

8 March 2017

SCHEME OF ARRANGEMENT TO RETURN NZ\$100 MILLION TO SHAREHOLDERS

New Zealand Oil & Gas will seek a court-approved scheme of arrangement to return \$100 million of capital to shareholders.

Directors believe a court-approved scheme of arrangement under Part 15 of the Companies Act 1993 is the best way to achieve its intention to return capital following the sale of the company's interest in the Kupe gas field off Taranaki on 1 January.

Genesis Energy paid \$168 million for the 15 per cent New Zealand Oil & Gas interest.

New Zealand Oil & Gas is now seeking initial orders from the High Court to implement the scheme. The scheme of arrangement will involve cancelling one out of every two ordinary shares for a payment of NZ\$0.62724388 per cancelled share. Part-paid shares that have been issued as part of the company's Employee Share Ownership Plan will not participate in the return of capital.

The implementation of the scheme will be conditional on:

- approval by shareholders at a special meeting,
- a binding ruling from Inland Revenue that the return of capital under the scheme is not in lieu of a dividend, and
- final court approval.

A shareholders' meeting is expected in April to consider the scheme.

If shareholders approve the scheme, and the binding ruling is provided by Inland Revenue, final court orders will be sought to implement the scheme. Subject to receipt of this court approval, the scheme should become effective in late May. Any update to this timetable will be announced to NZX.