

NEW ZEALAND OIL & GAS LIMITED

REMUNERATION COMMITTEE CHARTER

Role

It is the role of the Remuneration Committee to support the Board by ensuring that employees are appropriately compensated for their services to the company and motivated to perform to the best of their abilities, by

- a) Approving the performance criteria, remuneration and employment terms and conditions of the chief executive.
- b) Regularly reviewing the chief executive's performance against the criteria.
- c) Approving share and option allocations to NZOG staff pursuant to the NZOG employee share ownership plan and advising the Trustee accordingly.
- d) Recommending to the board and Trustee any amendments to the NZOG employee share ownership plan.
- e) Reviewing submissions from the chief executive on staff conditions of employment, performance and remuneration.
- f) Reviewing the remuneration framework for directors in relation to factors such as size of responsibilities, market capitalisation, time involvement, and comparative remuneration; and when appropriate making recommendations on directors' remuneration to shareholders at general meetings.

Composition

The Remuneration Committee shall be chaired by a non-executive director. It shall consist of 3 non-executive members, and a majority of its members shall be independent directors.

Administration & Procedures

The quorum shall be two.

The remuneration committee may take independent advice if thought necessary to adequately perform its role.

A suitable person shall be appointed secretary of the remuneration committee.

The committee secretary will call a meeting of the remuneration committee if so requested by any committee member.

The committee secretary shall prepare agendas for each meeting of the committee in consultation with the committee chairman.

The committee shall meet as required but should meet formally at least twice a year. The committee may invite executive directors or management to participate in meetings.

Review of Charter

The remuneration committee shall review the charter from time to time to ensure its relevance and the effectiveness of the remuneration committee. The remuneration committee charter shall be approved by the full board.

Adopted by the board of New Zealand Oil & Gas Limited.
26 August 2004.

A handwritten signature in black ink, appearing to read 'B W Roulston', written in a cursive style.

B W Roulston