

# QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

## NEW ZEALAND OIL & GAS LIMITED

### For Quarter ended 31 December 2014

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 December 2014 \$NZ'000	Year to Date (6 months) \$NZ'000
1(a)		Receipts from product sales and related debtors	24,671	53,490
1(b)		Payments for		
		(a) exploration and evaluation	(3,347)	(18,359)
		(b) development	(4,192)	(5,343)
		(c) production	(6,070)	(13,642)
		(d) administration	(3,408)	(8,969)
1(c)		Dividends received	-	-
1(d)		Interest and other items of a similar nature received	1,157	2,140
1(e)		Interest and other costs of finance paid	(10)	(10)
1(f)		Income taxes (paid)/received	(4,825)	(6,535)
1(g)		Royalties	(187)	(3,764)
1(h)		Other	-	-
1(i)		<b>Net Operating Cash Flows</b>	<b>3,790</b>	<b>(992)</b>
		<b>Cash Flows Related to Investing Activities</b>		
2(a)		Cash paid for purchases of:		
		(a) prospects	-	-
		(b) equity investments	(14,718)	(14,718)
		(c) other fixed assets	(196)	(448)
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	(37)	(159)
2(f)		<b>Net Investing Cash Flows</b>	<b>(14,951)</b>	<b>(15,325)</b>
		<b>Total Operating and Investing Cash Flows</b>	<b>(11,161)</b>	<b>(16,317)</b>
		<b>Cash Flows Related to Financing Activities</b>		
3(a)(i)		Cash proceeds from issue of NZOG shares	27	37
3(a)(ii)		Buyback of NZOG shares	-	-
3(b)		Proceeds from sale of forfeited shares	-	274
3(c)		Borrowings	-	-
3(d)		Repayment of borrowings	-	-
3(e)		Dividends paid	-	(8,894)
3(f)		Other	-	-
3(g)		<b>Net Financing Cash Flows</b>	<b>27</b>	<b>(8,583)</b>
4(a)		<b>Net Increase/(Decrease) in Cash Held</b>	<b>(11,134)</b>	<b>(24,900)</b>
4(b)		Cash at beginning of quarter/year	130,646	135,074
4(c)		Exchange rate adjustments to Items 4(b) above	(4,335)	5,003
4(d)		<b>Cash at End of Quarter</b>	<b>115,177</b>	<b>115,177</b>

**Notes:**

This report is for the NZOG consolidated group at 31 December 2014.

**New Zealand Oil & Gas Limited**  
**Quarterly Report of Consolidated Cashflows**

**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

**NZSX  
Ref**

- 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

**Notes:**

1. NZOG has a letter of credit facility with ANZ Bank (New Zealand branch) in respect of the Tui area oil fields.

- 7 **Estimated Outlays for Specified Quarter**

	Notes	Current Quarter \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation		2,994	6,988
Development	1	1,358	4,029
<b>Total</b>		<b>4,352</b>	<b>11,018</b>

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:

Tui – Pateke 4H tie-back costs brought forward (\$2.0m).

Kupe – development costs incurred earlier than anticipated (\$0.8m).

8

## 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	14,467	3,603
Deposits at call, term and bank bills	91,340	113,512
Bank overdraft	-	-
Other – Joint venture cash	9,370	13,531
<b>Total: Cash at End of Quarter (Item 4(d)/4(b))</b>	<b>115,177</b>	<b>130,646</b>

  

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 21,789	USD 18,938

NZSX  
 Ref  
 9

## 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 December 2014 are set out below.

### PETROLEUM INTERESTS AT 31 December 2014

	GROSS AREA SQ KM	DIRECT INTEREST %
<b>1. PETROLEUM MINING PERMITS</b>		
PML 38146 (Kupe field)	257	15.0
PMP 38158 (Tui field)	467	27.5
<b>2. PETROLEUM EXPLORATION PERMITS</b>		
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

**New Zealand Oil & Gas Limited**  
**Quarterly Report of Consolidated Cashflows**

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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**Ref**  
 10

**Issued and Quoted Securities at End of Current Quarter – 31 December 2014**  
 (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)
	<b>Ordinary Securities</b>	430,081,661	421,098,661	N/A	N/A
	Fully paid during quarter	50,000	50,000	76.0	76.0
	Cancelled during quarter	-	-		
	<b>Partly Paid Securities</b> <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	(50,000)	-	76.0	75.0
	<b>Options</b>	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		



Andrew Knight  
**Chief Executive Officer**  
 29 January 2015