

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 31 March 2015

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 2015 \$NZ'000	Year to Date (9 months) \$NZ'000
1(a)		Receipts from product sales and related debtors	30,889	84,379
1(b)		Payments for		
		(a) exploration and evaluation	(5,894)	(24,253)
		(b) development	(5,734)	(11,077)
		(c) production	(5,653)	(19,295)
		(d) administration	(3,357)	(12,326)
1(c)		Dividends received	-	-
1(d)		Interest and other items of a similar nature received	813	2,953
1(e)		Interest and other costs of finance paid	-	(10)
1(f)		Income taxes (paid)/received	168	(6,367)
1(g)		Royalties	(3,081)	(6,845)
1(h)		Other	-	-
1(i)		Net Operating Cash Flows	8,151	7,159
		Cash Flows Related to Investing Activities		
2(a)		Cash paid for purchases of:		
		(a) prospects	-	-
		(b) equity investments	(20,182)	(34,900)
		(c) other fixed assets	(2)	(450)
2(b)		Cash proceeds from sale of:		
		(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
2(c)		Loans to other entities	-	-
2(d)		Loans repaid by other related entities	-	-
2(e)		Other	-	(159)
2(f)		Net Investing Cash Flows	(20,184)	(35,509)
		Total Operating and Investing Cash Flows	(12,033)	(28,350)
		Cash Flows Related to Financing Activities		
3(a)(i)		Cash proceeds from issue of NZOG shares	(37)	-
3(a)(ii)		Buyback of NZOG shares	(63,163)	(63,163)
3(b)		Proceeds from sale of forfeited shares	-	274
3(c)		Borrowings	-	-
3(d)		Repayment of borrowings	-	-
3(e)		Dividends paid	(1)	(8,895)
3(f)		Other	(45)	(45)
3(g)		Net Financing Cash Flows	(63,246)	(71,829)
4(a)		Net Increase/(Decrease) in Cash Held	(75,279)	(100,179)
4(b)		Cash at beginning of quarter/year	115,177	135,074
4(c)		Exchange rate adjustments to Items 4(b) above	3,256	8,259
4(d)		Cash at End of Quarter	43,154	43,154

Notes:

This report is for the NZOG consolidated group at 31 March 2015.

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
Tui letters of credit (USD)	1	USD 2.6	USD 2.6
ANZ Multi-Currency Revolving Credit Facility	2	NZD 20.0	Nil

Notes:

- NZOG has a letter of credit facility with ANZ Bank New Zealand Limited in respect of the Tui area oil fields.
- NZOG entered into a credit facility agreement with ANZ Bank New Zealand Limited to support the on-market takeover of Cue Energy Resources Pty Ltd.

7 **Estimated Outlays for Specified Quarter**

	Notes	Current Quarter \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation	1	6,988	5,000
Development	2	4,029	1,000
Total		11,018	6,000

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.

Note 1:

Current exploration and evaluation costs down on estimated outlays due to timing of cash calls and less activity than anticipated.

Note 2:

Current development costs up on estimated outlays due to minor capital expenditure at Kupe.

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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	6,626	14,467
Deposits at call, term and bank bills	24,074	91,340
Bank overdraft	-	-
Other – Joint venture cash	12,454	9,370
Total: Cash at End of Quarter (Item 4(d)/4(b))	43,154	115,177

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 13,969	USD 21,789

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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 2015 are set out below.

PETROLEUM INTERESTS AT 31 March 2015

	GROSS AREA SQ KM	DIRECT INTEREST %
1. PETROLEUM MINING PERMITS		
PML 38146 (Kupe field)	257	15.0
PMP 38158 (Tui field)	467	27.5
2. PETROLEUM EXPLORATION PERMITS		
PEP 52181 (Kaheru)	312	35.0
PEP 54857 (Waru)	525	100.0
PEP 51906 (Matuku)	1613	12.5
PEP 52717 (Clipper)	3,423	50.0
PEP 55792 (Galleon)	1,654	100.0
PEP 55793 (Vulcan)	2,418	30.0
PEP 55794 (Toroa)	9,835	30.0

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Kisaran PSC	2,179	22.5
Bohorok PSC	5,022	45.0
Palmerah Baru PSC	989	36.0
MNK Kisaran PSC	2,179	11.25

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Issued and Quoted Securities at End of Current Quarter – 31 March 2015
(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	345,864,482	336,881,482	N/A	N/A
	Fully paid during quarter	-	-	-	-
	Cancelled during quarter	(84,217,179)	(84,217,179)	75	75
	Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	8,983,000	-	77.0-204.0	1.0
	Issued during quarter	-	-	-	-
	Fully paid during quarter	-	-	-	-
	Options	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		



Andrew Knight
Chief Executive Officer
28 April 2015