

14 February 2017

TUI OFFER ACCEPTED

New Zealand Oil & Gas has accepted Tamarind's offer for its 27.5 per cent interest in the Tui area oil fields off Taranaki, New Zealand.

Tamarind, based in Kuala Lumpur, Malaysia, will pay New Zealand Oil & Gas USD\$750,000 in exchange for all shares in its Tui holding company, Stewart Petroleum. Tamarind in December announced an agreement to purchase the 57.5 per cent interest of the operator, AWE.

Stewart Petroleum's assets and liabilities include a 27.5 per cent interest in the Tui field, and inventory of USD\$4.7 million of oil. Working capital of \$6 million will be transferred to Tamarind. Tamarind will also assume all field retirement obligations.

The effective date of the transaction is 1 January 2017.

Chief executive Andrew Jefferies said, "The sale of the Tui interest allows New Zealand Oil & Gas to realise the present value of remaining Tui reserves while reducing exposure associated with the uncertain end of field cessation costs and timing."

The date when production ends will depend on expected oil prices, lease costs and field production rates.

"New Zealand Oil & Gas analysed the Tamarind offer and finds it compelling based on Tamarind's specialist end-of-field-life capability, including optimising late stage production and abandonment operations.

"Since the Pateke-4H well went into production in April 2015 Tui production has been in line with our expectations and our valuation of this transaction secures that production profile in today's dollars, while it also means we minimise financial risks associated with the abandonment of the facility. We are pleased that Tamarind shares our value perspective," Mr Jefferies said.

Ian Angell, MD of Tamarind, said, "This acquisition is a logical next step in our investment in New Zealand and in the Tui Area. By acquiring this additional stake, we will be able to move quickly and in a focused manner to bring our field life extension plan to fruition. While there is much discussion about field decommissioning, Tamarind is confident with the strength of the Tui operating team in New Plymouth, this area will have many years of remaining production."

"While there is much discussion in New Zealand and the region regarding late life field management, Tamarind is confident of our ability to bring innovation in terms of technologies and methodologies for field retirement. This will allow the numerous stakeholders in New Zealand to have a much greater confidence that such fields can be managed progressively and at much lower costs and risk to all concerned," Mr Angell added.

"New Zealand Oil & Gas is entering a new stage in its life. Having sold our legacy producing assets we are looking for opportunities to deploy our cash by acquiring new producing assets with a preference for gas in markets we understand," Andrew Jefferies said.

New Zealand Oil & Gas contact

John Pagani

External Relations Manager

+64 21 570 872 Mobile

john.pagani@nzog.com

Tamarind contact

Ian Angell

Managing Director

Tamarind Classic Resources Limited

+60321635588 Office

+60123047105 Mobile

ian.angell@tamarindenergy.com
