-	1.00-1.21	1.00-1.21
	Options	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		



David Salisbury
 Chief Executive Officer
 29 July 2009