

# CEO's AGM Presentation

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# A Rewarding Year

- Solid financial performance
- 5 cents per share dividend
- Dividend Reinvestment Plan
- Significant growth in share price

40% increase in share price since 2008 AGM



# Tui area oil fields

- NZ\$139m in revenue for NZOG
- 9.1mmbbls of oil in FY09
  - NZOG share 1.14mmbbls
- 5.1mmbbls forecast for FY10
  - NZOG share 0.63mmbbls
- Highly regarded product
  - Forward sales contract signed with Shell
- Upside potential
  - Near-field drilling this summer



# Kupe

- Mechanical completion achieved
- First gas introduced to plant next week
- Development costs have risen
  - NZOG's final share likely to be NZ\$195-NZ\$200m
- Expected revenues have also increased
  - Solid income stream for next 15 years



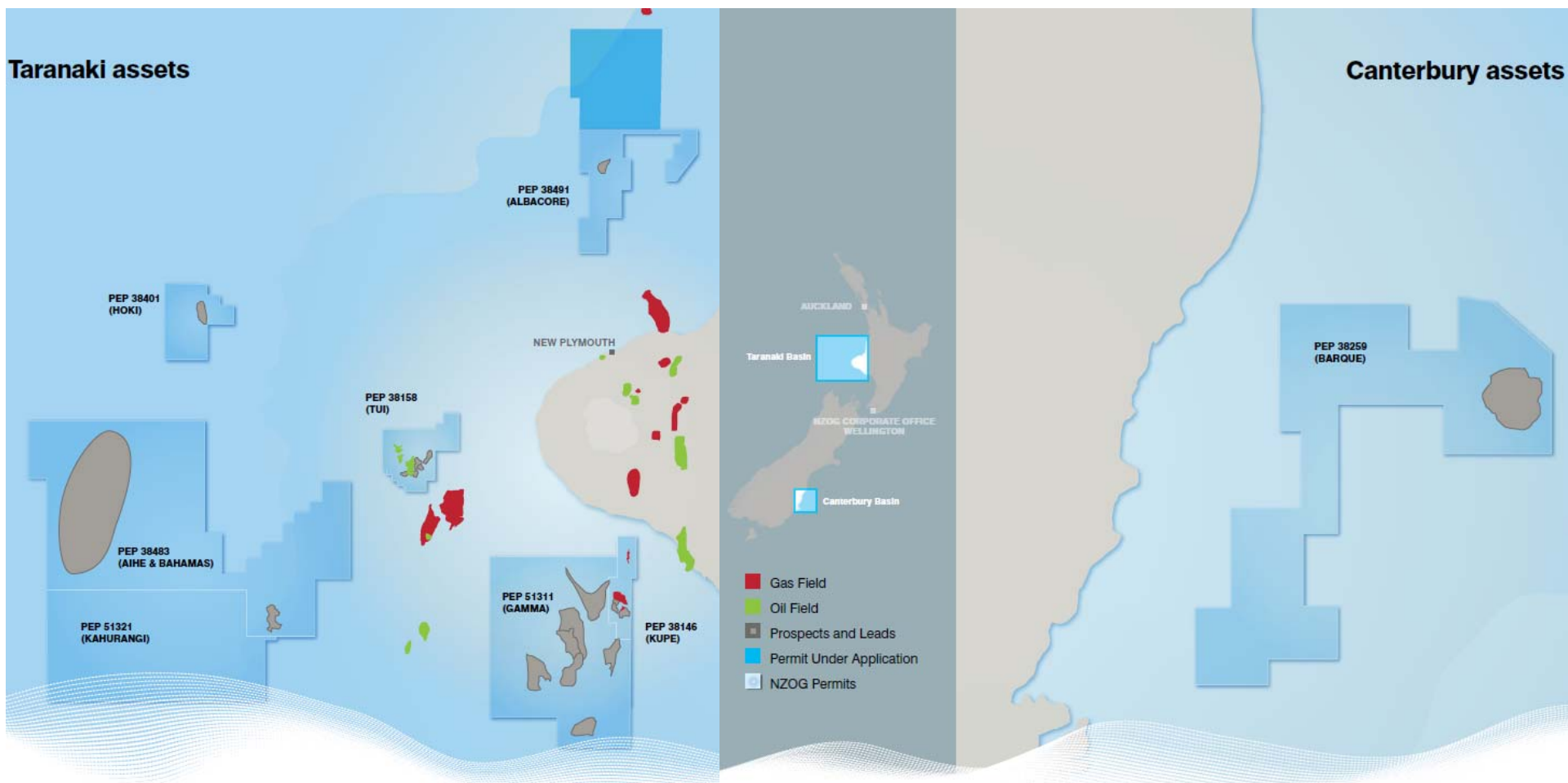
# Pike River Coal

- NZOG retains stake of 29.6%
- First coal October 2008
- Ventilation shaft collapse and production delays
- First coal shipment scheduled for 1stQ 2010
- Pike exploring options to meet short-term funding requirements
- NZOG remains confident in mine's future



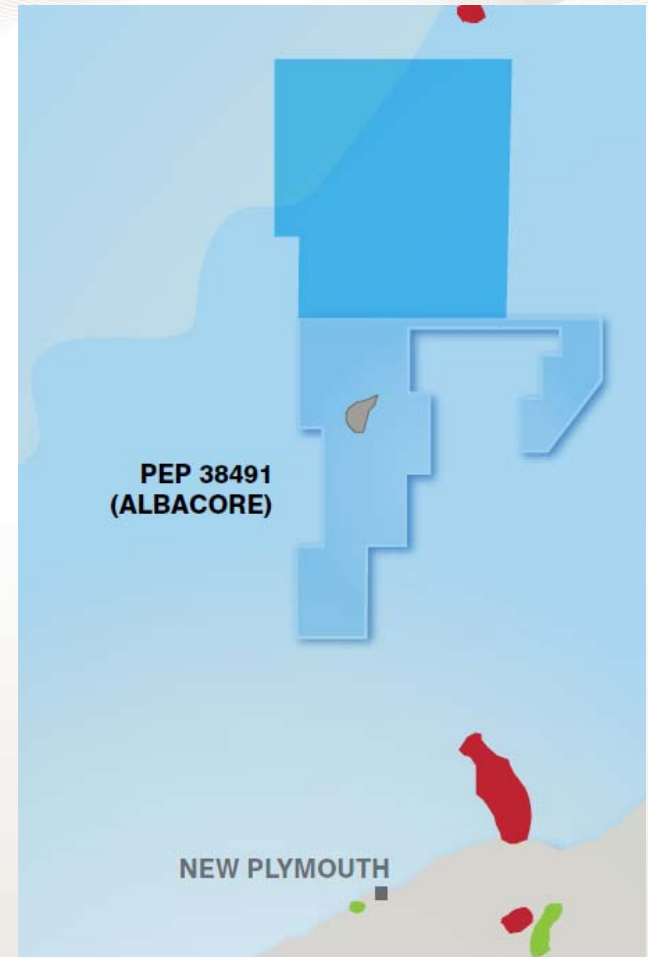
# Exploration Portfolio

Significantly expanded – 8 permits plus 1 under application



# Summer Drilling Programme: Albacore

- 60kms north of New Plymouth
- NZOG has 40% interest
- Albacore-1 to be drilled by jack-up rig Ensco-107
  - Scheduled for November
  - Approx. 20 day drill
- Three target zones
  - Plicoene Fan
  - Two Mangaa sands



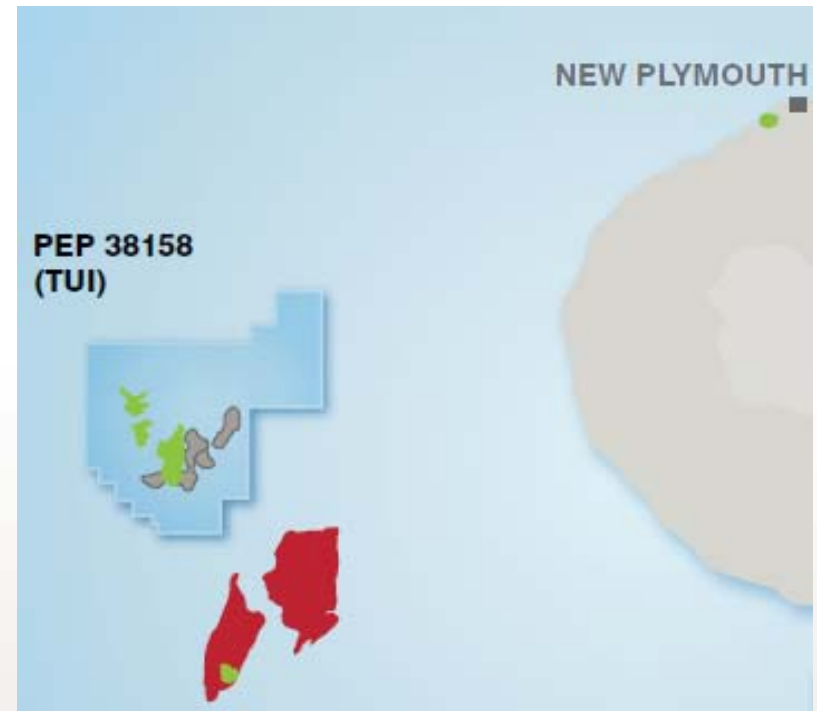
# Summer Drilling Programme: Hoki



- NZOG has 10% interest
- To be drilled by semi-submersible rig Kan Tan IV
  - Likely spud date January 2010
  - Approx. 30 day drill
- Large potentially oil-bearing prospect
  - Hoki-1 well will test structure in North Cape (Cretaceous) formation

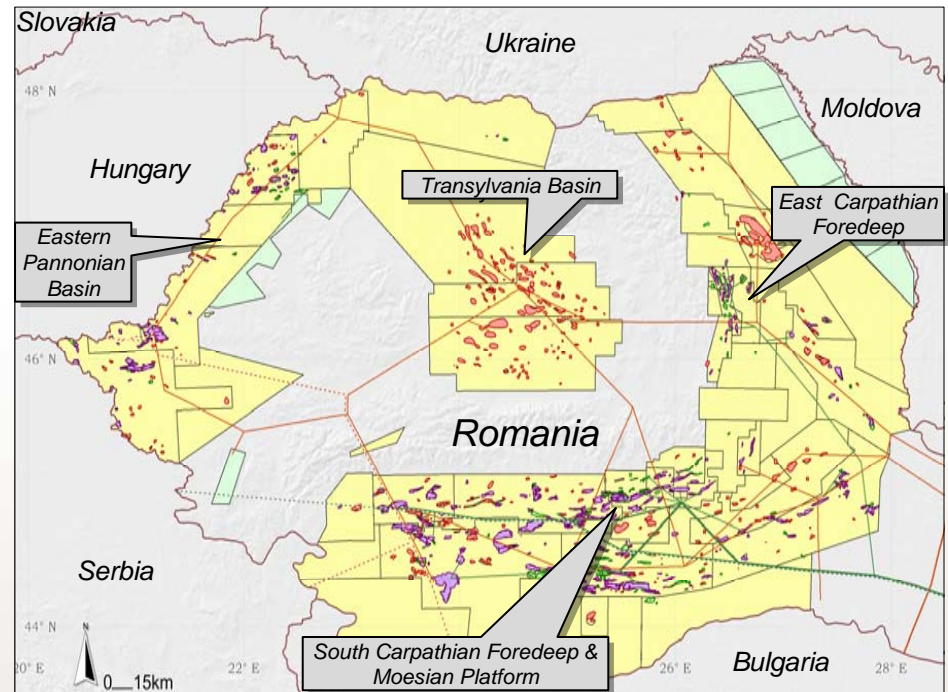
# Summer Drilling Programme: Tui

- At least two appraisal wells
  - To be drilled by Kan Tan IV after Hoki
- Current planning:
  - Tui North East
  - Tui South East or South West
- Potential for rapid commercial development



# Romania

- Low cost investment in study group
- A significant oil and gas region
- 25,000 sq km released for new permit applications
- Study group to consider making bids by mid-2010



# Investment Criteria



- Value creating opportunities with near term payback
  - Proven hydrocarbon basins
  - Existing open access infrastructure
  - Ready access to markets
  - Scope for growth
  - Healthy financial return
  - Manageable risks
  - Fiscal and political stability
  - One or two new core areas outside of Taranaki
- “Twin Engines of Growth” – exploration and acquisition

# Investment Opportunities



- FY09 invested NZ\$120m in new and existing ventures
- Actively screened value-adding investments
  - Ready to drill prospects at Hoki and Albacore secured
  - 15% stake in under-valued Pan Pacific Petroleum
- Global financial crisis did not throw up many quality assets
- Good deals can still be done
  - A number under active consideration

# Capabilities



- Strength of our team allows us to pursue growth
- “G&G” team with combined experience of over 200 years
  - Independently evaluate new projects and existing assets
- Legal, commercial and accounting professionals
  - Managing complex arrangements
- New ventures screening capability
  - Able to capture and retain knowledge in-house
- Open communication
  - Focused on meeting the needs of the investor community
  - Best Investor Website in NZX Top 50

# Financial Strength



- Cash balance of NZ\$178m
  - Most held in US denomination A/Cs with NZ banks
- Revised debt facility of NZ\$75m
  - Favourable terms, secured against Kupe
  - \$50m drawn down to meet NZ dollar expenses
- US dollar primary currency of international oil industry
  - NZOG's US dollar holdings used to meet exploration and investment costs

# Emission Trading Scheme



- Amended legislation proposed by NZ Government
- NZOG engaging with officials and closely monitoring progress on ETS
- Looking to comply with our obligations with the minimum cost impact for the company

# Conclusion



- **Solid existing portfolio**
  - Three revenue streams from Kupe about to supplement Tui oil
  - Strong financial position
  - Highly capable team
  - Pike River and PanPac investments value-creating
- **Pursuing new opportunities**
  - Significant summer drilling programme
  - Other investments being screened
- **Building on the successes of recent years to enhance shareholder value**