

Discovering Our Energy Future

NZSA Presentation

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NZOG (New Zealand Oil & Gas Ltd)



Issued Capital:	392 million shares
Listed:	ASX and NZX (since 1981)
Shareholders:	~15,500 ~ 31% institutions
Market cap:	~NZ\$350 million
Head Office:	125 The Terrace Wellington, New Zealand
Website:	www.nzog.com

Our Current Assets



- 15% of Kupe gas and oil field
- 12.5% of Tui area oil fields
- Exploration permits in Taranaki and Canterbury Basins
- 15% of listed co. Pan Pacific Petroleum
- Pike River Coal: shareholding and loans
- Cash – approx \$50m net

Our Strategy



Two-pronged business strategy:

- Maximising value extraction from our existing asset portfolio
- Securing new value-adding business opportunities

NZOG has a 30 year track record leading the discovery of oil and gas fields in New Zealand.

We are generating excellent cash flows from our retained, non-operated interests in the Kupe and Tui fields offshore Taranaki, and have two new exploration focus areas in offshore Taranaki and exposure to the most promising of New Zealand's extensive frontier basins.

NZOG has today announced an international exploration project and is screening numerous international new ventures with a firm resolve to further diversify our portfolio.

Kupe

- Offshore Taranaki
- Discovered by NZOG in 1986
- 15% non-operated interest
- Production began Dec 2009
- Production to date (NZOG's share):
 - Sales Gas 3.9 PJ
 - LPG 15,200 tonnes
 - Light oil 410,000 barrels
- NZOG's main revenue source
- Estimated FY11 Revenue: ~ NZ\$65m

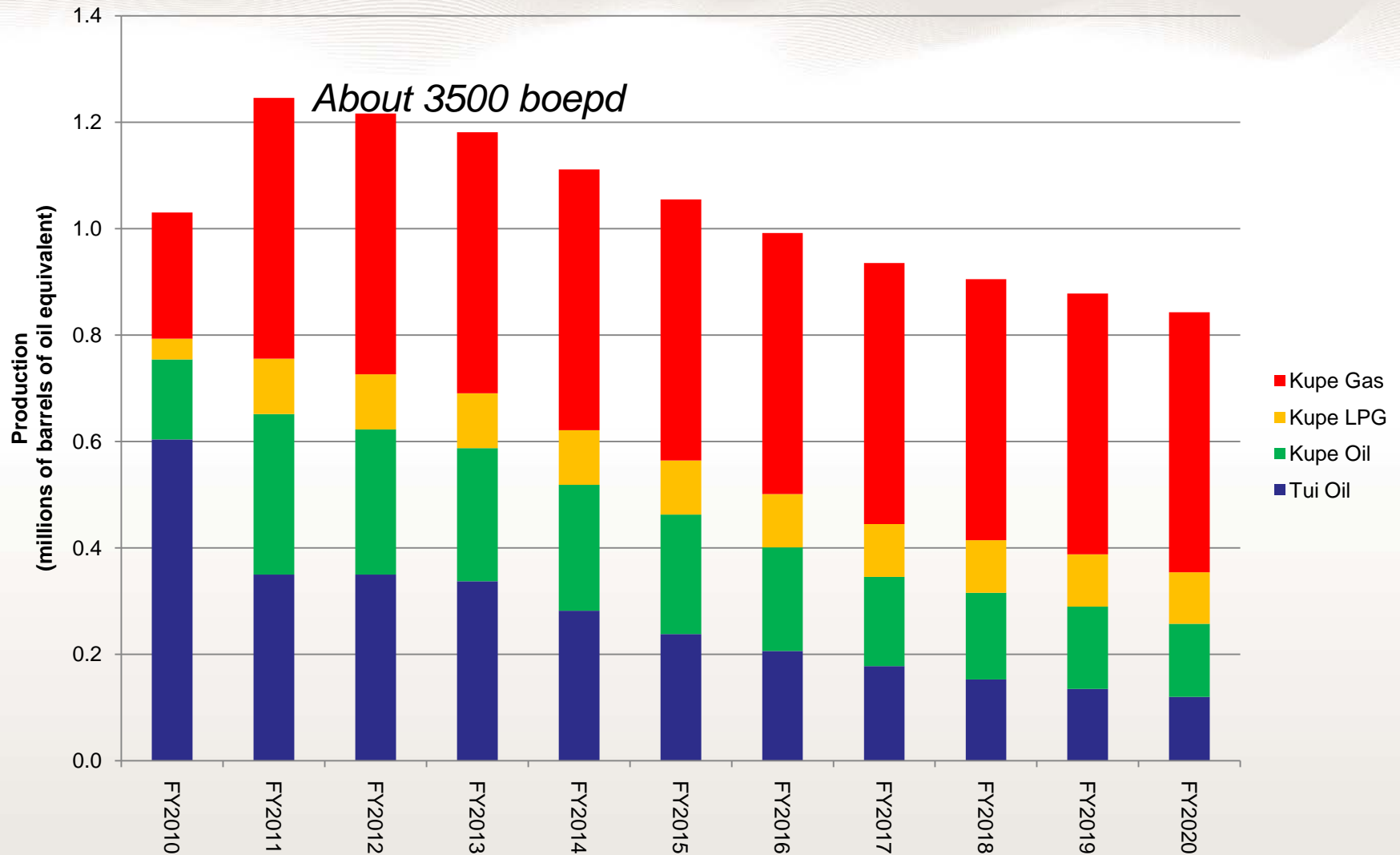


Tui

- Offshore Taranaki
- Exploration west of Maui initiated by NZOG in 1996
- Discoveries (3) in 2003/2004
- Production began July 2007
- Total production to date: ~31mmbbls
 - NZOG's 12.5% share: 3.85mmbbls
- NZOG's estimated FY11 Revenue:
 - ~ NZ\$35m



Production Forecast – Kupe and Tui provide solid revenue streams



Pursuing Growth

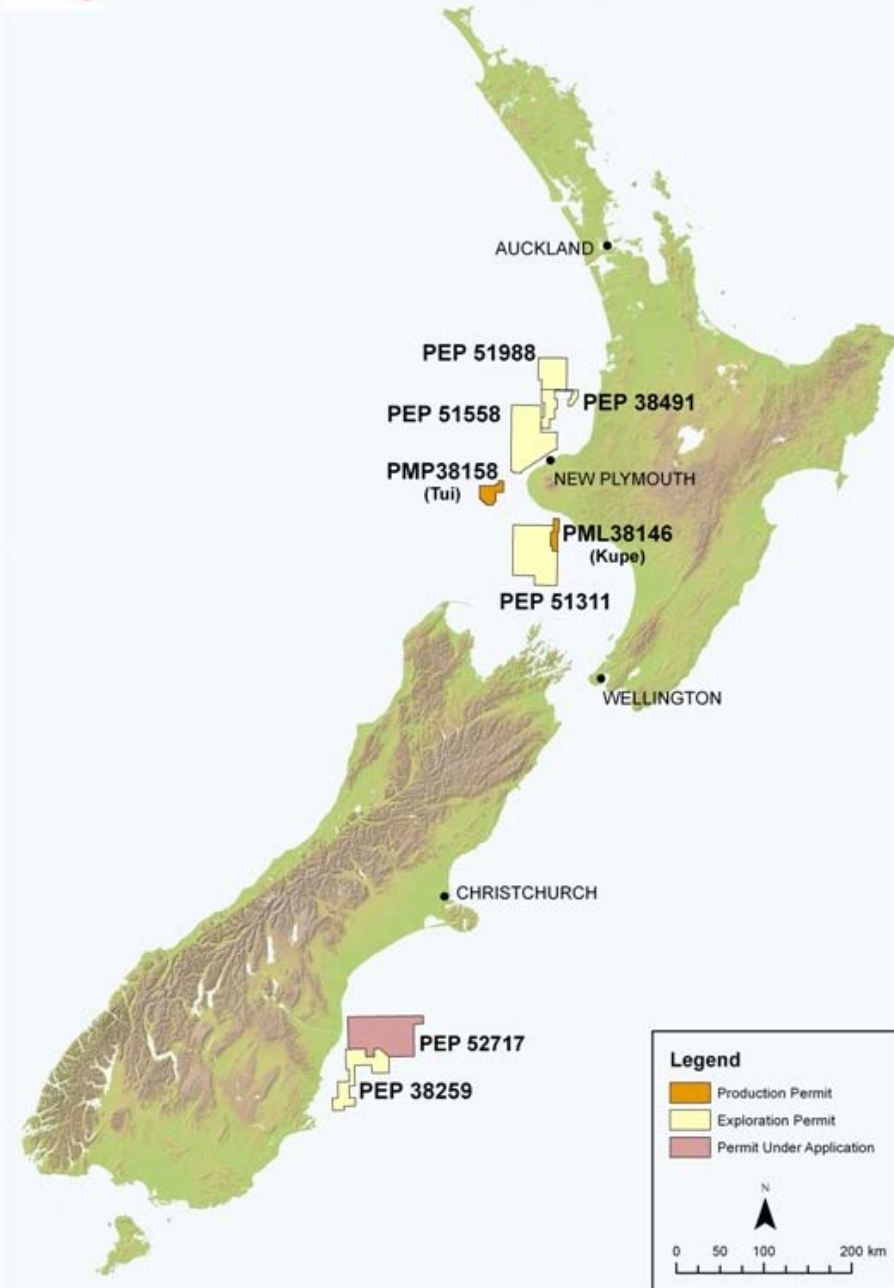
- Built a team with strong technical and commercial capabilities
 - Wellington head office
 - Two very experienced northern hemisphere ‘scouts’
- Assessing opportunities across the spectrum
 - exploration
 - development assets
 - producing fields
 - corporate acquisitions

NZ Exploration Portfolio



NZOG Permits

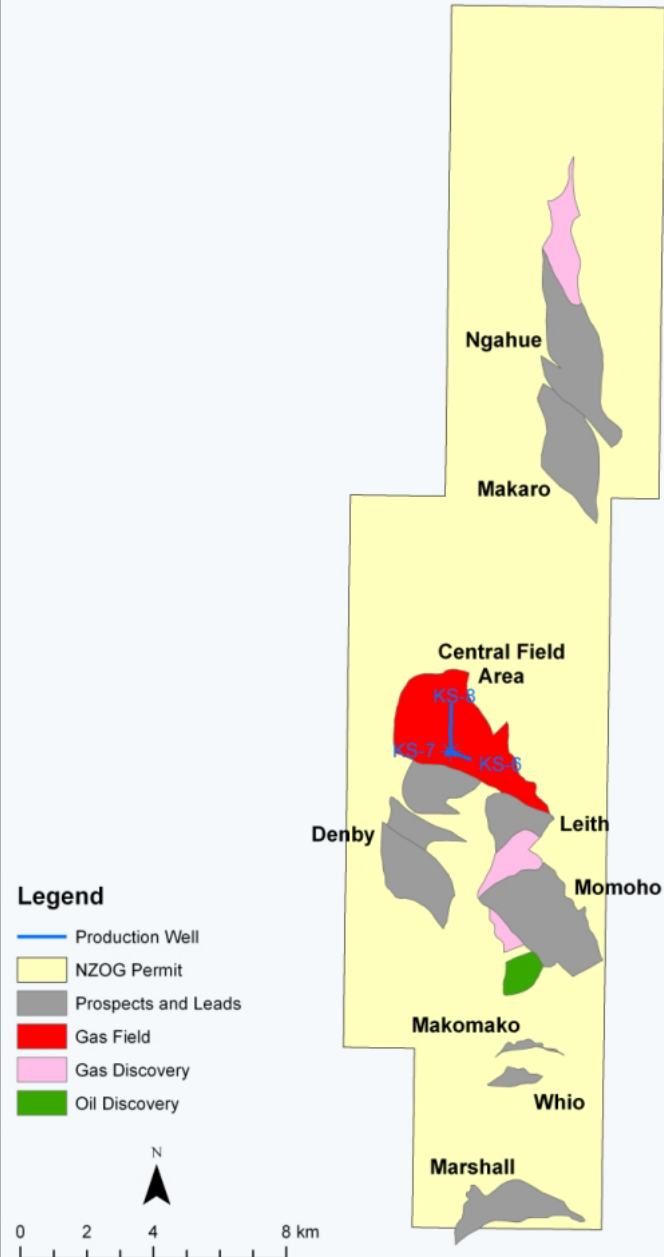
Permit	NZOG Stake
Taranaki Basin	
PMP 38158 Tui	12.5%
PML 38146 Kupe	15%
PEP 51311 Kaupokonui	90%
PEP 51988 Mangaa	100%
PEP 38491 Albacore	100%
PEP 51558 Kanuka	50%
Canterbury Basin	
PEP 38259 Barque	40%
PEP 52717 Clipper (<i>Application</i>)	40%



Kupe Exploration

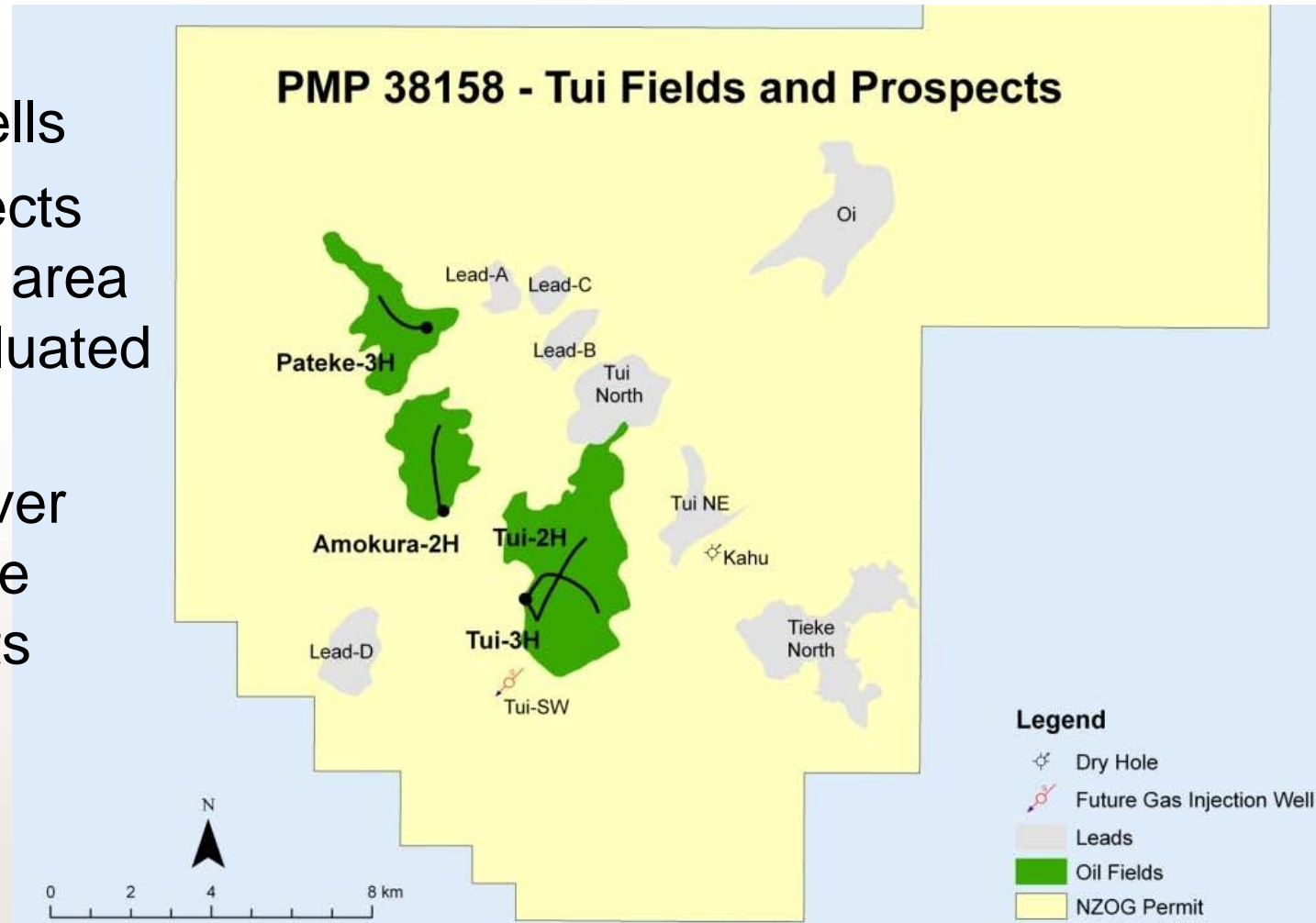
- 3 producing horizontal wells
- Other discoveries and promising additional prospects within the Kupe permit area
- Joint Venture looking to identify drilling targets for 2013

PML 38146



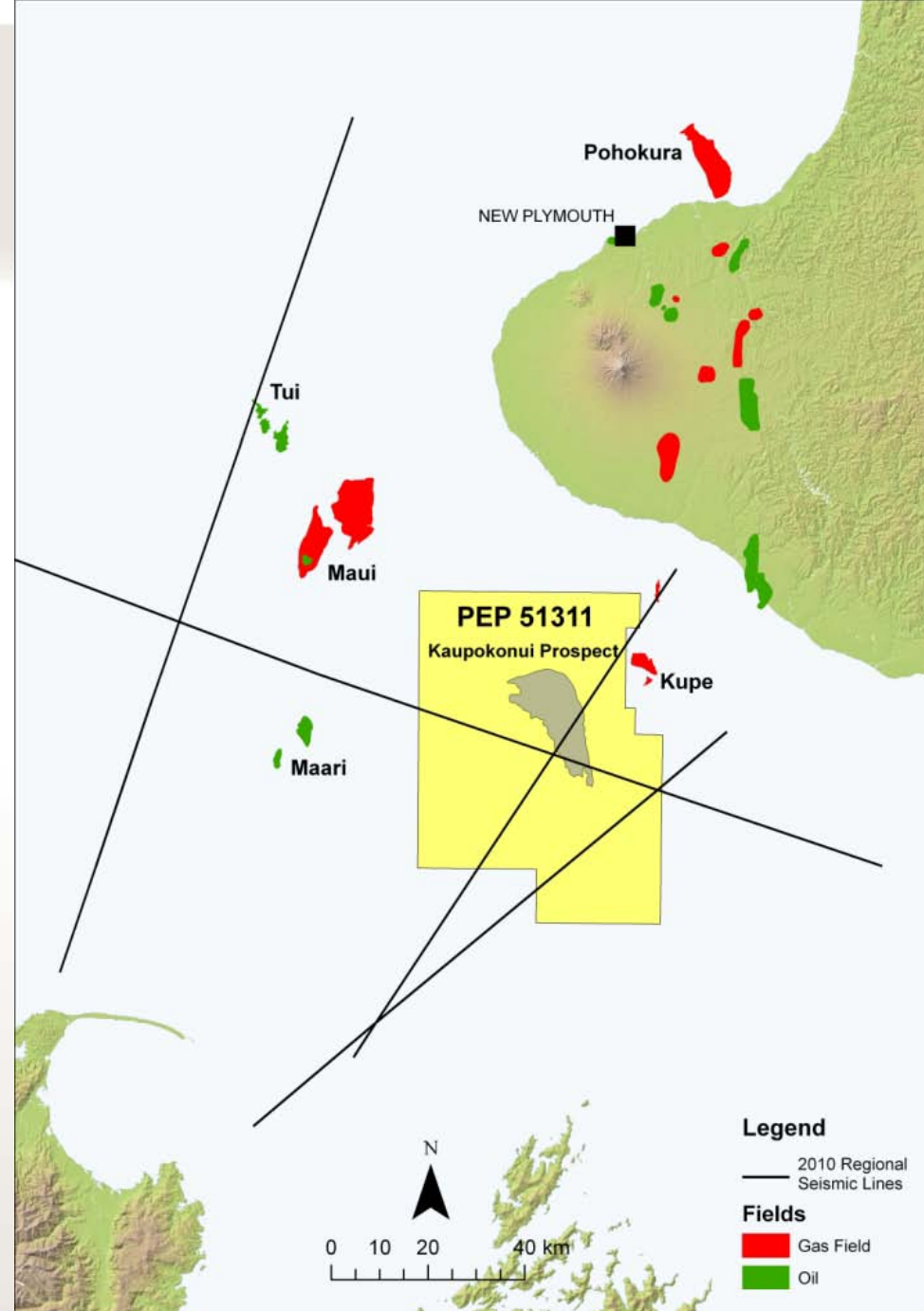
Tui Exploration

- 4 producing horizontal wells
- Other prospects within permit area being re-evaluated
- Site surveys completed over three possible drilling targets



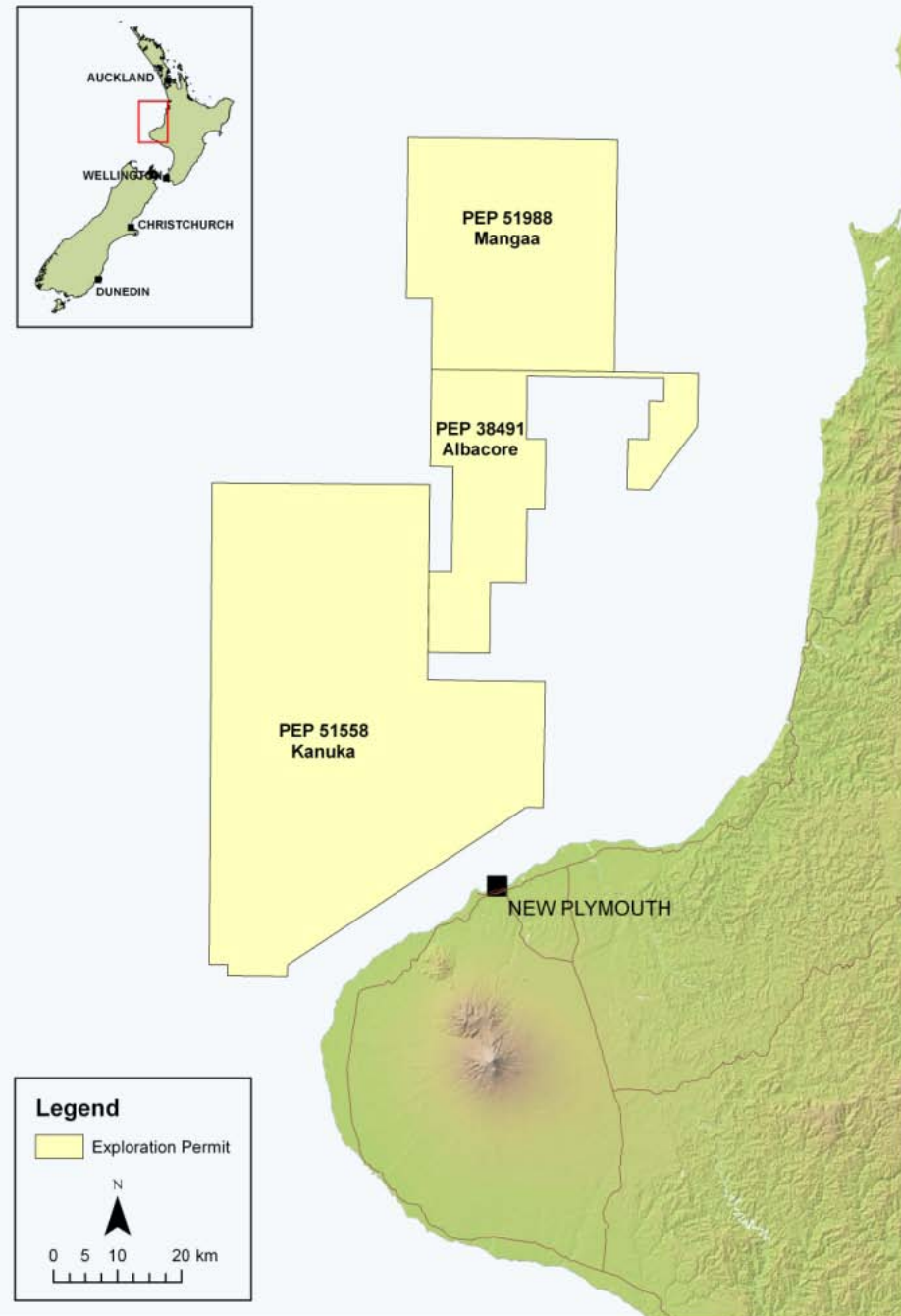
Southern Taranaki Basin

- 600km of regional seismic lines in 2010, tied into previous wells
- Kaupokonui prospect
 - Over 200 mmbbls oil in mean case (unrisked)
- Peak Oil & Gas Ltd farmed-in
 - 10% stake for 20% of first well costs
- Seeking further partners



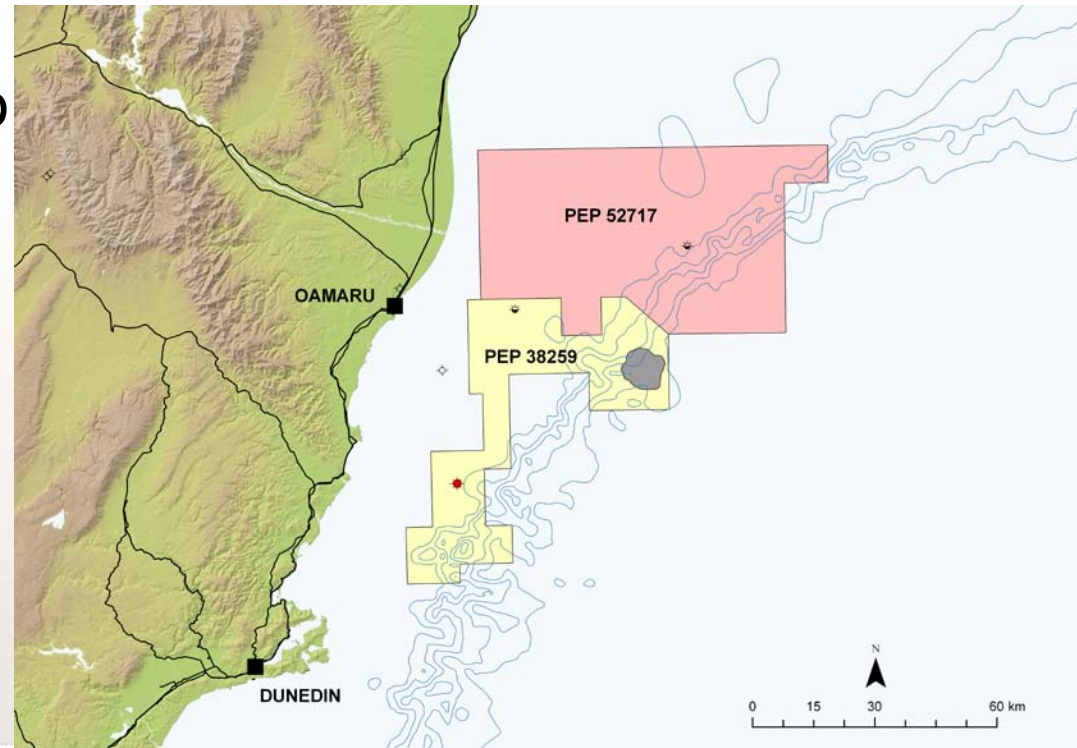
Northern Taranaki Basin

- North Taranaki Basin under-explored
- NZOG has built a dominant position
 - Albacore (100%)
 - Mangaa (100%)
 - Kanuka (50%)
 - With Todd Energy



Canterbury Basin

- PEP 38259 Barque (40%)
 - Waiting on change of conditions decision by MED
 - NZOG to assume operatorship
- Clipper (40%)
 - Waiting for permit to be awarded
 - NZOG operator



Overseas Opportunities

- Available opportunities in NZ not sufficient
- Strategic goal of establishing one or two new core areas outside of NZ
- Investment Criteria:
 - Proven hydrocarbon systems
 - Quality business partners
 - Suitably attractive fiscal regime
 - Access to markets and infrastructure
 - Manageable regulatory and political risk
 - Manageable financial exposure
 - Near term payback as opposed to long term horizons

Overseas Opportunities

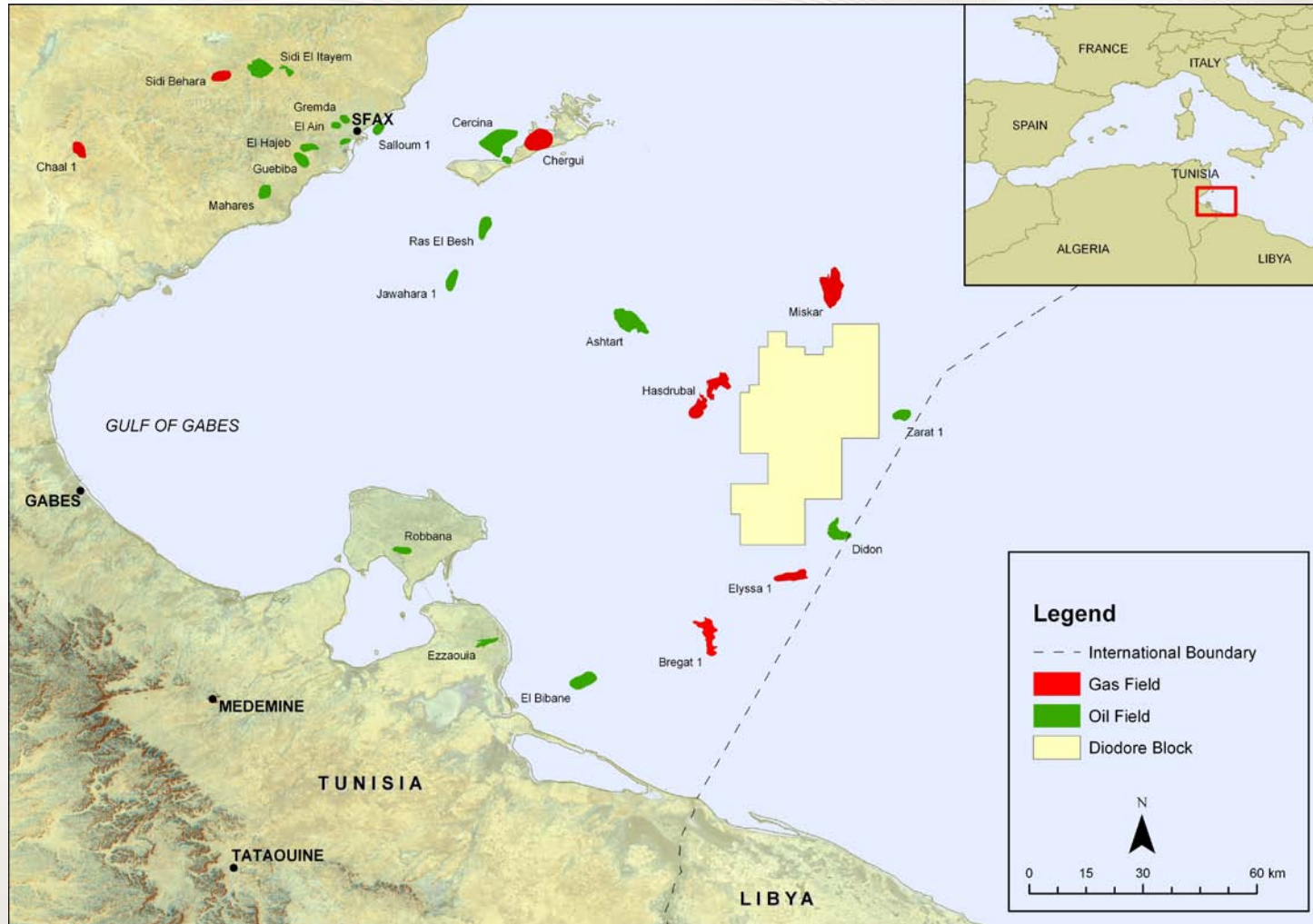


- Continual assessment of a range of potential overseas investments
 - Most rejected because prize too small, risk too great or price too high
 - A number of opportunities in South East Asia under active consideration
 - Agreement signed today for attractive acreage in Tunisia

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 overlooked acreage in productive basin
- Will acquire new seismic data and reprocess existing data – total cost commitment approx US\$3m
- Setting up office in Tunis and actively pursuing further opportunities

Tunisia



Pike River Coal



- Coking Coal mine on West Coast of South Island, NZ
- Former NZOG subsidiary, separately listed 2007
- Mine explosions Nov 2010, 29 men killed
 - Various inquiries underway
 - NZOG has made submissions to Royal Commission
- NZOG's investment in PRC:
 - \$77m equity
 - \$65m loans
- NZOG appointed Receivers Dec 2010
- Receivers looking to sell the mine and settle insurance
 - NZOG expects to recover a significant portion of its investment

Conclusion

- Strong underlying value of company
 - Kupe and Tui revenue producing assets
 - Promising exploration portfolio
 - Recovery of some of PRCL investment expected
 - Establishing overseas presence
 - Healthy cash balance
- Continuing to identify potential investments and working hard to secure the best of them
- Striving to create value and to have that value recognised

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