

26 February 2020

NEW ZEALAND OIL & GAS HALF-YEAR RESULT

- Net loss \$1.5m (\$3.3m improvement from loss of \$4.8m a year ago)
- Cash balance of \$105.2m (up 6.2% from \$99.1m a year ago)
- Kupe improvement projects underway
- Preparation for drilling Ironbark in WA late 2020
- Restrained overhead costs

Exploration expenses incurred for projects in Australia and Indonesia tipped New Zealand Oil & Gas into a net loss of \$1.5 million in the six months to 31 December 2019, down from a net loss of \$4.8 million for the corresponding six months in the previous year.

Revenue for the six months was down 6.8 per cent to \$20.3 million compared to \$21.8 million for the first half of the previous financial year. Revenue was impacted by a planned one-month shutdown of the Kupe gas production plant in Taranaki, where New Zealand Oil & Gas has a 4 per cent interest.

The Group had a cash balance of \$105.2 million at 31 December 2019, up from \$99.1 million a year earlier. \$30.3 million of cash is held by ASX-listed subsidiary Cue Energy Resources, including \$12.2 million in escrow for Cue's share of the Ironbark exploration well in 2020.

The loss attributable to New Zealand Oil & Gas shareholders was 1.3 cents per share.

New Zealand Oil & Gas managing director Andrew Jefferies says the company's activities are being re-set following corporate takeover activity during 2019.

"The company continues to prepare to drill the Ironbark well later this year. A programme of work is underway to improve returns from Kupe. Cue Energy is operating profitably, and we are exiting low priority directly held Indonesian assets.

"Corporate overhead costs are being further restrained in line with our subdued exploration activity, while we continue to explore opportunities for growth in markets we understand.

"The recently announced negative drilling result from the Tawhaki well, in the Great South Basin, is being reviewed in relation to our neighbouring Toroa permit. We continue to monitor with interest drilling activity in the Canterbury Basin, where our Clipper permit is located, and where I hope our acreage can help New Zealand's energy transition by substituting higher-carbon energy with clean natural gas" Andrew Jefferies said.

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