

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 30 June 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 June 2015 \$NZ'000	Year to Date (12 months) \$NZ'000
1(a)		Receipts from product sales and related debtors	36,145	120,524
1(b)		Payments for		
		(a) exploration and evaluation	(6,803)	(31,056)
		(b) development	(8,181)	(19,258)
		(c) production	(12,538)	(31,833)
		(d) administration	(7,889)	(20,215)
1(c)		Dividends received	-	-
1(d)		Interest and other items of a similar nature received	392	3,345
1(e)		Interest and other costs of finance paid	-	(10)
1(f)		Income taxes (paid)/received	384	(5,983)
1(g)		Royalties	(99)	(6,944)
1(h)		Other	-	-
1(i)		Net Operating Cash Flows	1,411	8,570
		Cash Flows Related to Investing Activities		
2(a)		Cash paid for purchases of:		
		(a) prospects	(2,759)	(2,759)
		(b) equity investments	34,900	-
		(c) other fixed assets	6	(444)
2(b)		Cash proceeds from sale of:		
		(a) prospects	-	-
		(b) equity investments	4,709	4,709
		(c) other fixed assets	-	-
2(c)		Loans to other entities	-	-
2(d)		Loans repaid by other related entities	1,446	1,446
2(e)		Other	(4,229)	(4,388)
2(f)		Net Investing Cash Flows	34,073	(1,436)
		Total Operating and Investing Cash Flows	35,484	7,134
		Cash Flows Related to Financing Activities		
3(a)(i)		Cash proceeds from issue of NZOG shares	-	-
3(a)(ii)		Buyback of NZOG shares	-	(63,163)
3(b)		Proceeds from sale of forfeited shares	653	927
3(c)		Borrowings	-	-
3(d)		Repayment of borrowings	-	-
3(e)		Dividends paid	-	(8,895)
3(f)		Other	(26)	(71)
3(g)		Net Financing Cash Flows	627	(71,202)
4(a)		Net Increase/(Decrease) in Cash Held	36,111	(64,068)
4(b)		Cash at beginning of quarter/year	43,154	135,074
4(c)		Exchange rate adjustments to Items 4(b) above	4,334	12,593
4(d)		Cash at End of Quarter	83,599	83,599

Notes:

This report is for the New Zealand Oil & Gas consolidated group at 30 June 2015.

2(a) (b) & 2(e). New Zealand Oil & Gas obtained control of Cue Energy Resources Limited (Cue) with an effective date of 31 March 2015. In previous cash flow reports the acquisition was treated as an equity investment under 2(a)(b) with an outflow of \$34.9 million. Cue is being consolidated into the Group from 1 April 2015, the equity investment under 2(a)(b) being reversed and the net impact of the Cue cash added on acquisition (\$30.7 million inflow) and the cost of the acquisition (\$34.9 million outflow) shown under 2(e).

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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 1.0	USD 1.0
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		5,000	8,031
Development	1	1,000	5,320
Total		6,000	13,351

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: Development costs were higher than estimated due to the wash-up of costs to tie-back the Pateke 4H well.

Estimates for the following quarter include estimates provided by Cue Energy Resources Limited.

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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	13,300	6,626
Deposits at call, term and bank bills	58,763	24,074
Bank overdraft	-	-
Other – Joint venture cash	11,536	12,454
Total: Cash at End of Quarter (Item 4(d)/4(b))	83,599	43,154

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 30,747	USD 21,789
Australian Dollars	AUD 400	-

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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	PEP 54857 (Waru)	exploration	100.0	0.0
9(b)	Interests in mining tenements acquired or increased	Sampang PSC	production	0.0%	15.0
		PMP38160(Maari PSC)	production	0.0%	5.0
		Pine Mills	production	0.0%	80.0
		WA-359-P	exploration	0.0%	100.0
		WA-360-P	exploration	0.0%	37.5
		WA-361-P	exploration	0.0%	15.0
		WA-389-P	exploration	0.0%	40.0
		WA-409-P	exploration	0.0%	100.0
		PEP-51313	exploration	0.0%	14.0
		PEP-51149	exploration	0.0%	20.0
		PEP-54865	exploration	0.0%	20.0
		Mahakam Hilr PSC	exploration	0.0%	100.0
		Mahato PSC	exploration	0.0%	12.5

The permits acquired in this quarter all relate to the acquisition of a 48.11% interest in Cue Energy Resources Limited, which is consolidated into the Group.

9(c) The Company's "Petroleum Interests" as at 30 June 2015 are set out below.

PETROLEUM INTERESTS AT 30 June 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

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Sampang PSC ⁽¹⁾	535	15.0
PMP 38160 (Maari PSC) ⁽¹⁾	80	5.0
Pine Mills ⁽¹⁾	8.9	80.0
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
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
Mahakam Hilir PSC ⁽¹⁾	222	100.0
Mahato PSC ⁽¹⁾	5,600	12.5
WA-359-P ⁽¹⁾	645	100.0
WA-360-P ⁽¹⁾	643	37.5
WA-361-P ⁽¹⁾	644	15.0
WA-389-P ⁽¹⁾	1,939	40.0
WA-409-P ⁽¹⁾	565	100.0
PEP-51313 ⁽¹⁾	819	14.0
PEP-51149 ⁽¹⁾	217	20.0
PEP-54865 ⁽¹⁾	2,475	20.0

(1) The permits acquired in this quarter all relate to the acquisition of a 48.11% interest in Cue Energy Resources Limited, which is consolidated into the Group.

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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	338,029,482	N/A	N/A
	Fully paid during quarter	1,148,000	1,148,000	0.57	-
	Cancelled during quarter	-	-	-	-
	Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	8,983,000	-	77.0-157.7	1.0
	Issued during quarter	-	-	-	-
	Fully paid during quarter	(1,148,000)	-	0.57	0.56
	Options	-	-	N/A	N/A
	Issued during quarter	-	-	-	-
	Exercised during quarter	-	-	-	-
	Expired during quarter	-	-	-	-



André Gaylard
Chief Financial Officer
 29 July 2015