

Discovering Our Energy Future

**New Zealand Oil & Gas Limited
Company Profile**

Hamilton Hindin Greene Presentation

19 August 2009



New Zealand Oil & Gas Ltd

Listed:	NZX (since 1981) and ASX (since 1989)
Shares issued:	384m Shares
Shareholders:	~15,000 ~ 68% retail investors
Market cap:	~\$620 million In NZX Top15 Index
Head Office:	19 corporate & technical staff based at: 125 The Terrace Wellington, New Zealand

www.nzog.com



New Zealand Oil & Gas Ltd

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New Zealand Oil & Gas Ltd is listed on the NZX and ASX, with significant oil and gas holdings, exploration permits and investments. Find out more about us »

CURRENT SHARE PRICE

NZX

ASX

Code NZO
Last \$1.63
Change 0.01 ↑

Code NZO
Last \$1.35
Change 0 ↔

Last updated 19 Aug 2009 at 11:03am

WHAT'S NEW

[Dividend Reinvestment Plan](#)

29 JULY 2009

NZOG has established a Dividend Reinvestment Plan for shareholders. [Read more »](#)

[Webcast of Quarterly Report Briefing](#)

29 JULY 2009

Following the release of NZOG's June Quarterly Activities Report CEO David Salisbury gave a briefing which was webcast. An archived version of the webcast is available [here](#). [Read more »](#)

[June 2009 Quarterly Activities Report](#)

29 JULY 2009

NZOG has released its Quarterly Activities Report for the three months ended 30 June 2009. [Read more »](#)

[June 2009 Quarterly Cash Flows Report](#)



The Apache pipelaying vessel at work for the Kupe Project

INVESTOR INFORMATION

- [▶ June 2009 Quarterly Report Webcast](#)
- [▶ Calendar](#)
- [▶ Company Reports](#)
- [▶ Analyst Coverage](#)
- [▶ Investment Calculator](#)

SITE HIGHLIGHTS

[Tui Area Oil Fields](#)

NZOG has a 12.5% stake in the producing Tui Oil Fields. [▶](#)

[Kupe Project](#)

NZOG's Financial Position

Revenue

- FY09 operating revenue of \$138.7 million
 - Production from Tui area oil fields
 - Average sales price of NZ\$122 per barrel
 - Returns fluctuated between NZ\$65 and \$190 per barrel

Investment

- Approx \$100 million in FY09
 - Kupe project (development)
 - Pike River Coal (participation in rights issue)
 - Pan Pacific Petroleum (acquired 15% interest)
 - Exploration



NZOG's Financial Position

Debt

- No debt at 30 June 2009
 - Amended NZ\$75m debt facility being arranged

Cash Position

- Cash balance at 30 June 2009: NZ\$175m
 - Majority held in US-denomination accounts with NZ based banks
 - Income in US dollars, most expenses also in US dollars

Hedging

- NZOG policy – no discretionary hedging
 - Small amount of finance-related hedging will expire over the next nine months



NZOG's Financial Position

Dividend

- A Dividend Reinvestment Plan has been offered
 - Shareholders can choose to reinvest all or part of their dividend in additional NZOG shares
 - 2.5% discount and no brokerage
- Dividend decision for 2009 to be announced next week



Share Price at a 12 month high



Current Assets

- Tui
- Kupe



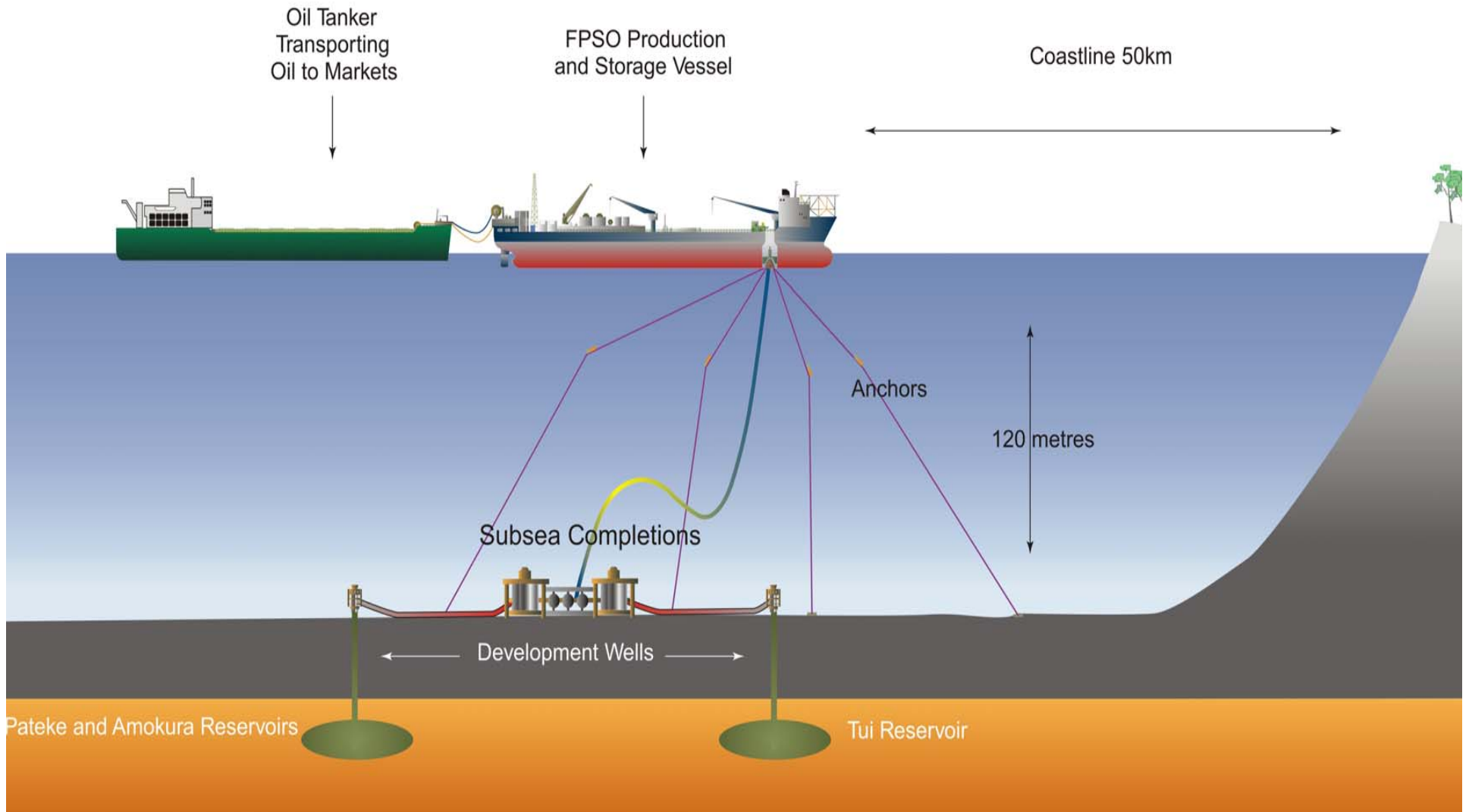
NZOG Success Story 1 - Tui

- Discovered by NZOG and partners in 2003/04
 - First production July 2007
- NZOG a 12.5% JV partner
 - Exploration & Development costs \$52m
 - Project payback in 4 and a half months
- Total Production to date: 24 mmbbls
- Estimated remaining reserves: 26 mmbbls
- NZOG Sales Revenue to date: approx \$370m

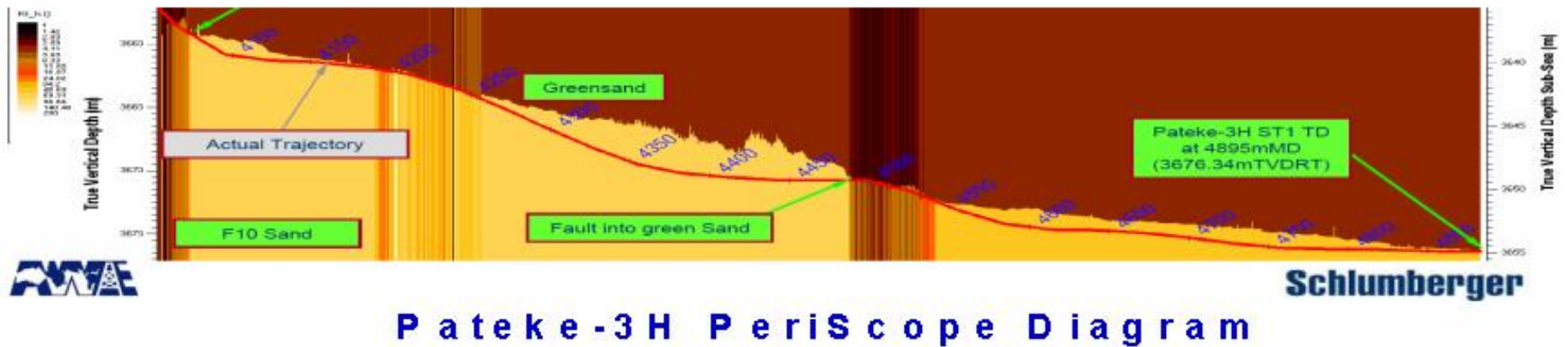
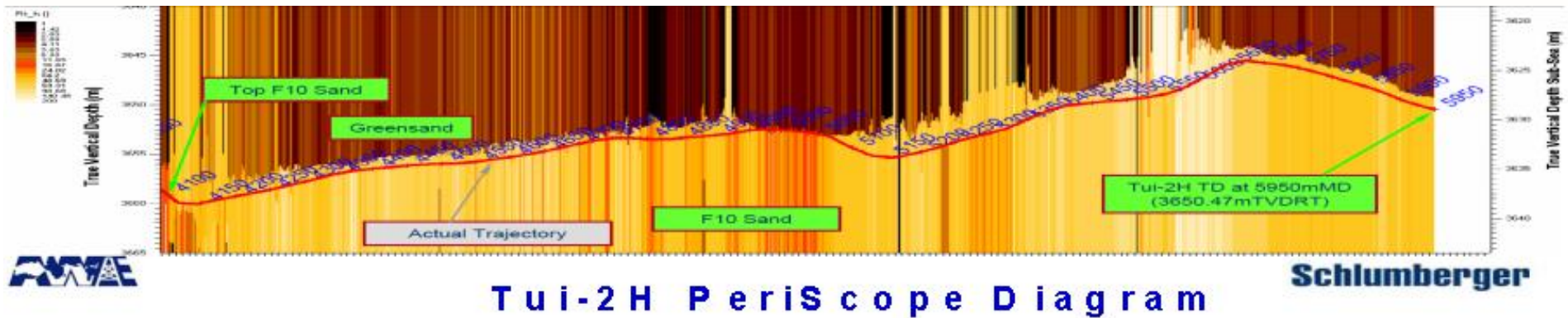




Tui Area Oil Fields Development



Tui – Horizontal Drilling

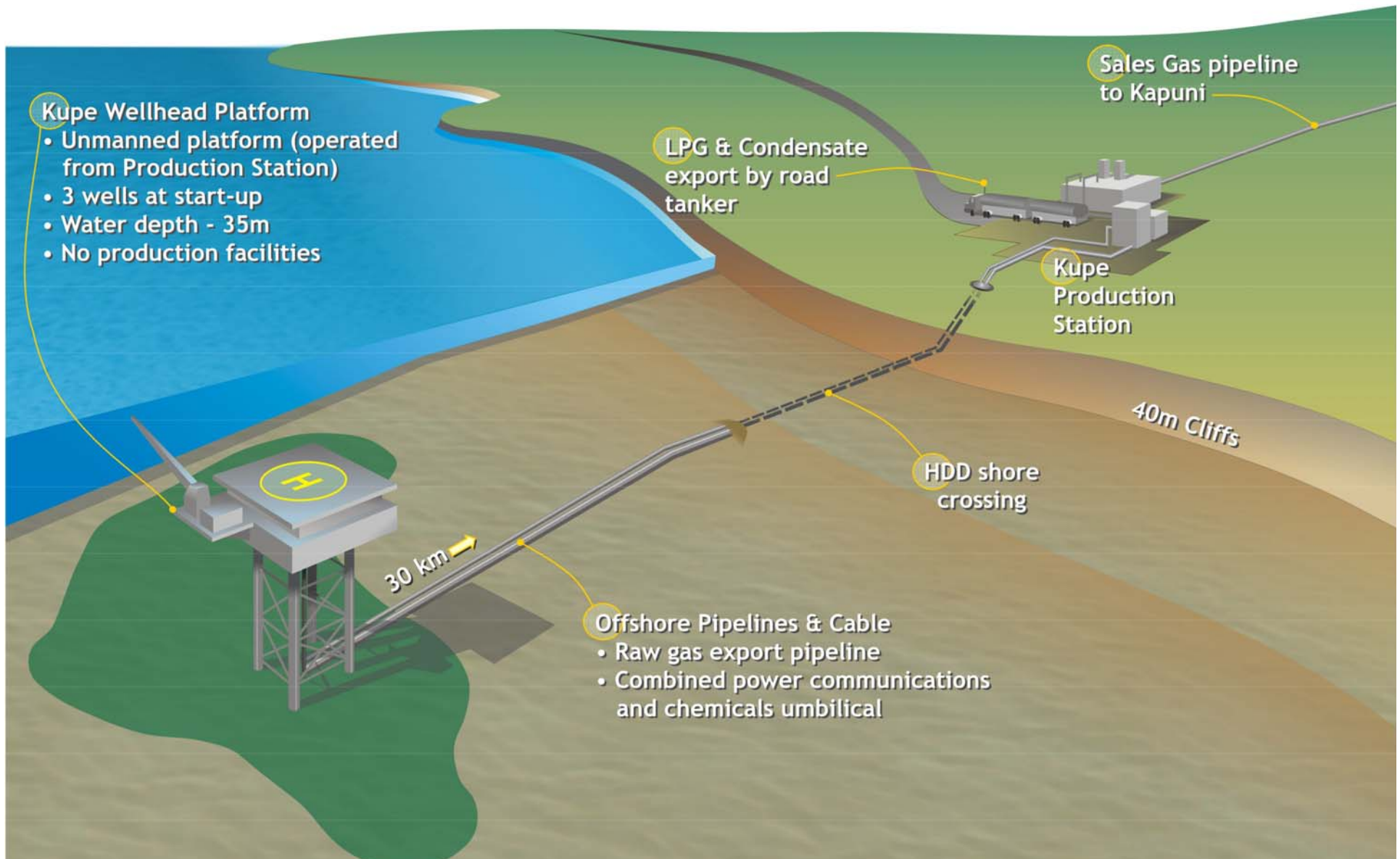


NZOG Success Story 2 - Kupe

- Kupe Project:
 - Discovered by NZOG in 1986
 - Investment decision June 2006
 - First production 4Q 2009
- NZOG's a 15% JV partner:
- Economics of Kupe have improved
 - Expected development costs are up 20%
 - Expected revenues are up by more
 - Not just a gas field – LPG and light oil



Kupe Project Schematic



Production Station near
Hawera



Where does all the oil, gas and LPG end up?

- Oil: Exported to refineries in Australia and southeast Asia
- Gas: Sold to Genesis Energy for electricity generation
- LPG: Sold to Vector and retailed through On Gas



Investments

- Pike River Coal
- Pan Pacific Petroleum
- Exploration Portfolio

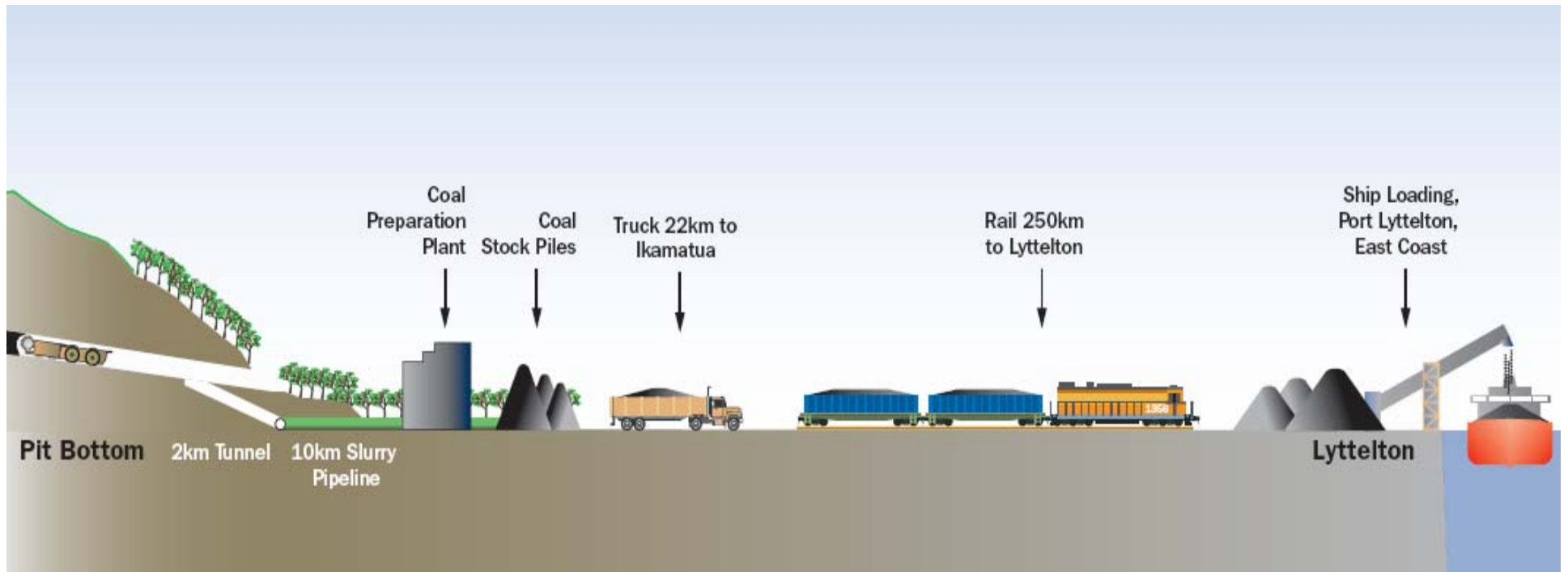


Pike River Coal

- Coking Coal Mine on South Island's West Coast
- Floated in 2007 and now a separate company
 - NZOG retains a 30% stake
 - Board representation: 2 of 7 directors
 - Coal seam reached in October 08
 - First shipment due in November 09
 - Production forecast to rise to 1 million tonne pa



Pike River Coal

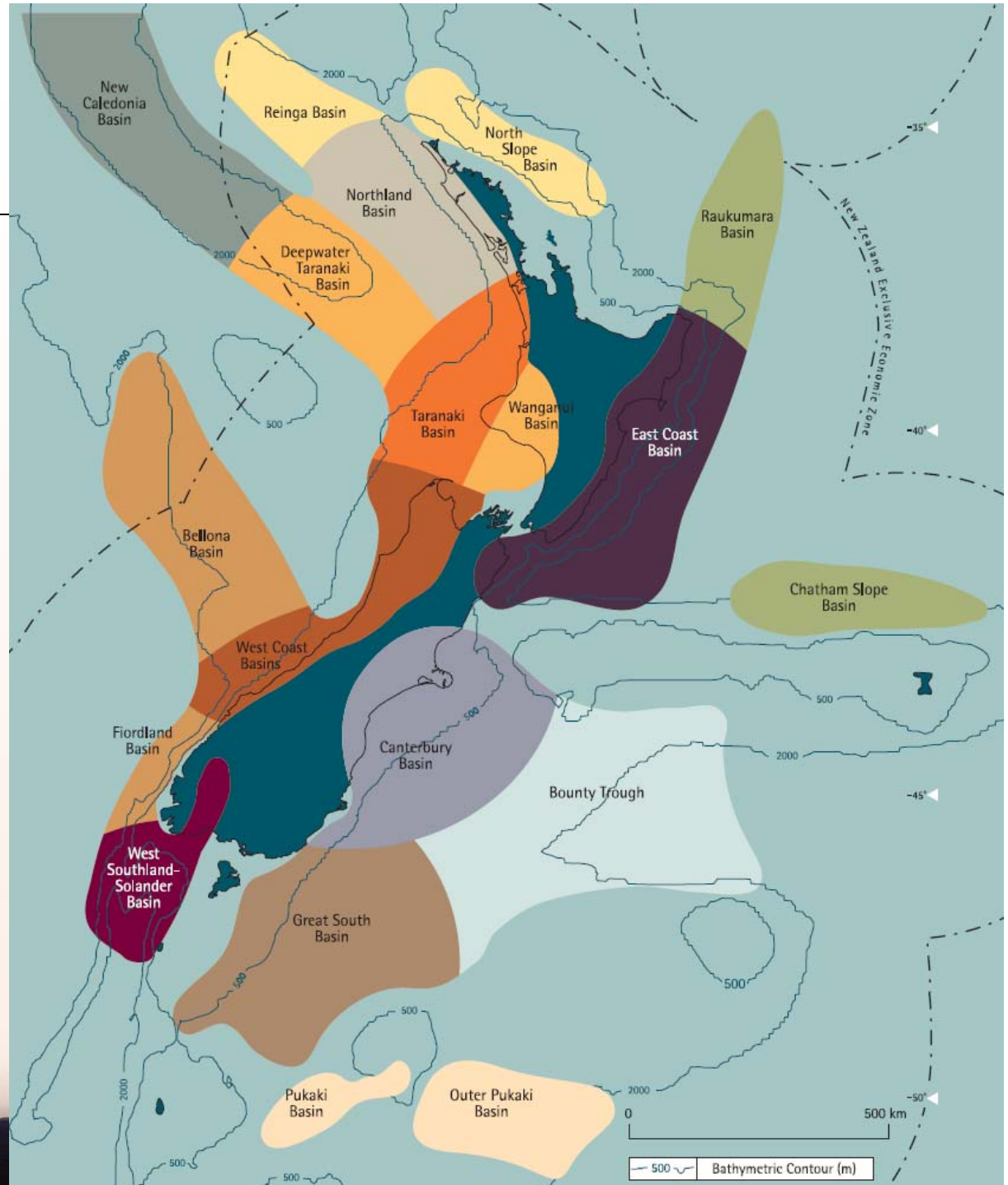


Pan Pacific Petroleum

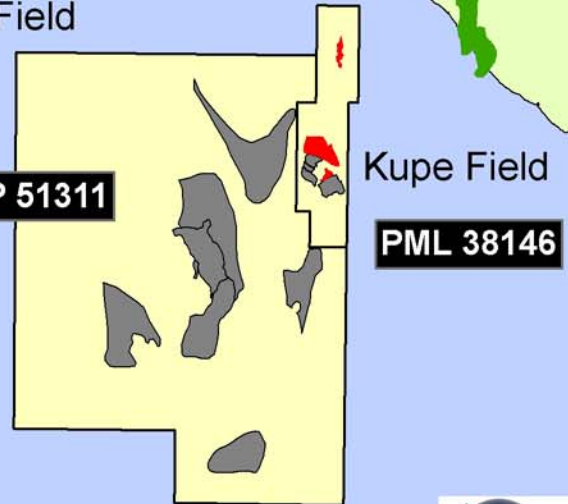
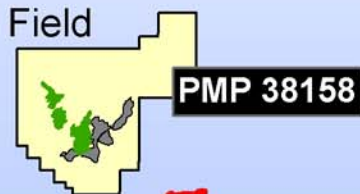
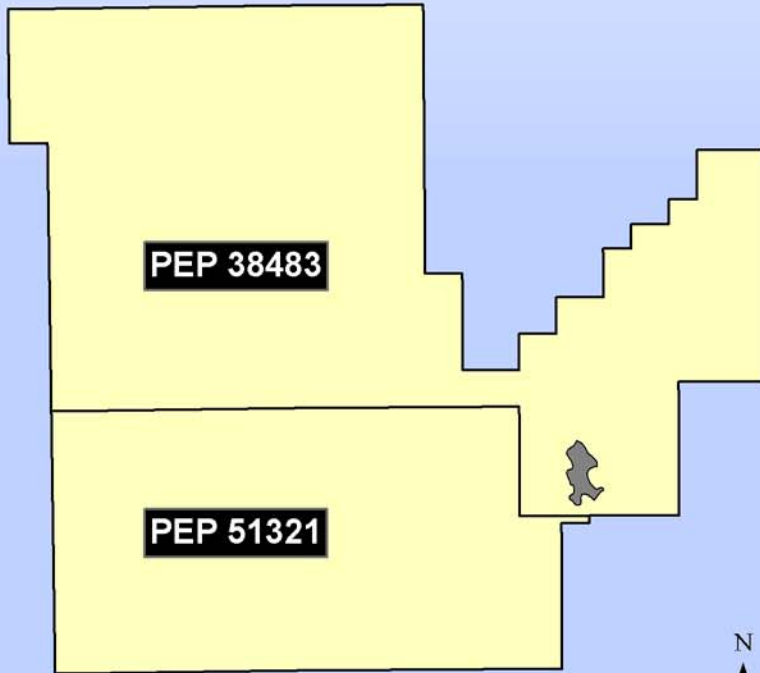
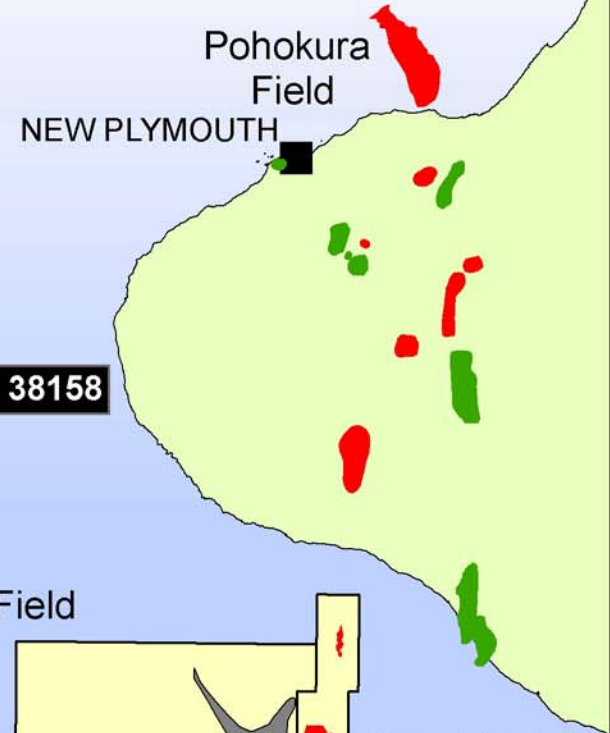
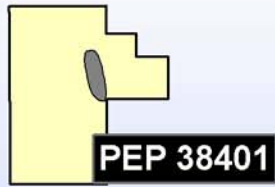
- NZOG has re-established itself as a key shareholder in Tui project partner Pan Pacific Petroleum
- December 2008 purchased a 14.9% shareholding on market
- Market value of stake has doubled
- Investment kept under review

Exploration

- NZ relatively under-explored
 - Further resource potential in Taranaki
 - Other identified basins with good potential

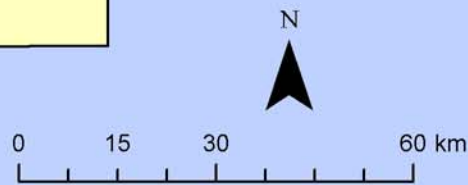


NZOG Taranaki Permits



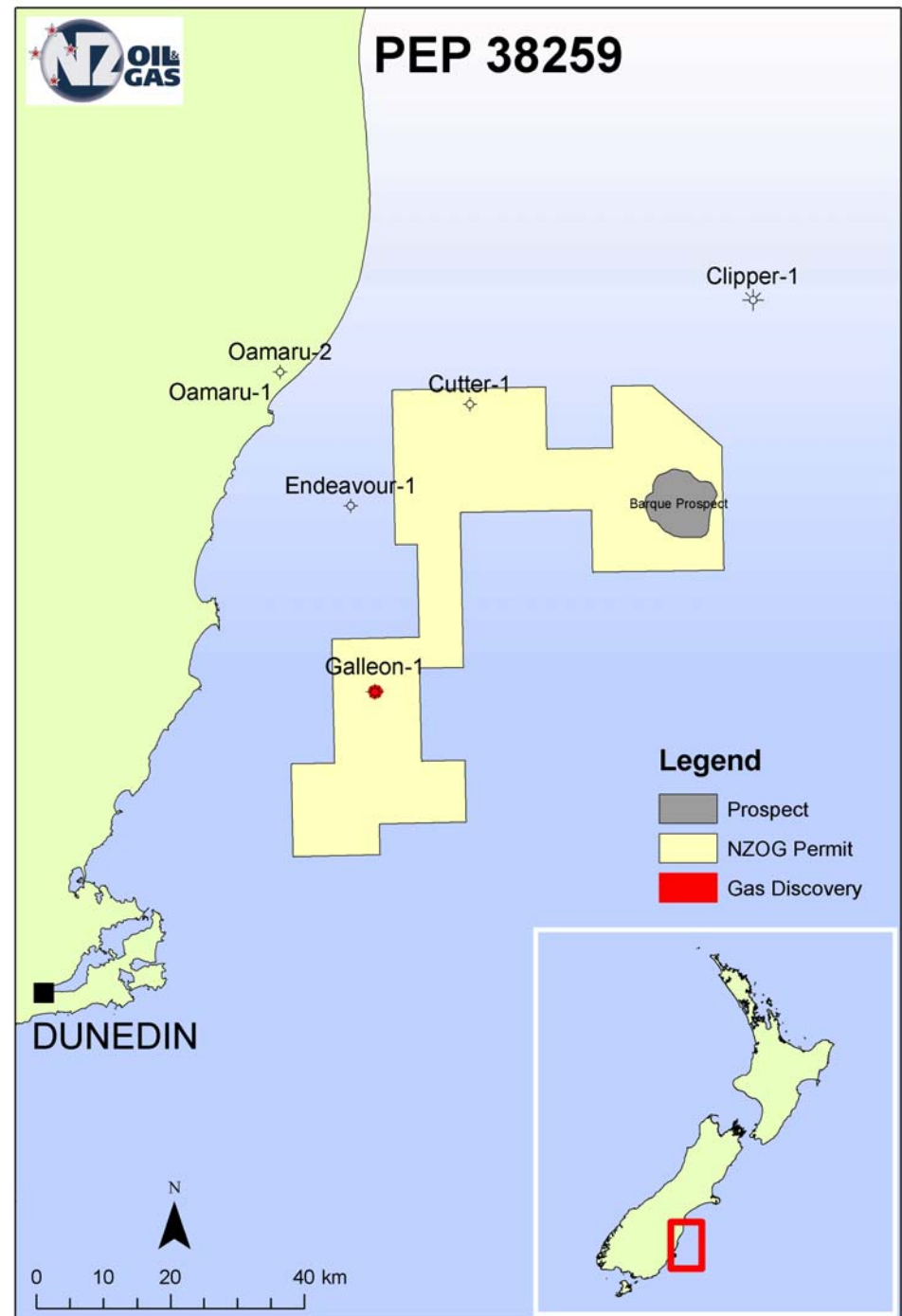
Legend

- Gas Fields
- Oil Fields
- Prospects and Leads
- NZOG Permit



Exploration - Canterbury

- 40% stake in Canterbury Basin permit
- Barque has potential for P50 recoverable resources of 600 BCF gas, 58 mmbbls light oil



Romania

- 33% stake taken in consortium, which for two years has been gathering data and research on Romania
- The consortium partners are AuDAX and Nexus - ASX-listed E&P companies
- Low cost entry to a potentially lucrative opportunity
- Romania a significant oil producing region that is underexplored using modern techniques
- Romanian Government is expected to release over 25,000 sq km for new permit applications
- Consortium has identified attractive areas and will consider making bids



NZOG's Plans for the Future

- Board approved growth strategy
- Focused on maximizing value from existing assets and identifying value-adding new investments
- Actively pursuing opportunities:
 - exploration
 - asset purchase
 - corporate acquisition
- Screening all opportunities in New Zealand
 - Some under active consideration
- Looking overseas
 - Looking for quality assets, quality partners
- Staying in the E&P sector



NZOG's Plans for the Future

- Our criteria for investment includes:
 - Proven hydrocarbon systems
 - Quality partners
 - Suitably attractive fiscal regime
 - Access to markets and infrastructure
 - Manageable regulatory and political risk
 - Manageable financial exposure
 - Near term payback as opposed to long term horizons
 - Establishing one or two new core areas (in addition to offshore Taranaki)



Summary

- NZOG a significant NZ company
 - Tui a continuing success
 - Kupe about to go into production
 - Intriguing exploration opportunities
 - PRC and PPP sound investments
- Well resourced and actively pursuing a growth path
 - New Zealand and overseas



Disclaimer

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