

Dear Shareholder,

Scheme of Arrangement with O.G. Oil & Gas – Some Further Information for You

You should already have received information about the proposed scheme of arrangement with O.G. Oil & Gas [Singapore] Pte. Ltd. [OGOG], through either a mailed copy of the scheme booklet and independent adviser's report, or an internet link to them. You should also have received the scheme booklet supplement and addendum to the independent adviser's report, which were prepared when OGOG increased the scheme offer price to 74 cents per share.

The independent directors welcome the willingness of shareholders to engage in this process.

We have received a good number of communications, questions and complaints about the information provided. These communications, questions and complaints have been considered carefully by the independent directors, assessed on their merits and, where appropriate, referred to Northington Partners Limited, the independent adviser in relation to the scheme. Certain shareholders have also directed questions and complaints about the information presented in the scheme documents to the Takeovers Panel.

It's important to tell you that we continue to have full confidence in the information presented to you through the scheme booklet and scheme booklet supplement. We also retain full confidence in the independent adviser's report and the addendum to that report prepared by Northington Partners.

There has been some media comment about the information you have received. Without repeating the commentary, we want you to know that, except as set out below, we consider that no issue exists with the quality or accuracy of the scheme booklet, the scheme booklet supplement, Northington Partners' independent adviser's report or the addendum to that report.

We would like to emphasise that we have not changed our view of the scheme – we still **unanimously recommend that you vote in favour of the scheme**, in the absence of a superior proposal.

After the Takeovers Panel reviewed the questions and complaints it received from shareholders, the Takeovers Panel has asked that we clarify two points.

5% chance of commercial success at Ironbark

The Chair's letter [contained in the scheme booklet] noted that:¹

"Although a large prospect, Ironbark has the cost and uncertainty associated with deepwater frontier exploration. The Independent Adviser notes that SRK assesses a 5 per cent chance of commercial success."

The reference to SRK is to SRK Consulting [Australasia] Pty Ltd, an oil and gas resource specialist, which prepared a valuation report for the Ironbark prospect. The SRK report was prepared in relation to shareholder approval of Cue Energy's farm-out transaction with New Zealand Oil & Gas. Northington Partners reference it in the independent adviser's report on the scheme, and it was one of the information sources Northington Partners considered in determining their valuation range.

The 5% chance of commercial success figure is not expressly set out in SRK's report. This figure was mathematically derived by Northington Partners from the analysis contained in the SRK report, and is based entirely on SRK's calculation of its value range. As Northington Partners state in their report "[SRK] **effectively** assessed the chance of economic success to development stage at approximately 5%" [emphasis added].

¹ Similar statements were also made in our announcement of 13 September 2019 regarding comments made by Cue Energy Resources Limited in relation to Ironbark.

Factors influencing the NZO share price

The Chair's letter in the scheme booklet also stated that:

"The market appears to have attributed little or no value to Ironbark prior to the announcement of this Scheme. In fact, the market capitalisation of the company fell by almost exactly our expected share of the well costs, which suggests the market is pricing in the drilling costs and the low chance of success."

However, certain other factors may have also influenced the share price, including lower international crude oil prices, other general economic conditions and the failure of the Kohatukai well. The New Zealand Oil & Gas commitment to share in Ironbark drilling costs may not have been the only cause of share price movements. We continue to believe that the anticipated Ironbark drilling costs contributed to the reduction of the company's share price from late 2018 until the announcement of the scheme [that is, from 62 cents per share to around 50 cents].

Concluding Comments

The Takeovers Panel has released an announcement regarding the questions and complaints it has received. This is set out as an attachment to this letter.

The independent directors note that when OGOG increased its offer price to 74 cents per share, it did so on a "last and final" basis. This means that the offer price will not be increased further.

Further detailed information about the scheme is available from the New Zealand Oil & Gas website at www.nzog.com/scheme-of-arrangement/.

We strongly encourage you to vote at the special meeting of shareholders. The special meeting is being held at:

10:00am on 14 November 2019
Oaks Hotel
Level 1, 89 Courtenay Place, Wellington.

If you have already voted and would like to change your vote, you can do so by following the instructions below. If you cannot make it to the meeting you can still cast your vote. Instructions are set out below.

Yours sincerely



Dr Rosalind Archer,
Chair, Independent Response Committee
29 October 2019

NOT YET VOTED

Cast your vote by following the voting instructions on the voting card posted to you or online at www.investorvote.com. A personalised voting link has been emailed to shareholders who have chosen to receive communications electronically.

ALREADY VOTED AND WISH TO CHANGE YOUR VOTE - YOU CAN CHANGE YOUR VOTE

You can change your vote [or your proxy appointment/instruction] in the same way as you cast your original vote. Follow the voting instructions on the voting card posted to you or online at www.investorvote.com. A personalised voting link has been emailed to shareholders who have chosen to receive communications electronically.

The most recently dated voting card received from you [or most recent online submission] will override any earlier voting card [or online submission].

ALREADY VOTED AND DO NOT WISH TO CHANGE YOUR VOTE

You do not need to do anything further. Your existing vote [or proxy appointment/instruction] remains valid.

29 October 2019

MEDIA RELEASE

Takeovers Panel comments on complaints received regarding the scheme of arrangement between New Zealand Oil & Gas and O.G. Oil & Gas

The Takeovers Panel has recently received, and investigated, several complaints from various shareholders of New Zealand Oil & Gas Limited (**NZO**) in relation to the proposed acquisition of minority interests in NZO by O.G. Oil & Gas Pte. Ltd (**OGOG**) under a scheme of arrangement (the **Scheme**).

The Panel considered whether opinions expressed by Northington Partners in its independent adviser's report, and by the NZO independent directors' committee (the **IDC**), were misleading or deceptive for the purposes of the Takeovers Code.

In accordance with the Panel's published guidance, the Panel reached the view that the majority of complaints appear to relate to matters of opinion where different views might honestly and reasonably be held.

The Panel did, however, request that the IDC make certain clarifying disclosures to NZO shareholders in respect of certain complaints. Those disclosures have been made this morning.

Based on the information provided to the Panel, the Panel considers that, given the clarifying disclosures, the disclosure to NZO shareholders complies with the Takeovers Code. Accordingly, the Panel does not intend to take further action at this stage. The Panel will, however, consider any further complaints which are made and/or requests to hold a meeting under section 32 of the Takeovers Act 1993.

In accordance with its usual practice, the Panel makes no comment on the merits of the Scheme.

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