

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 31 March 2009

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	Current Quarter March \$NZ'000	Year to Date (9 months) \$NZ'000
	Cash Flows Relating to Operating Activities		
1(a)	Receipts from product sales and related debtors	18,506	146,233
1(b)	Payments for		
	(a) exploration and evaluation	(1,585)	(6,252)
	(b) development	(10,695)	(54,649)
	(c) production	(3,217)	(14,907)
	(d) administration	(2,219)	(9,528)
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	1,806	8,771
1(e)	Interest and other costs of finance paid	(7)	(7)
1(f)	Income taxes (paid)/received	(8,500)	(16,300)
1(g)	Royalties	(1,371)	(31,098)
1(h)	Other	-	-
1(i)	Net Operating Cash Flows	(7,282)	22,263
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	(30,688)
	(c) other fixed assets	(19)	(46)
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	188	188
	(c) other fixed assets	-	-
2(c)	Loans to other entities	-	-
2(d)	Loans repaid by other related entities	-	-
2(e)	Other – Security deposits/bonds	-	-
2(f)	Net Investing Cash Flows	169	(30,546)
	Total Operating and Investing Cash Flows	(7,113)	(8,283)
	Cash Flows Related to Financing Activities		
3(a)	Cash proceeds from issue of NZOG shares	171	14,437
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	-	-
3(d)	Repayment of borrowings	-	(69,048)
3(e)	Dividends paid	(1)	(19,790)
3(f)	Other – Finance costs and hedging settlements	272	(3,632)
3(g)	Net Financing Cash Flows	442	(78,033)
4(a)	Net Increase/(Decrease) in Cash Held	(6,671)	(86,316)
4(b)	Cash at beginning of quarter/year	211,934	256,461
4(c)	Exchange rate adjustments to Items 4(b) above	3,440	38,558
4(d)	Cash at End of Quarter	208,703	208,703

Notes:

This report is for the NZOG consolidated group at 31 March 2009.

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
Kupe Cash Advance Facilities(NZD)	2	NZD 125.0	NZD 0.00
Tui letters of credit (USD)	1	USD 8.0	USD 8.0
Kupe letters of credit (NZD)	2	NZD 10.0	NZD 10.0

Notes:

- NZOG has a letter of credit facility with the Commonwealth Bank of Australia (New Zealand branch) and ANZ Banking Group Limited for the Tui project. The letter of credit facility was reduced from US\$8.9m to US\$8.0m on 6 March 2009.
- NZOG has a term loan and letter of credit facility with Westpac Banking Corporation and Bank of Scotland International for the Kupe project. The Kupe Cash Advance Facility can be drawn in USD, AUD or NZD currencies. This loan was repaid in full on 15 October 2008. The facility remains in place to meet remaining Kupe development costs. Negotiations are underway to determine the availability of the facility for reimbursement of Kupe costs.

7 **Estimated Outlays for Specified Quarter**

	Notes	Current Quarter # \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation	1	3,600	3,100
Development		10,700	18,800
Total		14,300	21,900

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.

Notes:

- Timing differences.

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	6,672	709
Deposits at call, term and bank bills	190,202	198,381
Bank overdraft	-	-
Other – Joint venture cash	11,829	12,844
Total: Cash at End of Quarter (Item 4(d)/4(b))	208,703	211,934

The above cash at end of quarter was held in the following currencies:	Current Quarter '000	Previous Quarter '000
New Zealand Dollars	NZ\$48,950	NZ\$70,675
United States Dollars	US\$89,525	US\$81,464

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)	PEP 51311 (Gamma) PEP 51321 (Kahurangi)	Acquired 27/01/09 Acquired 19/03/09	-	100.00 18.864

9(c) The Company's "Petroleum Licence Interests" as at 31 March 2009 are set out below.

PETROLEUM LICENCE INTERESTS AT 31 March 2009

LICENCE	GROSS AREA SQ KM	DIRECT INTEREST %
1. PETROLEUM MINING PERMITS		
PML 38146 (Kupe field)	517	15.00
PMP 38158 (Tui field)	467	12.50
2. PETROLEUM EXPLORATION PERMITS		
OFFSHORE TARANAKI		
PEP 38483 (Aihe)	4,723	18.864
PEP 38483 (Aihe Extension)	381	12.50
PEP 51311 (Gamma)	2,985	100.00
PEP 51321 (Kahurangi)	2,991	18.864

New Zealand Oil & Gas Limited
 Quarterly Report of Consolidated Cashflows

NZSX

Ref

10

Issued and Quoted Securities at End of Current Quarter – 31 March 2009

(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)
	Ordinary Securities	387,858,359	384,067,359	N/A	N/A
	Fully paid during quarter	-	175,000	0.87-1.13	0.87-1.13
	Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	3,791,000	-	1.00-1.53	0.01
	Issued during quarter	500,000	-	1.43 -1.53	0.01
	Fully paid during quarter	175,000	-	0.87-1.13	0.87-1.13
	Options	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		



David Salisbury
 Chief Executive Officer
 30 April 2009