



New Zealand Oil & Gas Ltd: company profile



Oct 2007

NZOG

Listed	NZX and ASX
Shares issued	262m Shares & 139m Options
Shareholders	~12,000 including 17% institutional
Market cap	~NZ\$300 million (including options)
Head Office	New Zealand Oil & Gas Ltd 125 The Terrace Wellington, New Zealand



www.nzog.com

A diversified E&P Company

- 🔥 Production

 - 🔥 Tui Area Oil Fields

- 🔥 Development

 - 🔥 Kupe Gas & Condensate Field

- 🔥 Investment

 - 🔥 Pike River Coal

- 🔥 Exploration

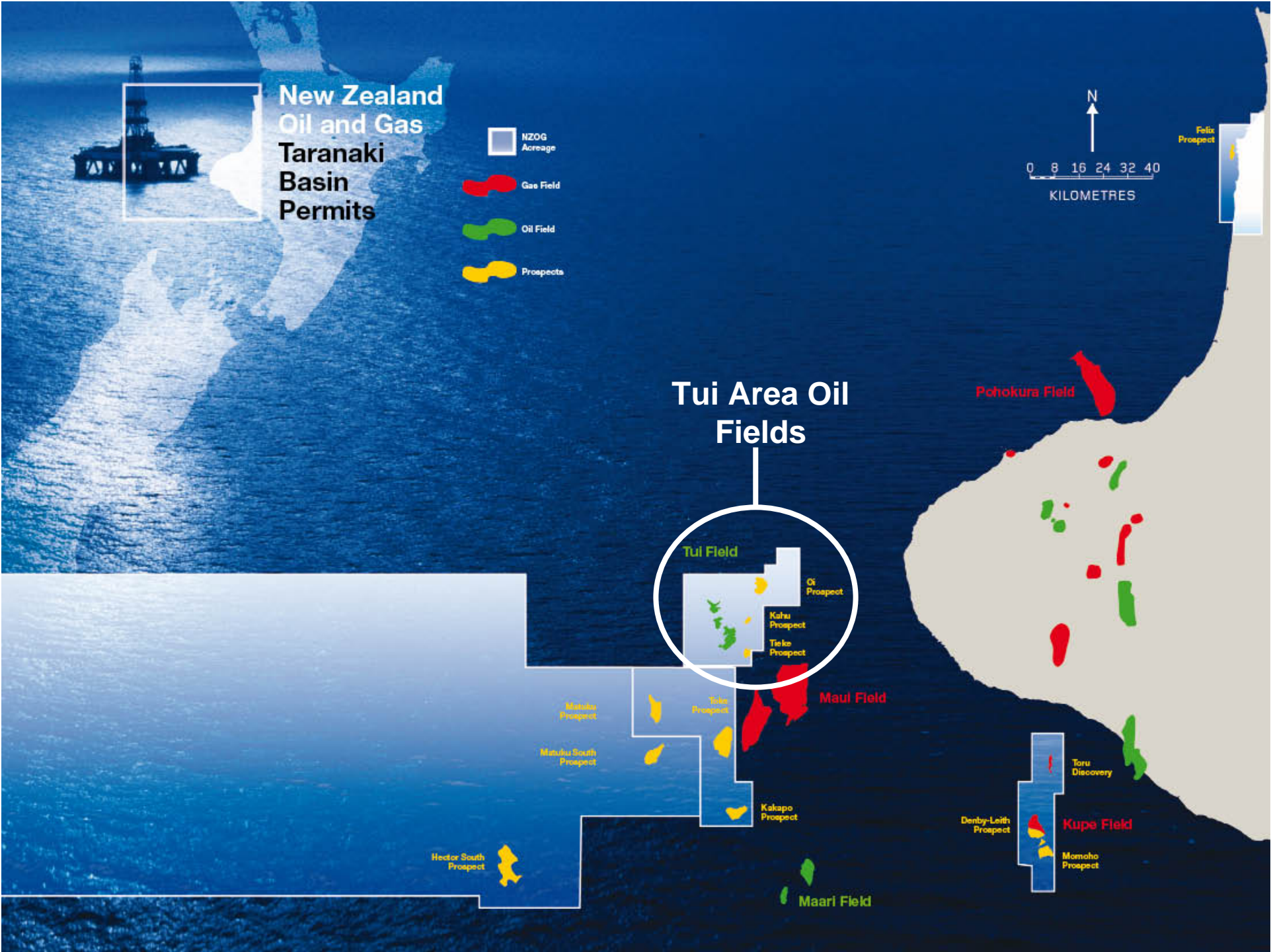
 - 🔥 Taranaki off-shore drilling programme



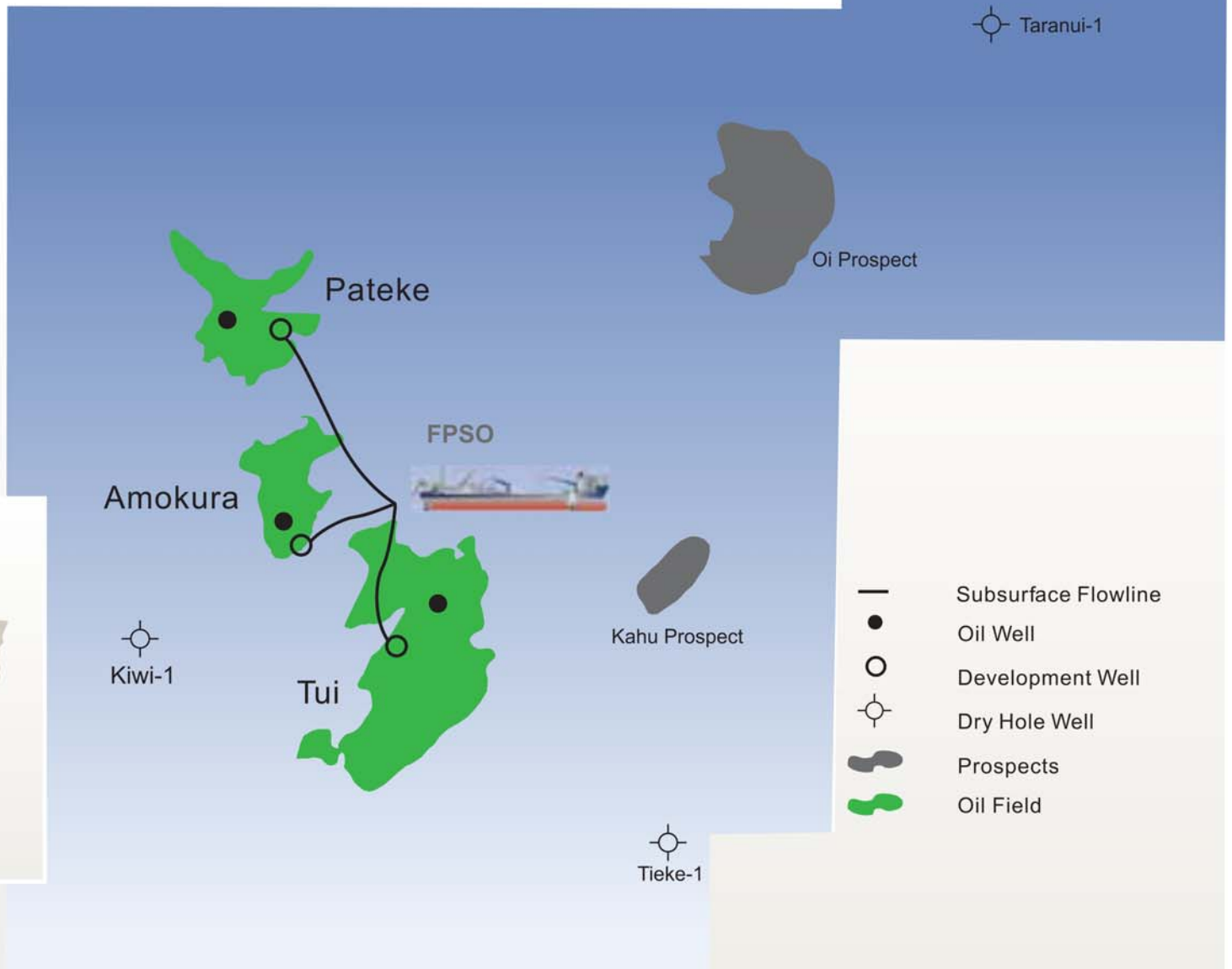
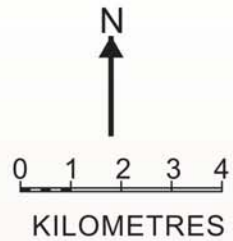
Production: Tui Area Oil Fields

- ⚡ Discovered by NZOG & partners in 2003
- ⚡ NZOG Interest: 12.5%
- ⚡ First oil flowing July 2007
- ⚡ Developed proved and probable (2P) oil reserves recently upgraded to 32 mmbo
 - ⚡ NZOG net interest 4.0 mmbo
- ⚡ Capex US\$270 million
 - ⚡ NZOG share US\$34m





Tui Area Oil Fields (PMP 38158)





Tui Area Oil Fields Development

Oil Tanker
Transporting
Oil to Markets

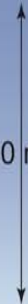
FPSO Production
and Storage Vessel

Coastline 50km



Anchors

120 metres



Subsea Completions

Development Wells



Pateke and Amokura Reservoirs



Tui Reservoir



Production: Tui Area Oil Fields

- 🔥 Leased FPSO (“Umuroa”)
- 🔥 Charter Term 5 yrs + 5x1 yrs
- 🔥 Charter cost for 5 year fixed term
 - 🔥 US\$135m plus Opex (100% terms)
- 🔥 FPSO fluid handling capacity
 - 🔥 120,000 bfpd
- 🔥 FPSO maximum oil processing
 - 🔥 50,000 bopd

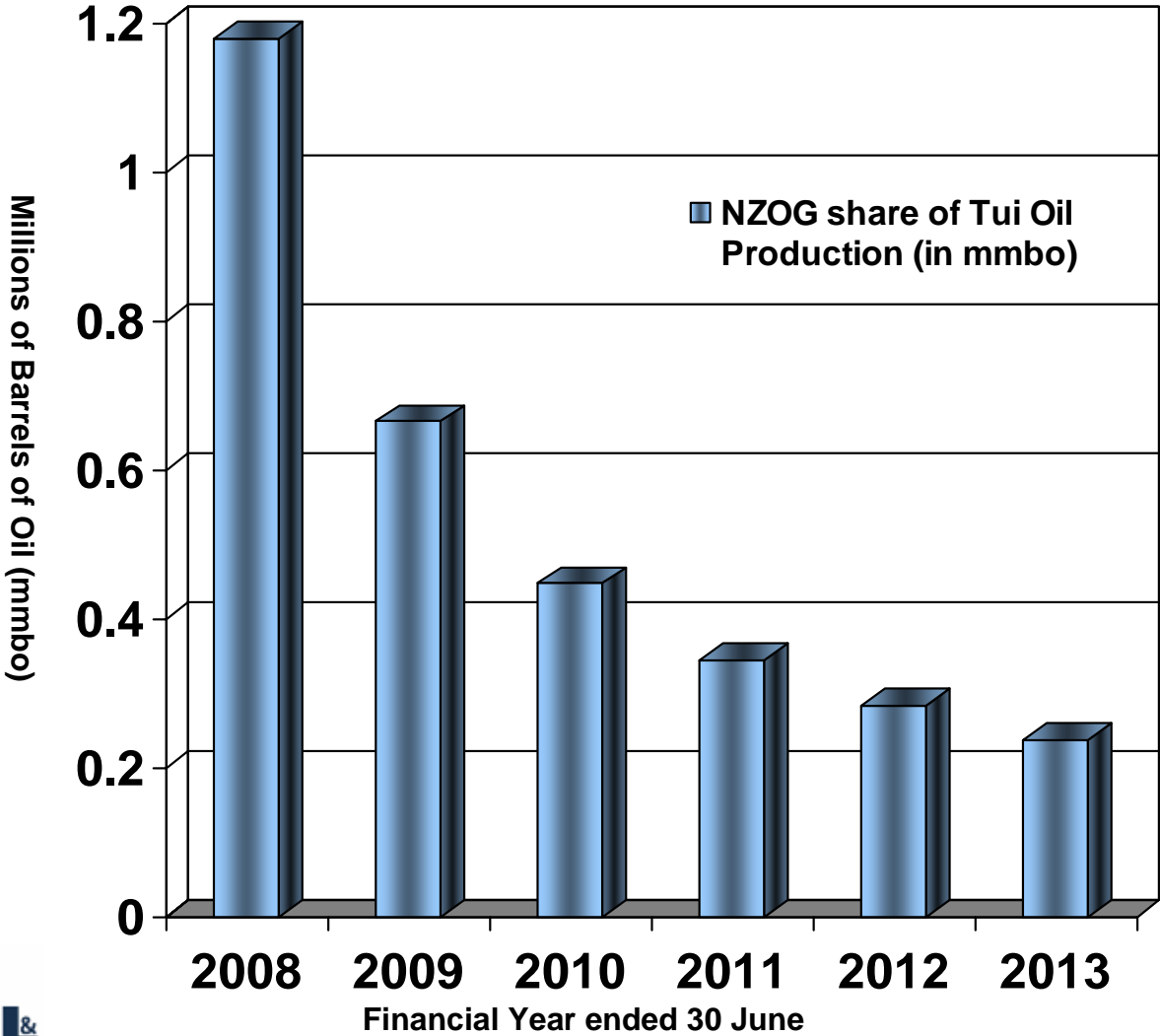


Production: Tui Area Oil Fields

- 🔥 Oil marketed through Mitsui
- 🔥 Sold against Tapis benchmark crude
- 🔥 Crude sold in parcels of 300,000 or 600,000 barrels
- 🔥 8 shipments to date – 2.4 mmbo
 - 🔥 NZOG share 300,000 barrels



NZOG Developed 2P Tui Oil Reserves ~ 4.0 mmbo



Source:
Tui oil production
forecast from Tui
operator (AWE).

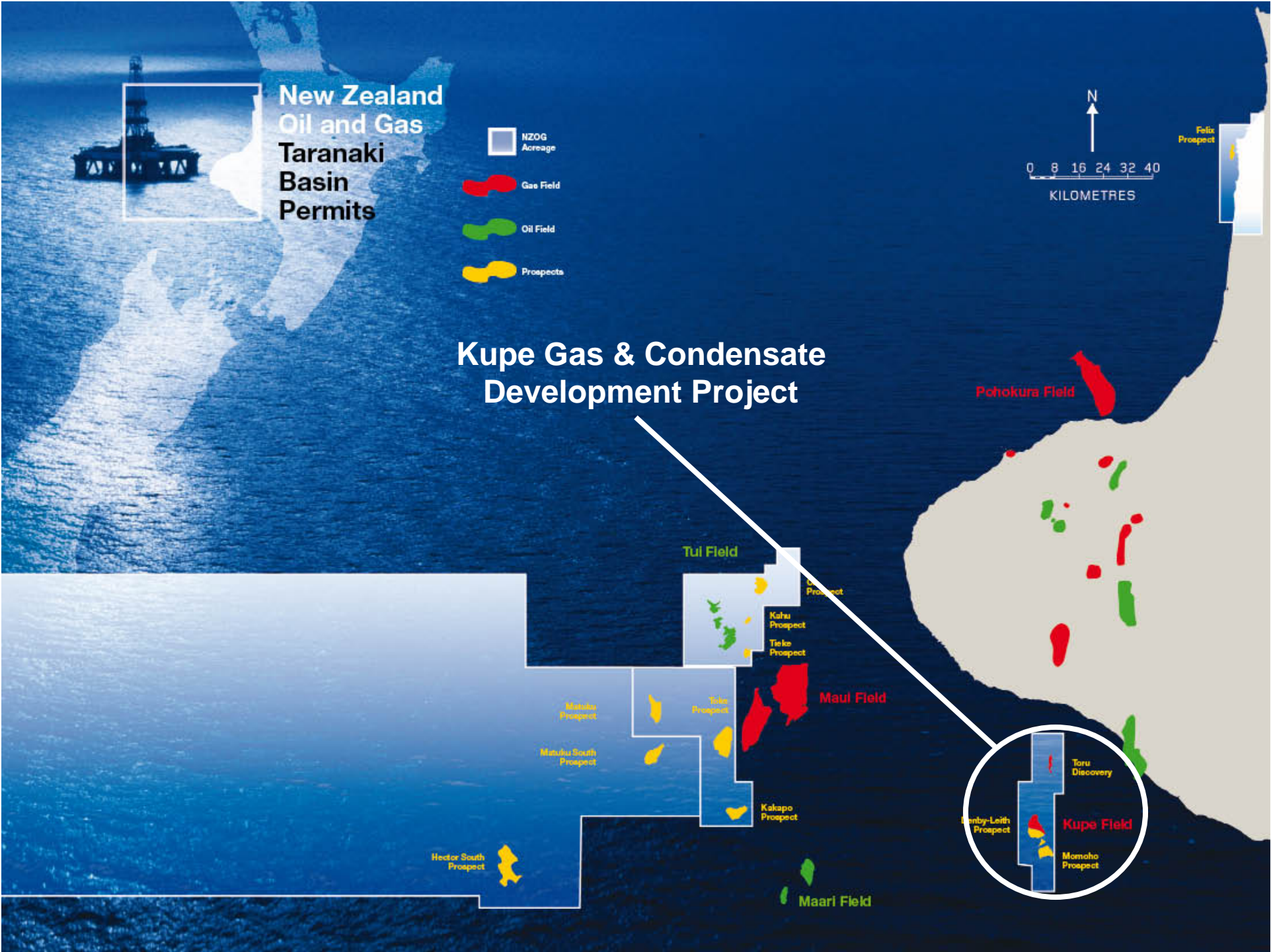
→ Production expected
to at least 2017

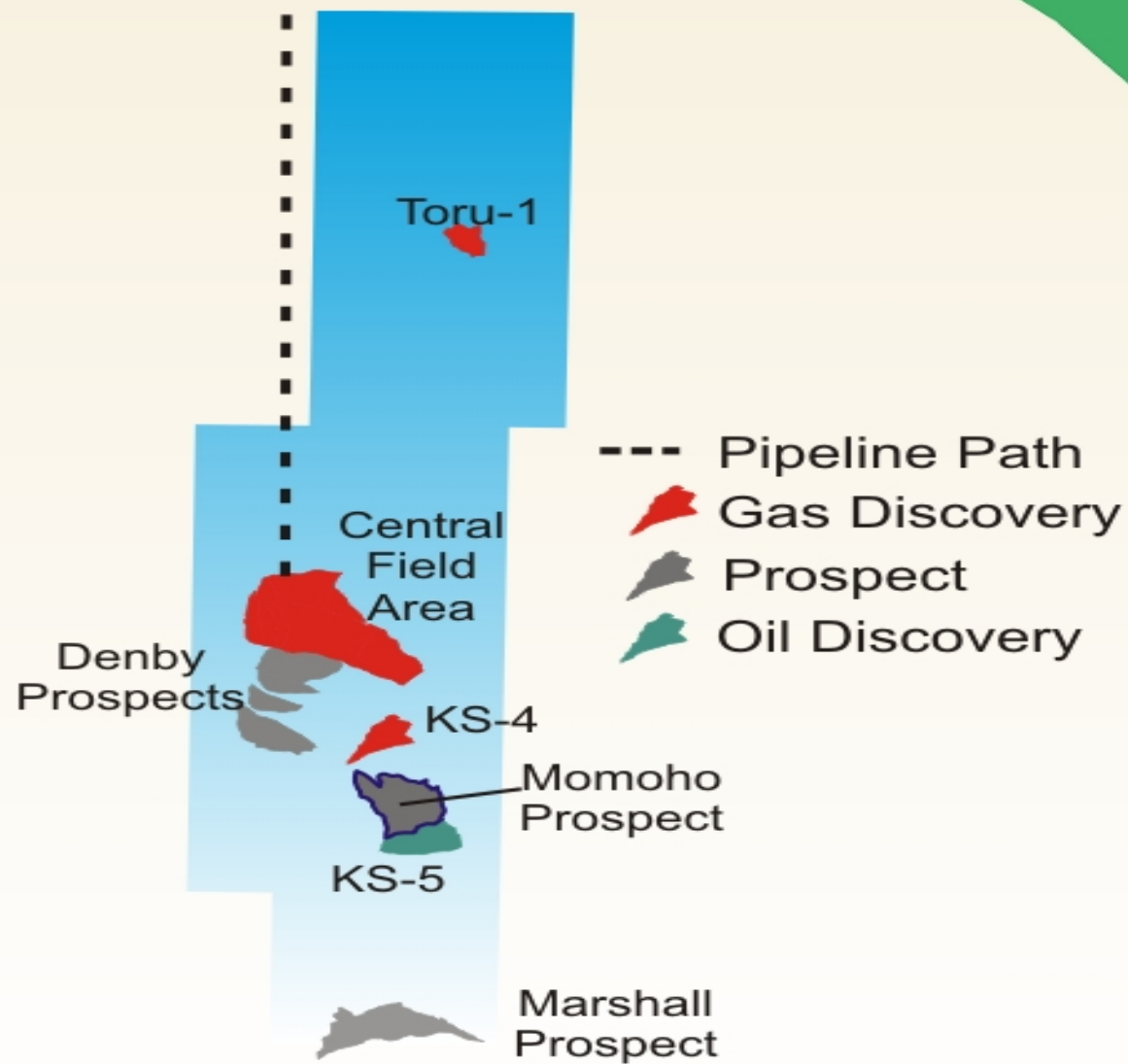
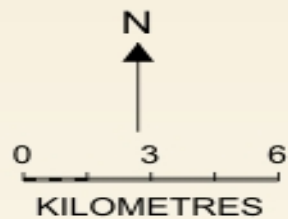


Development: Kupe Gas & Condensate Field

- ⦿ First production mid-2009
- ⦿ NZOG Interest: 15%
- ⦿ Total proved and probable 2P recoverable reserves:
 - ⦿ 254 PJ gas (NZOG share 38PJ)
 - ⦿ 14.7 mmbbls condensate (NZOG 2.2 mmbbls)
 - ⦿ 1.1 mm tonnes LPG (NZOG 165,000 tonnes)
- ⦿ Capex ca. NZ\$1 billion (NZOG ca. \$160m)
- ⦿ Estimated initial production rates:
 - ⦿ 70 TJ/day gas (NZOG 10.5 TJ/day)
 - ⦿ 5271 bopd (NZOG 790 bopd)
 - ⦿ 250 tonnes/day LPG (NZOG 38 tonnes/day)
- ⦿ Genesis Energy long-term gas sales contract







Kupe Project Schematic

Kupe Wellhead Platform

- Unmanned platform (operated from Production Station)
- 3 wells at start-up
- Water depth - 35m
- No production facilities

LPG & Condensate export by road tanker

Sales Gas pipeline to Kapuni

Kupe Production Station

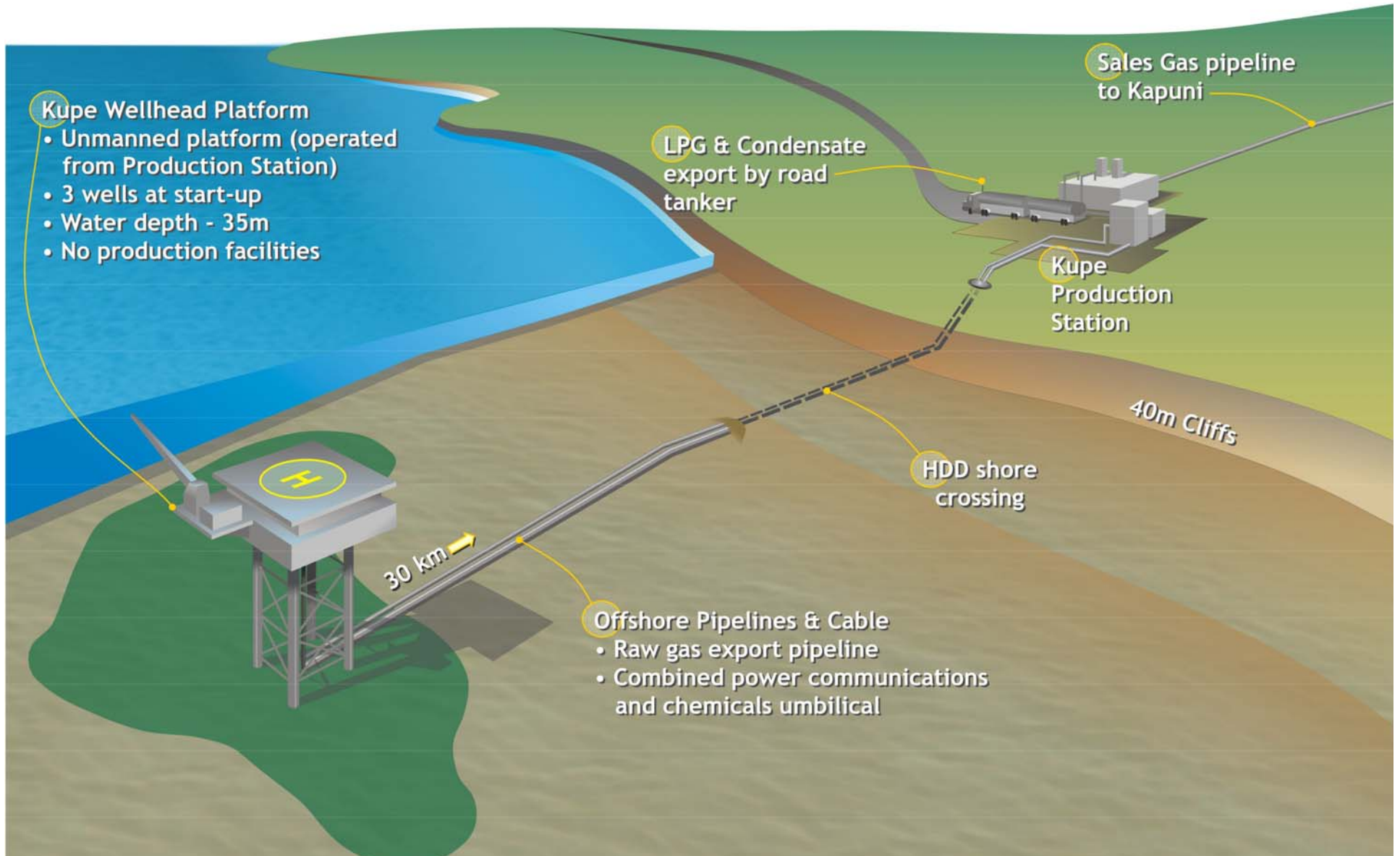
40m Cliffs

HDD shore crossing

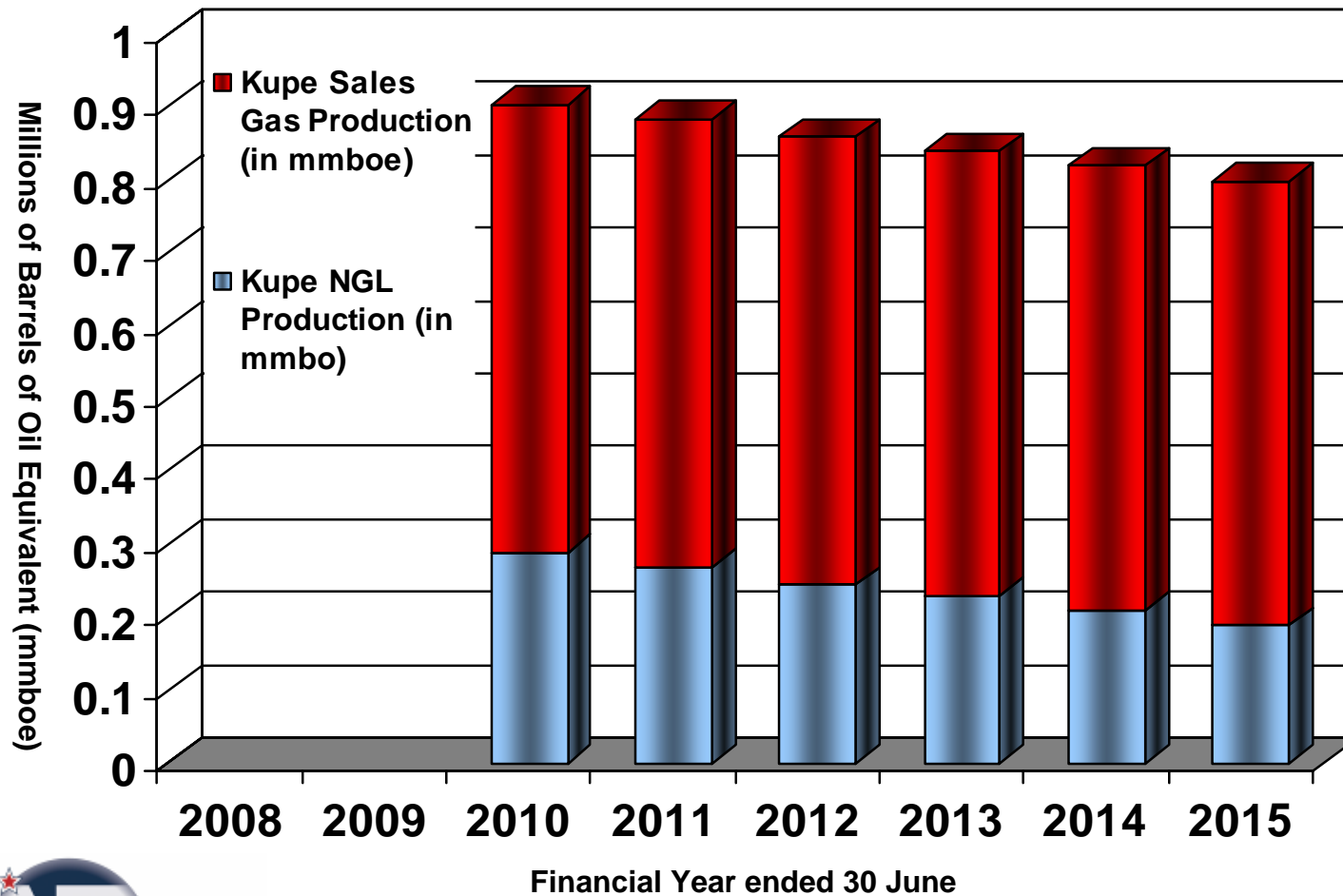
30 km

Offshore Pipelines & Cable

- Raw gas export pipeline
- Combined power communications and chemicals umbilical



NZOG 2P Kupe Reserves ~ 10.0 mmboe



Source:

NZOG has calculated the approximate barrels of oil equivalent for Kupe production forecasts from the Kupe operator (Origin Energy).

Production expected to at least 2025



Exploration: Taranaki Basin

- ◊ Tieke Prospect (Tui Area) – Kapuni F oil prospect 7km east of Tui
Drilled 4Q 2006: Minor hydrocarbon shows. Awaiting decision to sidetrack.
- ◊ Hector Prospect – Kapuni C oil prospect on western oil fairway.
Drilled 2Q 2007. No significant hydrocarbon shows. Hector-1 well plugged and abandoned.
- ◊ Hector South Prospect (Hector Extension) - oil prospect.
Awaiting evaluation of Hector data.
- ◊ Taranui Prospect (Tui Area) - Kapuni F oil prospect northeast of Tui.
Estimated Mean Resource 15 mmbo. Drilled to target depth August 2007. Data still being reviewed but likely non-commercial.
- ◊ Momoho Prospect - gas/light oil prospect next to Kupe field.
Drill Date 2Q 2008.



Exploration: Taranaki Basin

- ◊ Felix – oil/gas target. Farm-out underway.
Planned drill date – mid-2008.
- ◊ Denby A, B, C, D Prospects – gas/condensate prospects next to Kupe.
Awaiting further evaluation.
- ◊ Multiple Kupe discoveries including Toru (gas), KS-4(gas), & KS-5(oil).
Awaiting further evaluation.
- ◊ Matuku, Toke and Kakapo leads (PEP 38499)
Seismic survey and G&G studies to mature leads into drillable prospects.

NZOG intends to build its portfolio and is actively seeking further exploration opportunities.



Investment: Pike River Coal

- 🔥 Listed NZX and ASX
- 🔥 IPO successfully completed July 2007
 - 🔥 Fully oversubscribed NZ\$85 million
- 🔥 NZOG Interest:
 - 🔥 62 million shares (31% of ordinary shares)
 - 🔥 11 million options
 - 🔥 3.5 million convertible notes
- 🔥 NZOG potential funding support of up to \$25m to complete mine



Investment: Pike River Coal

- 💧 Total recoverable coal reserves 17.6m tonnes
- 💧 Development budget \$NZ185m. Tunnel over 60% completed
- 💧 First coal production Q2 2008
- 💧 Maximum production rate 1.1 million tonnes/year
- 💧 55% of estimated output contracted to two Indian companies (shareholders in PRCL)



Location

Westgate

Greymouth

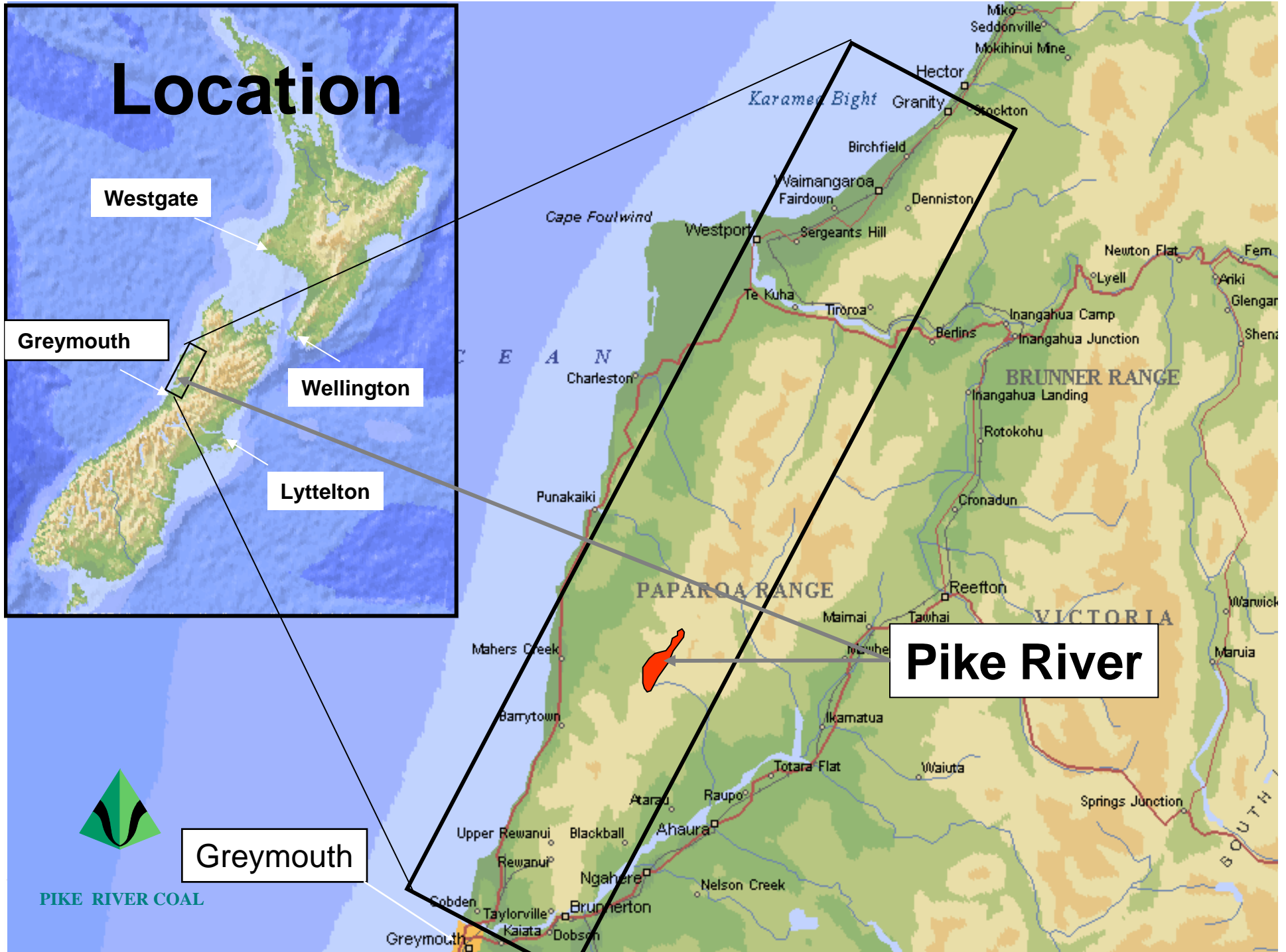
Wellington

Lyttelton

Greymouth

Pike River

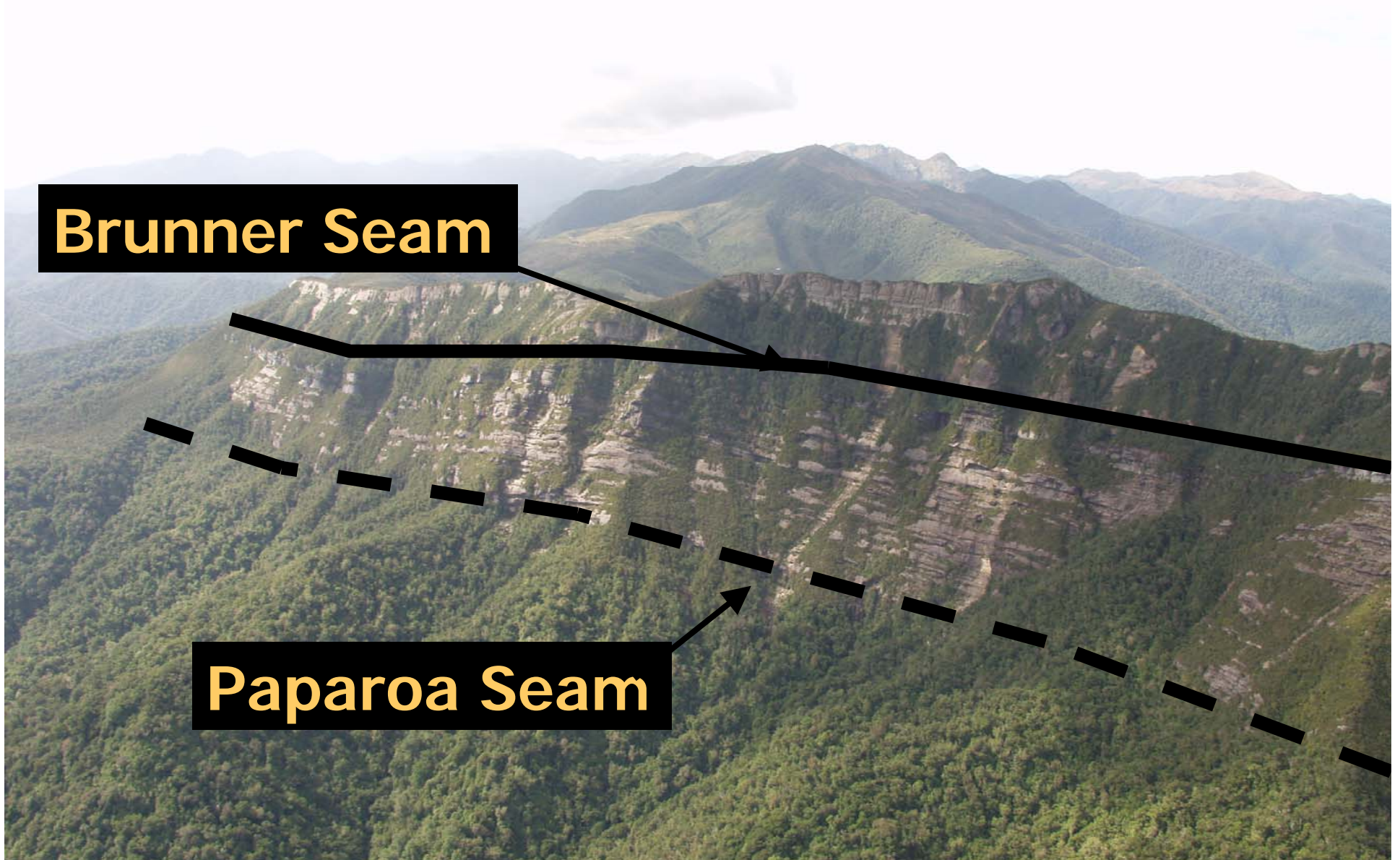
PIKE RIVER COAL



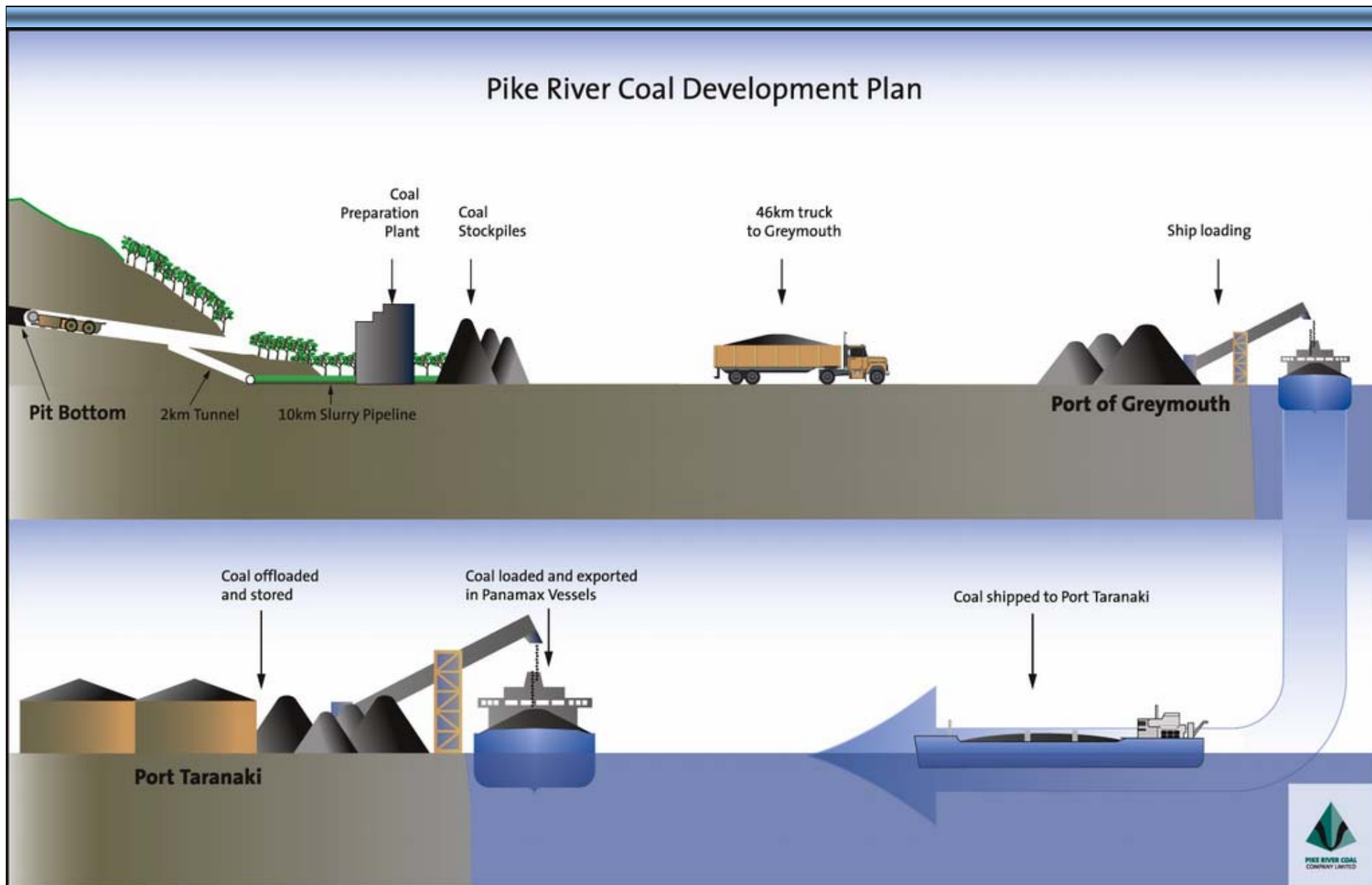
Pike River

Brunner Seam

Paparoa Seam



Pike River Mining and Transport



NZOG 2006/07 Financial Performance

- ⦿ A surplus of \$6.6 million (after minority interests) (2006 surplus \$2.3 million). The surplus was made after writing off exploration costs of \$3.7 million.
- ⦿ Total revenue for the year \$18.0 million (2006 \$7.5 million). Includes a \$4.6 million gain in respect of NZOG's shareholding in Pike River Coal Limited and \$8 million gain on the sale of NZOG's interests in Pan Pacific Petroleum Pty Limited. Also includes interest income of \$2.3 million (2006 \$2.3 million) and a foreign exchange gain of \$2.7 million (2006 gain \$2.7 million).
- ⦿ During the year, NZOG invested \$110 million in its three development projects: Kupe, Tui and Pike River.
- ⦿ As at 30 June 2007 NZOG held cash of \$35.4 million.

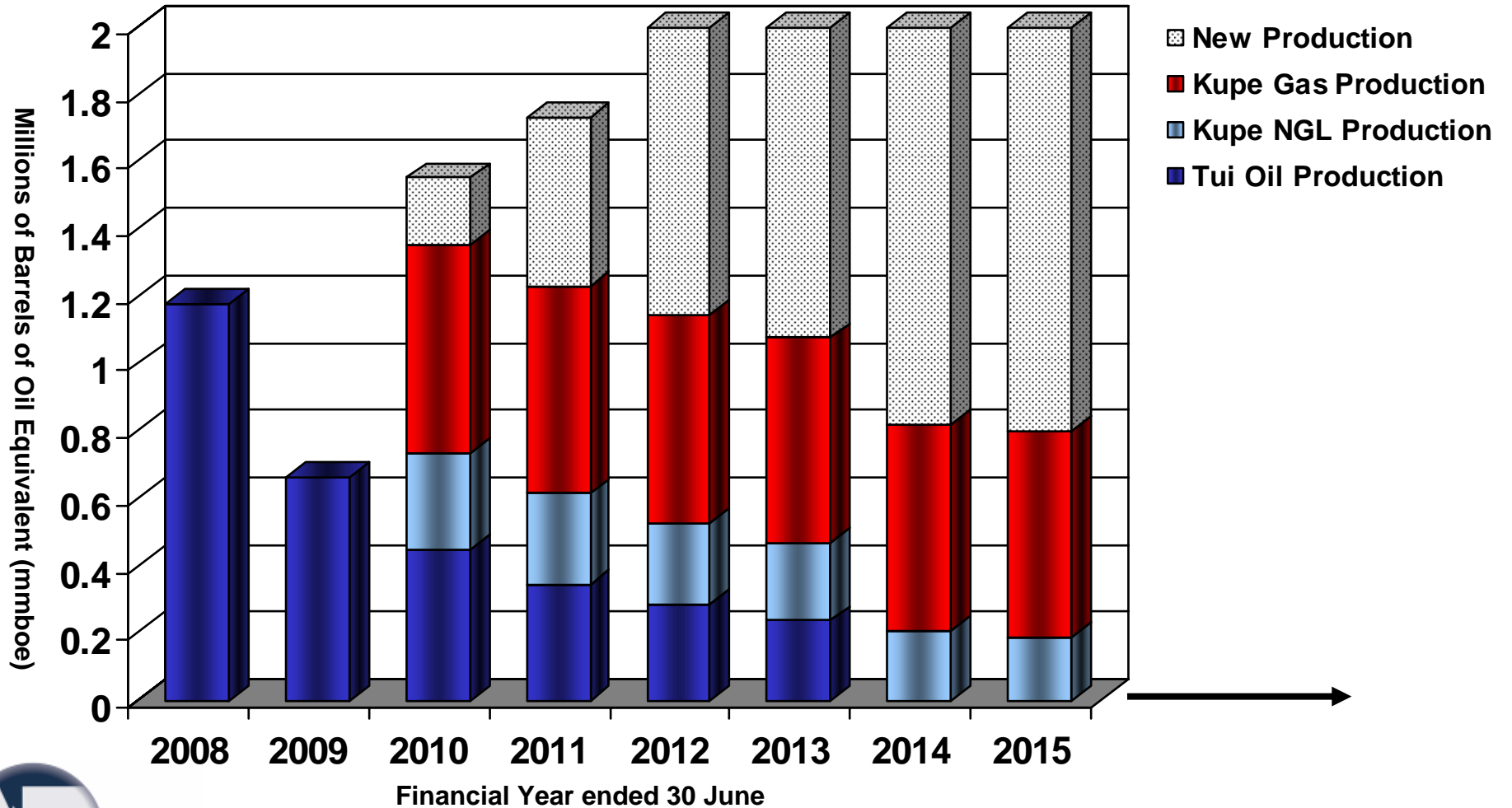


The Future

- ⦿ Board approved growth strategy
 - ⦿ Increase reserves to at least 25 mmbo by 2012
 - ⦿ Increase production output to at least 2 million barrels per year by 2012
- ⦿ Recruited for growth
 - ⦿ Senior technical and corporate employees
- ⦿ Looking for opportunities: exploration, asset purchase, corporate acquisition
- ⦿ New Zealand has good remaining prospectivity for oil and gas



The Future



Summary

- 🔥 Tui cashflows + Kupe development + Pike River investment = solid/diversified base
- 🔥 Corporate Governance updated
- 🔥 Growth target, strategy and budget approved
- 🔥 Recruitment for growth implemented
- 🔥 Actively raising profile and looking for opportunities



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