



16 September 2009

Recalculated Dividend Payment

New Zealand Oil & Gas Ltd (NZOG) has recalculated its 2009 dividend payment and issued new details to the market.

NZOG announced a dividend of 5 cents per ordinary share on 26 August 2009. On 3 September 2009 it advised the market of the following details:

- The dividend amount per security would be calculated at \$0.05139552.
- Resident Withholding Tax (RWT) would be calculated at \$0.00139552.
- The net result being that shareholders would receive cash in the hand of 5 cents per ordinary share.

In taking this approach, NZOG intended that the company would meet the RWT obligation, to ensure that all New Zealand resident shareholders received a minimum net payment of 5 cents per ordinary share.

Different tax treatment arises because of the difference between the new company tax rate of 30%, and the RWT rate payable on dividends, which remains at 33%.

Like many companies, NZOG is currently in a transitional period, where it has some historical 33% Imputation Credits, and has accumulated 30% Imputation Credits under the new corporate tax legislation. This means that a "top-up" of RWT is payable on the portion of the 2009 Dividend that has 30% Imputation Credits attached.

NZOG has now received advice that it should pay only 5 cents gross per ordinary share, with the consequence that the net cash dividend received by most New Zealand resident shareholders will be approximately 4.8 cents per share, due to the payment of RWT. This is in line with the practice of other companies.

If the Resident Withholding Tax rate remains at 33% and the Company Tax rate at 30%, there will also be RWT deducted from future dividends.

ENDS

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NZOG stock symbols: NZX shares - NZO
ASX shares - NZO

market release