NOTICE OF SPECIAL MEETING OF SHAREHOLDERS.

PROPOSED ACQUISITION.

New Zealand Oil & Gas proposes to acquire interests in three gas producing projects in central Australia. You are asked to vote on the Proposed Acquisition at a special meeting of shareholders.

VOTE IN FAVOUR

The Board of New Zealand Oil & Gas recommends that you vote in favour of the Resolution.

O.G. Oil and Gas (Singapore) Pte. Ltd., which holds 69.9% of the shareholder voting rights in New Zealand Oil & Gas, intends to vote in favour of the Resolution.

MEETING DETAILS

The Special Meeting to consider and vote on the Proposed Acquisition will be held at **10am Thursday, 24 June 2021 at Front+Centre, Cnr Tory & Tennyson Sts, Wellington 6140**, and online/virtually.

YOU CAN VOTE ONLINE

If you do not plan to attend the Special Meeting, you can vote online or complete and return the Voting/Proxy Card. See Page 19.

FIND OUT MORE

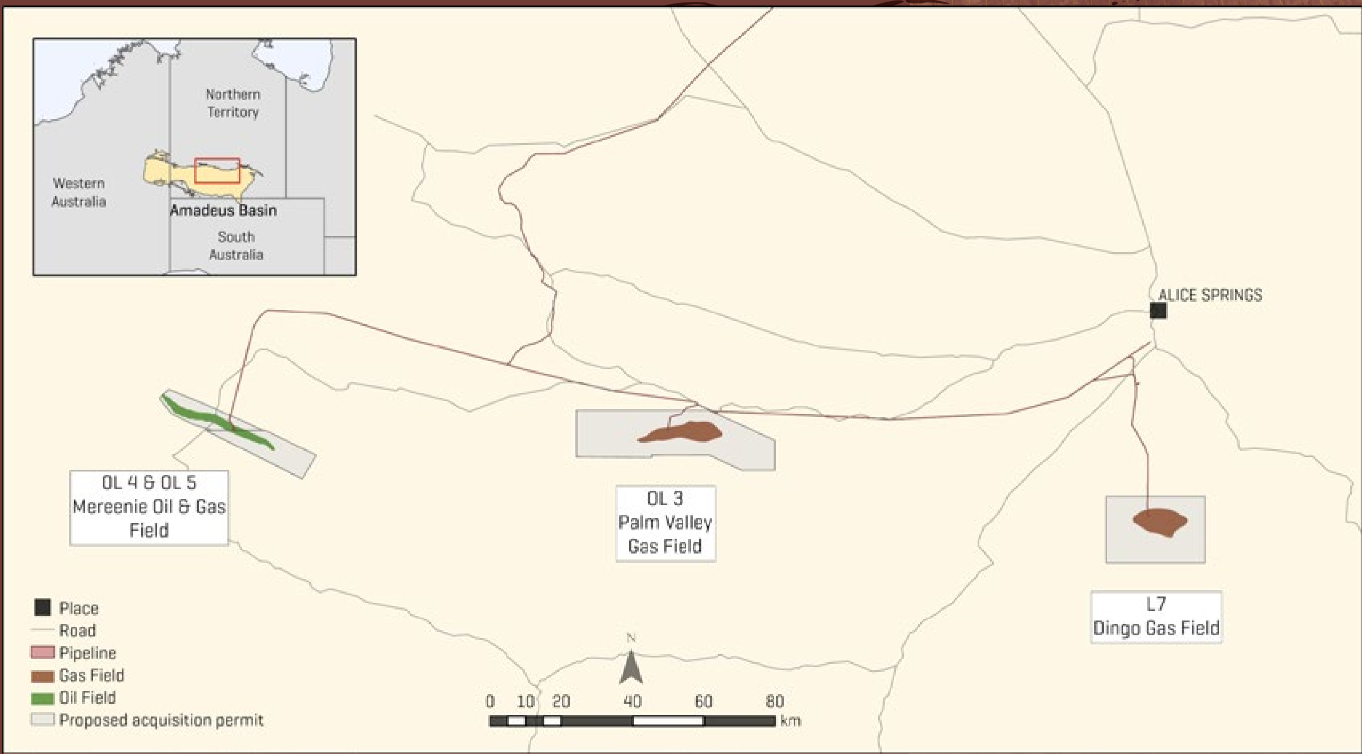
New Zealand Oil & Gas shareholder information line:
Phone: (+64) 04 495 2424
Email: enquiries@nzog.com

THIS BOOKLET CONTAINS INFORMATION TO ASSIST YOU TO MAKE YOUR DECISION

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document will assist you, as a shareholder of New Zealand Oil & Gas, to decide whether to approve the Resolution set out on page 9 of this Notice of Special Meeting. You should carefully read it all. If you are in any doubt about what you should do, seek advice from your broker or your financial, taxation or legal adviser.

THE PROPOSED ACQUISITION – MAIN POINTS



Production with Development and Upside

New Zealand Oil & Gas proposes to acquire participating interests in three producing assets in the Amadeus basin of Australia's Northern Territory: Mereenie, Palm Valley and Dingo. The transaction includes payment for a share of production and payment to carry the operator through development up to a capped amount.

Cue Energy Resources, the ASX-listed subsidiary of New Zealand Oil & Gas, proposes to acquire the assets alongside New Zealand Oil & Gas, taking 30% of the interests on offer. New Zealand Oil & Gas would take the other 70%. New Zealand Oil & Gas has a 50.04% interest in Cue.

The assets

Palm Valley and Dingo are currently 100% owned by members of the Central Petroleum Group. Mereenie is currently 50% owned by a member of the Central Petroleum Group and 50% owned by Macquarie.

Mereenie oil and gas field (OL4 & OL5)

- New Zealand Oil & Gas Group share post-acquisition: 25%*.
- Producing since 1984. The field has 71 wells in total, 36 currently producing and 2 re-injecting gas.
- Produced around 16PJ in calendar year 2019 and has a capacity of 54 TJ/d of gas with associated condensate sales.
- Offers appraisal of the Stairway Formation, estimated to hold in excess of 100 PJ of gross contingent resource. See Resources and Reserves Statement page 22 of this notice, and New Zealand Oil & Gas market announcement on Tuesday, 25 May 2021.

Palm Valley gas field (OL3)

- New Zealand Oil & Gas Group share post-acquisition: 50%*.
- Gas field producing since 1983.
- Current capacity of up to 15 TJ/d.
- Exploration and development prospectivity remains.

Dingo gas fields (L7)

- New Zealand Oil & Gas Group share post-acquisition: 50%*.
- Producing since 2015 at a current rate of around 3 TJ/d, with capacity of 5.5TJ/d, a pipeline to a nearby (Alice Springs) power station and further development and exploration potential.

If the acquisition is successfully completed, the respective participating interests of New Zealand Oil & Gas and Cue will be:

Field	NZ Oil & Gas	Cue
Mereenie	17.5%	7.5%
Palm Valley	35%	15%
Dingo	35%	15%

If the Proposed Acquisition is approved then:

- New Zealand Oil & Gas and Cue will pay A$29 million (New Zealand Oil & Gas A$20.3 million and Cue A$8.7 million) upon completion, as adjusted for the relevant shares of revenues and costs from 1 July 2020.
- New Zealand Oil & Gas and Cue will then pay Central Petroleum Group's share of costs to bring undeveloped reserves into production, through a 2-1 carry capped at a total of A$40 million (New Zealand Oil & Gas will pay up to A$28 million and Cue will pay up to A$12 million).

  The 2-1 carry means that as well as paying some of Central Petroleum Group's share of costs (up to the cap, as described), New Zealand Oil & Gas and Cue will also be required to pay their own share of the development costs.

  The work programme will include 4 well recompletions and up to 10 infill wells at Dingo and Palm Valley. The carry may also include appraisal of the Stairway Formation in the Mereenie licence

The effective economic date of the transaction is 1 July 2020, meaning revenues and costs from this date will be taken into account as part of the completion statement to be prepared post-acquisition. The amount of the purchase price will be adjusted accordingly.

The effective economic date was determined by Central Petroleum as part of its bid terms in a competitive process. The date did not change after New Zealand Oil & Gas was selected as preferred bidder and the details of the deal negotiated (which is normal acquisition practice to keep the deal whole).

More detail about these assets and the transaction is included below.

* This includes both the New Zealand Oil & Gas (70%) and Cue (30%) shares

STRATEGIC FIT — THE PROPOSED ACQUISITION

Delivery on our strategy

The Proposed Acquisition delivers on the strategy the Board outlined in June 2020 following a comprehensive strategic review, and reiterated in our annual report and at our annual meeting. The Company has focused on finding and acquiring non-operated high quality production with development upside, located in our region, at a scale that suits our available cash.

The Proposed Acquisition offers:

Growth
The assets offer significant exploration and development upside.

Focus Area – Regional Growth
The assets are located in Australia, where New Zealand Oil & Gas is already listed. Australia is a strategic focus area for New Zealand Oil & Gas.

Gas Production Into Good Markets
The assets offer gas production linked into good markets, with development upside and manageable abandonment risks and exploration prospects.

Quality Asset
The Proposed Acquisition comprises high quality assets with a good operator and a joint venture that fits our scale well.

Prudent Financial Management
The transaction utilises cash held by New Zealand Oil & Gas and Cue. It is an investment opportunity of a size and scale that the current New Zealand Oil & Gas balance sheet can support. Future funding may be required depending on timing of the deferred payment element of the transaction and the performance of the underlying assets. The Proposed Acquisition allows New Zealand Oil & Gas and Cue to unlock value by optimising their tax positions.

The Proposed Acquisition involves risks, which are discussed in section 8 below.

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Unless otherwise stated, information in this Notice of Special Meeting is stated as at the date of this Notice of Special Meeting.

Dear Shareholder,

On behalf of the Board, it's my pleasure to present further details of this opportunity for your consideration.

New Zealand Oil & Gas announced on 25 May 2021 that we have agreed the terms of a material strategic acquisition. The agreement with Central Petroleum will only proceed with shareholder approval.

The Proposed Acquisition is a clear strategic fit. New Zealand Oil & Gas, together with Cue, would acquire a substantial position in quality producing assets with significant development opportunities. The New Zealand Oil & Gas Group[1] would increase net 2P (proven and probable) reserves almost five-fold, by 14.5 million barrels of oil equivalent, and its net 2C resources would increase by 8.6 million barrels of oil equivalent. The acquisition also offers the opportunity to participate in exploration opportunities that could offer net un-risked prospective resources of 10.1 million barrels of oil equivalent (best estimate).[2]

Samuel Kellner
Chairman

[1] Including 100 per cent of Cue's interests in the Central Gas Assets. New Zealand Oil & Gas has a 50.04% interest in Cue.
[2] See the Reserves and Resources Statement on pages 22–27.

When we announced the results of our recent strategic review in June 2020, we identified certain key strategic principles, namely:

- A regional focus, primarily assets in Australia and New Zealand.
- To actively pursue investments in high quality assets that leverage the capabilities of the wider group.
- Prudent financial management , working on opportunities of a size and scale that the Company's current balance sheet could support, without significant funding requirements.

This acquisition is the first step in achieving these priorities. We are attracted to the quality of the assets. Production is proven. The fields are linked to pipelines into markets hungry for gas. We admire the quality of the operator. There are multiple development prospects at a pace and scale that are manageable for us. The Board is satisfied with the economics of the transaction, having considered the risks of the transaction (which are described in section 8 of this Notice).

Shareholder approval for the transaction is required because the total value of the transaction exceeds 50% of the Company's average market capitalisation.

I am pleased to inform you that the Company's major shareholder has indicated it supports the transaction and the strategy behind it. O.G. Oil & Gas (Singapore) Pte. Ltd. intends to vote in favour of the transaction.

In considering whether to recommend the transaction to you, the Board evaluated the alternative opportunities available to deploy our capital. We are confident that this transaction furthers our strategic goals.

This transaction also provides us with a way to enhance the value of our shareholding in Cue. Both New Zealand Oil & Gas and Cue bring valuable assets to the table and by working together we are able to fund a transaction that would require immediate outside capital if we were to attempt to pursue it individually.

Considering these facts, the Board believes the transaction is an excellent opportunity to grow shareholder value.

Please read the enclosed details of the proposal and cast your vote, either in person at the special meeting of shareholders on 10am Thursday, 24 June, by proxy, by postal vote or online.

Kind regards and with best wishes,

Samuel Kellner
Chairman

NOTICE OF MEETING

A Special Meeting of shareholders of New Zealand Oil & Gas Limited (New Zealand Oil & Gas or the Company) will be held online/virtually and in person at Front+Centre, Cnr Tory & Tennyson Sts Wellington at 10am on Thursday, 24 June 2021.

Shareholders are invited to join the meeting online, if they can't attend in person.

Details of how to participate in the meeting online/virtually are provided in the Explanatory Notes and in the Virtual Meeting Guide accompanying this notice. You are encouraged to review this guide and either download the Lumi AGM app before the meeting, or access via the website address web.lumiagm.com on your desktop computer or mobile device.

Pandemic restrictions – meeting may be online only.

Due to the current uncertainties relating to public health restrictions associated with Covid-19, the Company may elect to hold this Special Meeting as an online/virtual meeting only. If this happens, the Company will provide shareholders with as much notice as is reasonably practicable, by way of an announcement to NZX and ASX and on the New Zealand Oil & Gas website.

Resolution for approval of Proposed Acquisition

The business of the Special Meeting is to consider and, if thought fit, pass the ordinary resolution set out below. The Resolution relates to the Proposed Acquisition of interests in three gas producing projects located in the Amadeus basin of Australia's Northern Territory as outlined in the Explanatory Notes below.

The NZX Listing Rules require an ordinary resolution to approve the Proposed Acquisition. The reasons for this are discussed in the Explanatory Notes below. An ordinary resolution means a resolution approved by a simple majority of votes of shareholders entitled to vote and voting.

THE RESOLUTION IS AS FOLLOWS –

Resolution: Approval of Proposed Acquisition (Ordinary resolution)

"THAT the Proposed Acquisition, as described in the Explanatory Notes contained in the Notice of Special Meeting, is approved under and for the purposes of NZX Listing Rule 5.1.1(b) and all other purposes."

Attendance and voting

Your rights to vote may be exercised:

- **In Person:** attending and voting in person or online/virtually using the Lumi AGM app. Instructions are included in the Explanatory Notes and in the accompanying Virtual Meeting Guide; or
- **By Postal Voting:** casting a postal vote. The Board has determined that postal voting is permitted and has authorised Computershare Investor Services Limited to receive and count postal votes at the Special Meeting. Postal voting instructions are included in the Voting Card which accompanies this Notice of Special Meeting. You can cast a postal vote online, or complete and send the Voting Card by post, email (as a scanned attachment) or fax so that your vote is received by Computershare Investor Services Limited no later than 10am on Tuesday, 22 June 2021; or
- **By Proxy:** appointing a proxy (or representative) to attend and vote in your place. Your proxy need not be a shareholder of the Company. The form of appointment of a proxy and voting instructions accompany this Notice of Special Meeting. You can appoint a proxy online or complete and send the Voting Card by post, email (as a scanned attachment) or fax so that it is received by Computershare Investor Services Limited by no later than 10am on Tuesday, 22 June 2021.

On behalf of the Board:

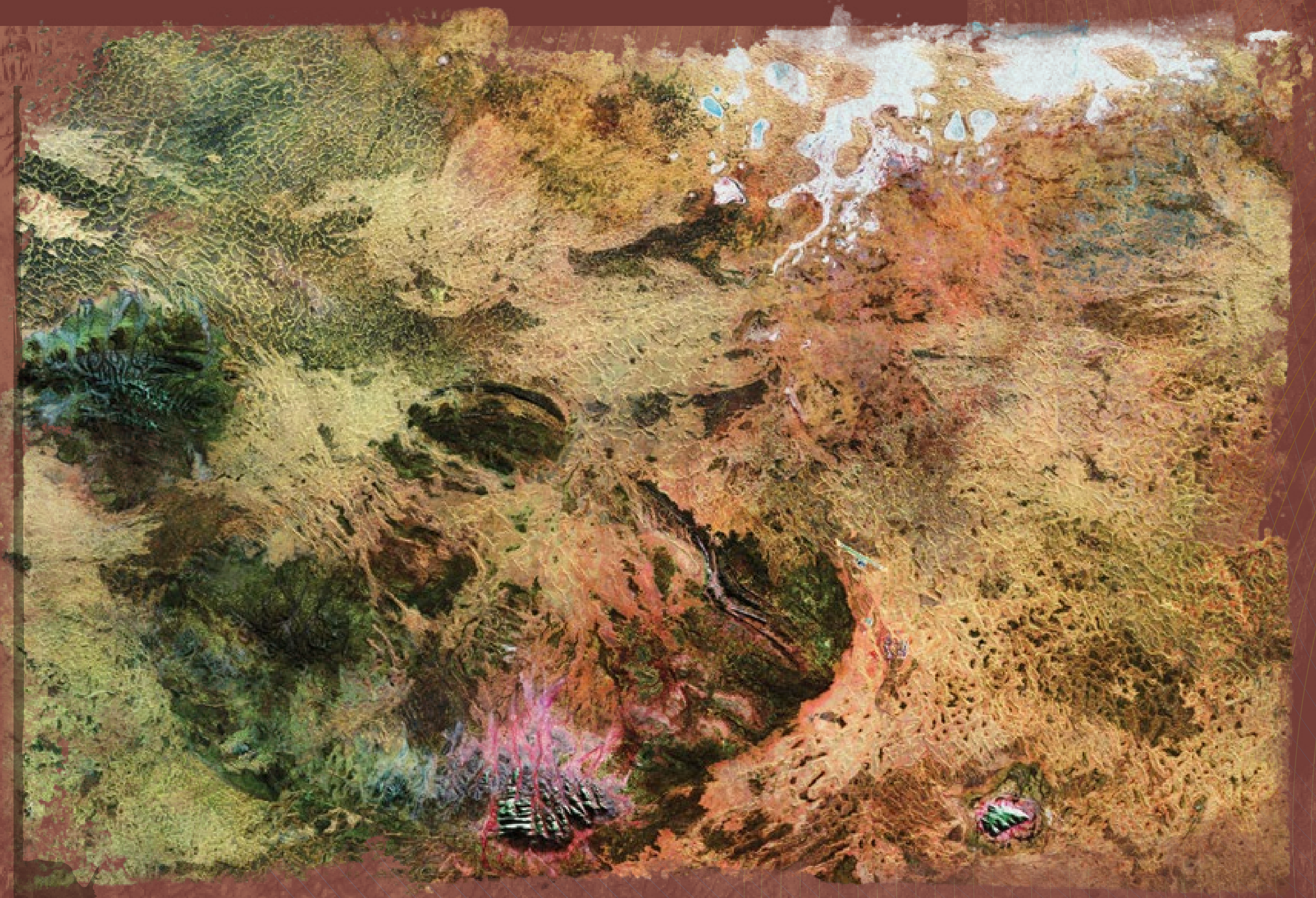
Paris Bree

Paris Bree
Company Secretary
New Zealand Oil & Gas Limited
24 May 2021

See Explanatory Notes on pages 10 to 27 of this document and the additional information set out below.

EXPLANATORY NOTES

Resolution for Approval of the Proposed Acquisition



This image, and the cover picture, are satellite views of the Amadeus Basin

1. DETAILS OF THE TRANSACTION

OVERVIEW

The New Zealand Oil & Gas Group is proposing to acquire interests in three existing gas producing projects, located in the Amadeus basin of Australia's Northern Territory. The interests proposed to be acquired are currently held by members of the Central Petroleum Group (Central Petroleum Sellers).

The commercial terms for the Proposed Acquisition have been agreed in a conditional sale and purchase agreement (SPA). Some of the key terms from the SPA are described below.

INTRODUCTION TO THE CENTRAL GAS ASSETS

The assets to be acquired are:

- A 25% participating interest in the Mereenie oil and gas fields (onshore production lease 4 (OL4) & onshore production lease 5 (OL5)).
- A 50% participating interest in the Palm Valley gas field (onshore production lease 3 (OL3)).
- A 50% participating interest in the Dingo gas field (onshore production licence 7 (L7)).

(Together, the **Central Gas Assets**). The relevant operations are referred to from here as Mereenie, Palm Valley and Dingo.

The participating interests will include the relevant percentage interest in assets relating to Mereenie, Palm Valley and Dingo, including various property titles, easements, four permits, various wells, four gas production facilities and associated plant, and transfer or assignment of interests in contracts including production sale and transport agreements. New Zealand Oil & Gas Group will also have a right of first refusal to join the Orange exploration project, which is a prospect adjacent to the Dingo project.

Palm Valley and Dingo are currently 100% owned by members of the Central Petroleum Group.

Mereenie is currently 50% owned by a member of the Central Petroleum Group and 50% owned by Macquarie.

The Proposed Acquisition will see the New Zealand Oil & Gas Group acquire a substantial position in quality producing assets that supply gas into strong markets and offer multiple development opportunities and exploration upside.

Further information about the assets is set out in section 5 below.

TRANSACTION STRUCTURE

As mentioned above, New Zealand Oil & Gas and Cue Energy Resources are both participating in the acquisition of the Central Gas Assets. Cue is an ASX-listed company and a subsidiary of New Zealand Oil & Gas. New Zealand Oil & Gas owns 50.04% of the shares in Cue.

New Zealand Oil & Gas will effectively acquire 70% of the Central Gas Assets, and Cue will acquire 30%. New Zealand Oil & Gas will acquire its share through wholly-owned Australian subsidiaries NZOG Mereenie Pty Ltd, NZOG Palm Valley Pty Ltd and NZOG Dingo Pty Ltd (NZO Purchasers). Cue will acquire its 30% share of the Central Gas Assets through wholly-owned subsidiaries Cue Mereenie Pty Ltd, Cue Palm Valley Pty Ltd and Cue Dingo Pty Ltd (Cue Purchasers).

INTRODUCTION TO CENTRAL PETROLEUM

Central Petroleum (ASX:CTP) has its head office in Brisbane and is the largest onshore gas producer in the Northern Territory, supplying gas from its Mereenie, Palm Valley and Dingo fields in the Amadeus Basin to industrial customers in the Northern Territory and the Australian east coast market. Central Petroleum also supplies oil from its Mereenie field.

In addition to the Amadeus Basin assets, Central Petroleum has development projects in the Surat Basin, and multiple exploration opportunities within its 180,000 km^2 of tenements in Queensland and the Northern Territory.

In January 2020 Central Petroleum initiated a farm-out process to fund exploration and development. As part of this process, Central Petroleum selected New Zealand Oil & Gas as the preferred bidder. The Proposed Acquisition is the outcome of this process.

Further information about Central Petroleum is available on its website – https://centralpetroleum.com.au/

KEY TRANSACTION TERMS IN THE SPA

Key terms of the Proposed Acquisition are:

- The NZO Purchasers will be three special purpose wholly owned subsidiaries, one for each project. Cue will do likewise.
- The Central Petroleum Sellers will transfer the interests in the Central Gas Assets to the NZO Purchasers and Cue Purchasers for a total consideration of approximately A$69 million (NZ$74.3 million), with A$48.3 million (NZ$52 million) payable by NZO Purchasers and A$20.7 million (NZ$22.3 million) payable by Cue Purchasers.
- The consideration for the Proposed Acquisition consists of the following:
  - an upfront cash payment of A$29 million (NZ$31.2 million) on settlement adjusted for revenue and costs from 1 July 2020, with the general effect that the NZO Purchasers and Cue Purchasers have the economic benefits and costs of the Central Gas Assets from that date. This translates into a cash payment by the NZO Purchasers of A$20.3 million (NZ$21.8 million) and by the Cue Purchasers of A$8.7 million (NZ$9.4 million), in each case as adjusted for relevant shares of revenue and costs from 1 July 2020;
  - the Central Petroleum Sellers will pay 50% of the applicable stamp duty and NZO Purchasers/Cue Purchasers will share the other 50% 70/30; and
  - as deferred consideration, the NZO Purchasers and Cue Purchasers will fund the Central Petroleum Sellers' share of the costs of development of undeveloped reserves, Palm Valley and Dingo deep exploration wells and potentially appraisal of the Stairway formation Development Costs, up to a capped total of A$40 million (NZ$43.1 million). This results in the Central Petroleum Sellers receiving a "2-1 carry" of their funding obligations. Funded development work is expected to include four well recompletions and up to 10 infill wells, although in the scenario of exploration success some of the deferred consideration may be diverted to developing the discovery. This translates into a carry commitment by the NZO Purchasers of A$28 million (NZ$30.2 million) and by the Cue Purchasers of A$12 million (NZ$12.9 million). The NZO Purchasers and the Cue Purchasers have agreed with Central Petroleum a mechanism to use for reaching consensus on the operations the deferred consideration is applied to.

  In addition to funding the Central Petroleum Sellers' share of the Development Costs described above, the NZO Purchasers and the Cue Purchasers will also be required to pay their own share of the Development Costs. For example, if the NZO Purchasers' and Cue Purchasers' contribution to Central Petroleum's costs are A$40 million (NZ$43.1 million) the NZO Purchasers and Cue Purchasers will, together, also pay A$40 million (NZ$43.1 million) for their own equity interest.
  - New Zealand Oil & Gas will update the market on development expenditure, and thus on payment of the deferred consideration, as appropriate and consistent with New Zealand Oil & Gas continuous disclosure obligations under both the NZX Listing Rules and ASX Listing Rules.
  - The table below shows participating interests that would be held by the NZO Purchasers and the Cue Purchasers in the Central Gas Assets post-acquisition, and the ownership of the remaining participating interests:

Party	Mereenie	Palm Valley	Dingo
NZO Purchasers	17.5%	35%	35%
Cue Purchasers	7.5%	15%	15%
Total participating interest	**25%**	**50%**	**50%**
Remaining ownership of participating interest	50% Macquarie 25% Central Petroleum Group	50% Central Petroleum Group	50% Central Petroleum Group

- New Zealand Oil & Gas will guarantee the obligations of the NZO Purchasers in relation to the NZO Purchasers' share of the deferred consideration of up to A$28 million (NZ$30.2 million) payable under the SPA.
- Central Petroleum will guarantee the warranty obligations of each of the Central Petroleum Sellers under the SPA.

[3] Australian dollar amounts have been converted at an exchange rate of 0.9281.

- The SPA includes conditions including:
  - approval by New Zealand Oil & Gas shareholders (this is the approval sought at the Special Meeting);
  - either shareholder approval or waiver from ASX in relation to Central Petroleum;[2]
  - Australian regulatory approvals in respect of both New Zealand Oil & Gas and Cue, including by the Foreign Investment Review Board and by the relevant governmental body under the relevant Northern Territory petroleum legislation and energy pipelines legislation;
  - receipt of consents and executed assignment and transfer documentation from Macquarie in relation to the Mereenie asset;
  - approval by Macquarie of Central Petroleum remaining operator in respect of the Mereenie asset;
  - receipt of consent from Central Petroleum's financiers to the transaction; and
  - receipt of third party consents to transfer the relevant interests in key contracts or executed deeds of assignment.

  If the above conditions are not satisfied or waived by 15 August 2021 (or 30 days after this, if the Central Petroleum Sellers or NZO Purchasers and Cue Purchasers elect to extend this date), then either the Central Petroleum Sellers or the NZO Purchasers and Cue Purchasers may terminate the SPA before completion occurs.
  - Completion of the Proposed Acquisition will occur on the later of the month following all of the conditions precedent being satisfied or waived or on such other date agreed between the Central Petroleum Sellers, the NZO Purchasers and Cue Purchasers. This is expected to be by the end of August 2021.
  - If the transaction proceeds as planned, the NZO Purchasers and the Cue Purchasers will purchase the Central Gas Assets on the date that completion occurs.
  - New Zealand Oil & Gas Group will have a right of first refusal to farm into Central Petroleum's EP82 sub-block that contains the Orange prospect. Under this right of first refusal, Central Petroleum must offer any farm down to the New Zealand Oil & Gas Group and would only farm down to a third party if terms cannot be agreed.
- New Zealand Oil & Gas Group will take on a proportionate share of Central Petroleum's pre-paid gas sale agreements, with the acquisition price appropriately adjusted to take account of the lack of revenue for 6.1 PJ of gas delivery.
- New Zealand Oil & Gas Group will commence its interest with a proportionate interest in remaining reserves. This means the reserves held by the New Zealand Oil & Gas Group may not match those of the other project participants.
- New Zealand Oil & Gas Group will assume its proportionate share of decommissioning liabilities for the projects.
- Contemporaneously with completion, New Zealand Oil & Gas Group will sign Joint Operating Agreements (JOAs) for each project. The Mereenie JOA already exists and has been joined by way of a deed of assignment and assumption. However new JOAs will be entered into for Palm Valley and Dingo. These agreements follow normal industry practice and govern the relationship between the joint venture parties.
- A Joint Marketing Deed will be entered into which would see Central Petroleum manage the gas sales function on behalf of New Zealand Oil & Gas and Cue, meaning it sells all the gas from the Central Gas Assets on the New Zealand Oil & Gas Group's behalf as well as its own and an internal marketing function does not have to be established in relation to gas sales.
- A Voting Agreement will be entered into which would manage the voting practices of New Zealand Oil & Gas, Cue and Central Petroleum and ensures that New Zealand Oil & Gas, Cue and Central Petroleum do not lose collective control in respect of the Mereenie joint venture.
- A Coordination Agreement will be entered into between New Zealand Oil & Gas and Cue to co-ordinate New Zealand Oil & Gas Group operations, overheads and pre-emption rights in the joint operating agreements.

[2] Central has received confirmation from the ASX that the relevant listing rules do not apply and therefore that a waiver is not necessary and the condition is therefore capable of being satisfied.

2. THE RECOMMENDATION OF THE BOARD

The Board recommends the Proposed Acquisition to shareholders for approval and encourages all shareholders to vote in favour of the Resolution. In the Board's view the Proposed Acquisition is in the best interests of New Zealand Oil & Gas and its shareholders.

3. WHY IS THE BOARD RECOMMENDING APPROVAL?

The key factors which led the Board to its recommendation are:

- The assets fit the Company's strategy for growing the business by acquiring production suitable for the Company's scale, with development upside, in Australia or New Zealand.
- Australia is a preferred jurisdiction for oil and gas and for New Zealand Oil & Gas expertise.
- The fields produce gas for markets with favourable pricing dynamics.
- The assets have multiple development and exploration pathways to growth.
- The acquisition utilises New Zealand Oil & Gas cash and balance sheet strength.
- The transaction helps to achieve value for Cue shareholders, including New Zealand Oil & Gas.
- Alternative strategies risk reducing the Company's value and do not provide the same pathway to sustainable profitability.

4. MAJOR SHAREHOLDER INTENTION

O.G. Oil and Gas (Singapore) Pte. Ltd. holds 69.9% of the shareholder voting rights in New Zealand Oil & Gas. O.G. Oil and Gas (Singapore) Pte. Ltd. has indicated to New Zealand Oil & Gas its intention to vote in favour of the Resolution.

5. BACKGROUND ON THE ASSETS

The Mereenie field (OL4 & OL5) consists of 281 km^2 across two permits and is currently owned 50% by Central Petroleum and 50% by Macquarie. The field started production in 1984 and has 71 wells drilled to date with 49 wells currently online. There are two production facilities with liquids handling and truck loading bays. Acquired from Santos in 2015, Central Petroleum completed an upgrade in 2018. The plant has a capacity of 54 TJ/d of gas with associated condensate sales. There are opportunities for recompletion of wells, infill wells and development of the shallower Stairway formation.

The Palm Valley field consists of 639 km^2 in a single permit (OL3) and is currently solely owned by Central Petroleum. The field started production in 1983 and has 12 wells to date. There is a gas production facility with a capacity of 15 TJ/d and no liquids production. It was acquired from Magellan in 2014. There are opportunities for further infill wells and exploration of the deeper formations.

The Dingo gas field consists of 1690 km^2 in a single permit (L7) and is currently solely owned by Central Petroleum. The field started production in 2015 and has four wells to date. There is a gas production facility with a capacity of 5.5 TJ/d and no liquids production, with a pipeline to the Owen Springs Power Station near Alice Springs. It was acquired from Magellan in 2014. There are opportunities for further infill wells and exploration of the deeper formations.

While the Dingo field production is sold on long term contract, the other gas is sold on various short term contracts. With the completion of the Northern Gas Pipeline in 2019 the Northern Territory's gas system is now interconnected with the wider Australian East Coast gas system, which has greatly increased gas marketing options. Given the shortages of gas supply on the East Coast and the potential in the Northern Territory's basins, there are also proposals to add further pipeline connections with the East Coast. This creates a positive outlook for gas in the future with the expectation of continuing sales and a possible upside potential for gas prices.

Central Petroleum also has interests in the Orange and Dukas exploration prospects in the Amadeus Basin. Interests in these exploration prospects are not included as part of the Proposed Acquisition, however, under the Proposed Acquisition the New Zealand Oil & Gas Group would have a right of first refusal to join the Orange project should Central Petroleum seek to farm down its interest.

6. FINANCIAL IMPACT OF THE PROPOSED ACQUISITION ON THE COMPANY AND FUNDING OF THE PROPOSED ACQUISITION

All numbers used in this section 6 relate to the New Zealand Oil & Gas Group (including Cue).

In order to comply with New Zealand International Financial Reporting Standard (NZ IFRS) 10, subsidiaries are fully consolidated from the date of acquisition, being the date on which the New Zealand Oil & Gas Group obtains control. The New Zealand Oil & Gas Group acquired a controlling interest in Cue on 27 March 2015 and from this date the subsidiary has been consolidated into New Zealand Oil & Gas Group financial reporting.

CASH AND FUNDING OF THE PROPOSED ACQUISITION

At 31 December 2020 the consolidated New Zealand Oil & Gas Group cash balance was NZ$89.8 million. The initial consideration of A$29 million (NZ$31.2 million) will be paid from the cash reserves of New Zealand Oil & Gas and Cue.

The A$40 million (NZ$43.1 million) deferred payment to carry Central Petroleum's future development and exploration costs, as well as the New Zealand Oil & Gas Group's own contribution to future development, will be paid from cash reserves and future cashflows generated through the production assets of the New Zealand Oil & Gas Group.

Depending on timing of the spending of the deferred payment there is the possibility of the New Zealand Oil & Gas Group's cash balance falling below internal working capital requirements or, potentially, forecast as turning negative. Any shortfall in future funding will be addressed by the Board considering multiple funding options.

There is also potential for more funding to be required in the situation where exploration success requires further and significant development. Possibilities include debt or an equity issuance, amongst other options.

New Zealand Oil & Gas does not intend to raise debt to fund the Proposed Acquisition.

It is not anticipated that the funding of the Proposed Acquisition will affect New Zealand Oil & Gas' Kupe production asset activities as those activities are cashflow positive.

It is also not anticipated that New Zealand Oil & Gas will need to contribute capital to Cue as a consequence of the Proposed Acquisition.

OIL AND GAS ASSETS

Upon acquisition, it is anticipated that an oil and gas asset of approximately A$80 million (NZ$86.2 million) will be recognised in the New Zealand Oil & Gas Group, on a consolidated basis. This will be adjusted for cashflows between the effective date of 1 July 2020 and completion date as well as other acquisition-related costs. The asset value includes the initial consideration of A$29 million (NZ$31.2 million) plus the A$11 million (NZ$11.9 million) value of pre-paid gas for which a corresponding liability of A$11 million (NZ$11.9 million) will be recognised. Also included in the asset value is the A$40 million (NZ$43.1 million) deferred payment for the carry of Central Petroleum's development costs for which there will be a corresponding A$40 million (NZ$43.1 million) liability. Over time, as the deferred payment is spent the liability will reduce to zero. New Zealand Oil & Gas Group's own contribution to development will see an equivalent increase to the oil and gas asset value. If, for example, the New Zealand Oil & Gas Group contribution to the development costs is A$40 million (NZ$43.1 million), the asset value (on a consolidated basis) will increase to approximately A$120 million (NZ$129.3 million) less any depletion over the period and cashflows between effective date and completion date.

A provision of approximately A$15 million [NZ $16.2 million] to rehabilitate the Central Gas Assets at the end of their useful life will be recognised upon acquisition. At initial recognition the cost of the asset is increased to match the rehabilitation provision.

New Zealand Oil & Gas completed a fulsome due diligence and economic modelling analysis in order to determine an appropriate purchase price for the Central Gas Assets. External advice sought included tax advice, legal advice, and advice regarding the local gas market, as well as an inspection of plant by a third party. The Board made the decision on price considering discounted cashflow, rate of return on investment, and risks relating to the Proposed Acquisition (as described in section 8). The key risk is the future gas price (as described in section 8 in the "uncontracted gas" risk), and it is considered there is more upside risk than downside given the pending gas supply shortfall on the East Coast of Australia, with the investment remaining profitable in reasonably anticipated downside scenarios. Considering the information available, the Board is satisfied the purchase price and expected profitability is appropriate for the risks relating to the Proposed Acquisition.

REVENUES/PROFITS

It is anticipated that the Proposed Acquisition will be revenue and profit accretive for the New Zealand Oil & Gas Group, with immediate revenue streams coming from existing gas contracts.

High level indicative revenue figures are presented as a range due to the assumptions being relied upon and no audit verification of the calculations. The figures represent the indicative increase to New Zealand Oil & Gas Group revenues as a result of the Proposed Acquisition (and do not reflect the overall revenue of the New Zealand Oil & Gas Group): for the year ending 30 June 2022 indicative revenues are between A$30 million (NZ$32.3 million) and A$33 million (NZ$35.6 million) and for the year ending 30 June 2023 are between A$37 million (NZ$39.9 million) and A$40 million (NZ$43.1 million). These revenue figures do not represent a forecast and are dependent on asset performance, gas and oil prices and the timing and delivery of development work undertaken by the operator of the Central Gas Assets.

Indicative Net Profit After Tax (NPAT) figures represent the indicative impact of the Proposed Acquisition only and do not reflect the overall NPAT of the New Zealand Oil & Gas Group: for the year ending 30 June 2022 indicative NPAT is between A$9 million (NZ$9.7 million) and A$12 million (NZ$12.9 million) and for the year ending 30 June 2023 is between A$14 million (NZ$15.1 million) and A$17 million (NZ$18.3 million). These figures do not represent a forecast, have not been audited and rely on assumptions.

Key assumptions relied upon in providing these indicative revenue figures and NPAT figures include assumptions relating to:

- timing of completion of the Proposed Acquisition;
- final purchase price adjustments, noting that the purchase price will be adjusted for revenue and costs from 1 July 2020;
- purchase price allocation and acquisition accounting, noting that bargain purchase/goodwill calculations have not yet been conducted and could impact NPAT;
- final acquisition related costs;
- timing and success of development work carried out by the operator of the Central Gas Assets;
- costs of operations and development work as directed by the operator of the Central Gas Assets;
- gas prices: the gas price assumptions are based on application of the current contracted gas prices (inflation adjusted where relevant) to existing and newly developed production volumes;
- an assumed oil price of US$65 per barrel; and
- general performance of the Central Gas Assets.

OVERHEADS

No material increase in overheads is currently expected. The New Zealand Oil & Gas Group continually reviews its overhead costs to ensure they are appropriate for the needs of the business.

DIVIDENDS

New Zealand Oil & Gas Group does not anticipate declaring dividends in the near-term (approximately 1-3 years) as the Company embarks on its growth trajectory.

TAX

The New Zealand Oil & Gas Group has significant carried forward tax losses in Australia which are available to offset taxable income. It is expected that a significant deferred tax asset will be recognised in the New Zealand Oil & Gas Group consolidated financial statements.

The accounting impact will be subject to detailed audit and may change from the description above however the underlying economic substance of the transaction will not be altered.

7. NEW ZEALAND OIL & GAS BUSINESS MODEL

There are currently no plans to change the structure, business model, board or senior staff of New Zealand Oil & Gas as a consequence of the Proposed Acquisition. Operations will be conducted from the current head office with a Coordination Agreement between New Zealand Oil & Gas and Cue to ensure overheads and any increased staff costs that may arise are effectively managed across the wider group. New Zealand Oil & Gas regularly reviews its strategy to ensure the business model and structures best fit its future needs.

8. KEY RISKS OF THE PROPOSED ACQUISITION

The Board considers the Proposed Acquisition to be a low risk transaction. There are, however, some risks arising in relation to the transaction, which are drawn to shareholders' attention in this section.

Risk	Description and mitigation
Third party approvals may not be granted	There is a risk to execution of the transaction from third party approvals, which may not be granted. This risk is considered low and mitigated by conditions precedent in the SPA. There are some approvals that will need to follow settlement of the transaction and these risks are mitigated by contemplating them within the SPA and ensuring continuing operations.
Uncontracted gas	Material quantities of gas are yet to be contracted creating a risk on the sale and price of future gas. This risk is considered a low risk and is mitigated in that the projects are connected to the wider Australian East Coast market which has a recognised shortage of gas supply in a few years. New Zealand Oil & Gas considered scenarios of low and high gas prices when determining the price and notes that while there is potential downside there is also material potential upside.
Exploration risk	Exploration wells carry a material risk of not finding commercial quantities or quality of gas. This risk is a high risk but mitigated in that the Palm Valley deep and Dingo deep exploration well bores can be reused to produce from the proven higher levels, and that the economics of the Proposed Acquisition do not rely on exploration success for good returns.
Age-related maintenance	The assets have been established for a number of years which means there may be unplanned age-related maintenance. This risk is considered a low risk and is mitigated by due diligence, recent plant upgrades and testing the sensitivity of the economics to operational cost overruns.
Development delivered by Central Petroleum as operator	New Zealand Oil & Gas will be reliant on Central Petroleum to deliver the planned development to prevent decline in production rates. This risk is considered low and mitigated by due diligence on the operator and field, active future involvement in the joint venture and the structure of paying directly for development projects in the form of a carry rather than paying upfront before they are committed.
Performance of infill wells and recompletion of wells	The performance of infill wells and recompletion of wells is not certain. This risk is considered low and mitigated by the diversity of planning four well recompletions and up to ten infill wells in the development programme, which means some wells can outperform and others underperform but still perform well overall. The fields have multiple current well penetrations and therefore are relatively well understood.
Wells requiring decommissioning	There are multiple wells requiring decommissioning. This risk is considered low and is mitigated by the plant being onshore with resulting lower cost per well and greater certainty of what is required. Decommissioning costs have been included in the economic analysis conducted by New Zealand Oil & Gas.
Potential incident	There is potential for an incident such as a fire damaging assets. This risk is considered low and mitigated by insurance and by having multiple plants diversifying production.

9. CONSEQUENCES IF THE RESOLUTION IS APPROVED

If the Resolution is approved by the requisite majority, a condition of the Proposed Acquisition will be satisfied. The other conditions to completion of the Proposed Acquisition are described in section 1 under the "Key transaction terms in the SPA" heading.

If the other conditions to completion of the Proposed Acquisition are satisfied or waived, and no termination rights arise, the parties will be bound to complete the Proposed Acquisition. The key implications of successful completion of the Proposed Acquisition are outlined above in sections 6 (Financial Impact of the Proposed Acquisition on the Company and funding of the Proposed Acquisition) and 7 (New Zealand Oil & Gas Business Model).

If any of the other conditions of the Proposed Acquisition are not met, or the Proposed Acquisition is terminated for any other reason, then the outcome will be the same as discussed in the immediately following section.

10. CONSEQUENCES IF THE RESOLUTION IS NOT APPROVED

If the Resolution is not approved, then the Proposed Acquisition will not proceed. In that event, the Board's priority of maximising value for shareholders will remain. Note, however, that there are no current advanced alternative opportunities and if the Resolution is not passed, the Board would be required to begin the search for opportunities anew. As mentioned above, the Board considers that the Proposed Acquisition is in the best interests of New Zealand Oil & Gas and its shareholders.

11. LISTING RULES REQUIREMENTS

The Proposed Acquisition will involve an acquisition of assets by the New Zealand Oil & Gas Group with a gross value in excess of 50% of New Zealand Oil & Gas average market capitalisation. Listing Rule 5.1.1(b) provides that an issuer such as New Zealand Oil & Gas cannot enter into a transaction involving such an acquisition except with the prior approval of shareholders by ordinary resolution, or by special resolution if a special resolution is required under the Companies Act.

The "average market capitalisation" of New Zealand Oil & Gas as at Monday, 24 May 2021 was NZ$ 68.5 million. The gross value of the Proposed Acquisition for the New Zealand Oil & Gas Group (including Cue's involvement) is approximately A$69 million (NZ$74.3 million), which triggers the requirement to obtain shareholder approval under Listing Rule 5.1.1(b).

In this case the Proposed Acquisition does not constitute a major transaction for New Zealand Oil & Gas for the purposes of section 129 of the Companies Act and a special resolution is not required. Accordingly, New Zealand Oil & Gas must obtain approval of the Proposed Acquisition by ordinary resolution. An ordinary resolution means a resolution approved by a simple majority of votes of shareholders entitled to vote and voting. This is the Resolution described on page 9 of this Notice of Special Meeting. The Proposed Acquisition cannot proceed if this Resolution is not approved.

12. NZ REGCO NO OBJECTION

NZ RegCo has confirmed it has no objection to this Notice of Special Meeting but does not take any responsibility for any statement contained in this Notice of Special Meeting.

13. HOW DO I MAKE MY VIEWS KNOWN?

You can make your views known by voting, either for or against the Resolution. You may cast your vote in one of the following ways:

- by attending the Special Meeting on 10am Thursday, 24 June, in person or online/virtually using the Lumi AGM app. Instructions are included below and in the accompanying Virtual Meeting Guide;
- by casting a postal vote. The Board has determined that postal voting is permitted and has authorised Computershare Investor Services Limited to receive and count postal votes at the Special Meeting. Postal voting instructions are included in the Voting Card which accompanies this Notice of Special Meeting. You can cast a postal vote online, or complete and send the Voting Card by post, email (as a scanned attachment) or fax so that your vote is received by Computershare Investor Services Limited no later than 10am on Tuesday, 22 June 2021; or
- by appointing a proxy (or representative) to attend (either in person or online) and vote on your behalf at the Special Meeting. The form of appointment of a proxy and voting instructions accompany this Notice of Special Meeting. You can appoint a proxy online or complete and send the Voting Card by post, email (as a scanned attachment) or fax so that it is received by Computershare Investor Services Limited by no later than 10am on Tuesday, 22 June 2021. Further details about voting by proxy are included below.

If you do not attend the meeting, exercise your postal vote or appoint a proxy, then no vote will be exercised in respect of your shareholding.

The only matter that will be discussed and voted on at the Special Meeting is the Resolution described in this Notice of Special Meeting. No motions will be allowed from the floor.

VOTING BY PROXY

If you do not attend the Special Meeting, you may appoint a proxy to attend the meeting in your place. Your proxy need not be a shareholder of the Company. The Chair of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose. The Chair will vote as directed on the Resolution. If you do not direct the Chair how to vote on the Resolution, he will exercise any discretionary votes in accordance with the Board recommendation, which is to vote for the Resolution.

If you select a proxy to vote on your behalf (including the Chair), and you either:

- confer on the proxy a discretion on the Voting Card; or
- do not provide any instructions on the Voting Card about how the proxy should vote,

you acknowledge that the proxy may exercise your right to vote at his or her discretion and may vote as he or she thinks fit or abstain from voting.

In so doing you acknowledge that the proxy may exercise your right to vote even if he or she has an interest in the outcome of the Resolution, provided that interest does not disqualify him or her from voting under the Listing Rules.

ONLINE/VIRTUAL MEETING

This Special Meeting will be held both in person and online/virtually, unless the Company elects to hold the meeting online/virtually only because of Covid-19 risks (see below).

If shareholders decide to attend online/virtually, they will have the opportunity to attend and participate in this Special Meeting online via an internet connection, using a computer, tablet or smartphone. The Special Meeting will be accessible on both desktop and mobile devices.

To participate remotely you will need to either:

- Download Lumi AGM from the App Store or Google Play Store for free – search for Lumi-AGM; or
- Visit web.lumiagm.com using a browser on your desktop or mobile device.

A compatible browser will be required. Lumi AGM supports the latest version of Chrome, Safari, Internet Explorer, Edge or Firefox.

If you have any questions, or need assistance with the online process, please contact Computershare on +64 9 488 8777 between 8.30am and 5.00pm Monday to Friday.

Audio and visual streams of the meeting will be available. Ensure the volume control on your headphones or device is turned up.

Shareholders will be able to view the presentations, vote on the resolution to be put to shareholders, and ask questions, by using their own computers or mobile devices.

Shareholders will still be able to appoint a proxy to vote for them or send a postal vote, as they otherwise would, by following the instructions on the proxy form and in this Notice of Special Meeting.

Details of how to participate online/virtually are provided in the accompanying Virtual Meeting Guide, with instructions for accessing the online/virtual meeting. Shareholders are encouraged to review this guide and download the Lumi AGM app prior to the Special Meeting. Shareholders will require the meeting ID – which is 389-960-751 – as well as their post code and CSN/Securityholder Number, which can be found on their proxy and postal voting form, for verification purposes.

COVID-19 RESTRICTIONS – MEETING MAY BE ONLINE ONLY

Due to the current uncertainties relating to public health restrictions associated with Covid-19, the Company may elect to hold this Special Meeting as an online/virtual meeting only. If this happens, the Company will provide shareholders with as much notice as is reasonably practicable, by way of an announcement to NZX and ASX and on New Zealand Oil & Gas' website.

SHAREHOLDER QUESTIONS

Shareholders may submit written questions to be considered at the Special Meeting. Written questions should be sent by post to "Special Meeting," New Zealand Oil & Gas Limited, Level 1, 36 Tennyson Street, Wellington 6011 or by email to enquiries@ nzog.com. New Zealand Oil & Gas reserves the right not to address any questions that, in the Board's opinion, are not reasonable to address in the context of the Special Meeting, or any question received fewer than 5 working days prior to the Special Meeting.

14. ENTITLEMENT TO VOTE

All persons registered on the Company's register of shareholders as the holders of shares as at 5pm on Tuesday, 22 June 2021 will be entitled to vote on the Resolution at this Special Meeting. [If you have appointed a proxy to attend the meeting in your place, you may still observe the meeting online (but only your proxy may cast your votes]. Voting on the Resolution is to be by way of poll. No persons are restricted from voting on, or acting as a discretionary proxy in relation to, the Resolution referred to in this Notice of Special Meeting.

15. RESULTS

Following the Special Meeting, the results will be posted at www.nzog.com and on www.NZX.com

16. GLOSSARY

Throughout this Notice of Special Meeting, gas reserves are measured in petajoules (PJ), rates in terajoules per day (TJ/d). Oil reserves are noted in millions of stock tank barrels (mmstb) and rates in barrels per day (bbls/d). When gas and oil reserves are combined, the units are millions of barrels of oil equivalent (mmboe).

In this Notice of Special Meeting certain defined terms have been used as follows:

#

1P or proven reserves
are those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations. Typically considered as 90% or more likely.

Probable 2P reserves
are those additional reserves that analysis of geoscience and engineering data indicates are less likely to be

recovered than proved reserves but more certain to be recovered than possible reserves. Typically considered as 50% likely.

2C resources
means quantities of oil and gas estimated to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.

A

ASX
means ASX Limited or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

B

Board
means the board of directors of New Zealand Oil & Gas.

C

Central Gas Assets
has the meaning given in section 1 of the Explanatory Notes.

Central Petroleum
means Central Petroleum Limited, a company registered in Australia and listed on ASX.

Central Petroleum Group
means Central Petroleum and all of its subsidiaries.

Central Petroleum Sellers
has the meaning given in section 1 of the Explanatory Notes.

Companies Act
means the Companies Act 1993.

Cue Energy Resources or Cue
means Cue Energy Resources Limited, a company registered in Australia and listed on ASX, and a subsidiary of New Zealand Oil & Gas.

Cue Purchasers
means Cue Mereenie Pty Ltd, Cue Palm Valley Pty Ltd and Cue Dingo Pty Ltd, each of which are wholly-owned subsidiaries of Cue.

L

Listing Rules
means the NZX Listing Rules.

M

Macquarie
means Macquarie Mereenie Pty Ltd, a company registered in Australia, and a subsidiary of Macquarie Group Limited.

N

New Zealand Oil & Gas Group
means New Zealand Oil & Gas and all of its subsidiaries.

New Zealand Oil & Gas or the Company
means New Zealand Oil & Gas Limited.

NZO Purchasers
means NZOG Mereenie Pty Ltd, NZOG Palm Valley Pty Ltd and NZOG Dingo Pty Ltd, each of which are wholly-owned Australian subsidiaries of New Zealand Oil & Gas.

NZX
means NZX Limited or, as the context requires, the main board financial product market operated by NZX Limited.

P

Proposed Acquisition
means the proposed acquisition of three gas producing projects located in the Amadeus basin of Australia's Northern Territory from the Central Petroleum Sellers, as described in the Explanatory Notes.

R

Resolution
means the resolution set out on page 9 of this Notice of Special Meeting.

S

Special Meeting
means the special meeting of shareholders to consider and, if thought fit, approve the Proposed Acquisition and any adjournment of that meeting.

SPA
means the conditional sale and purchase agreement relating to the Proposed Acquisition.

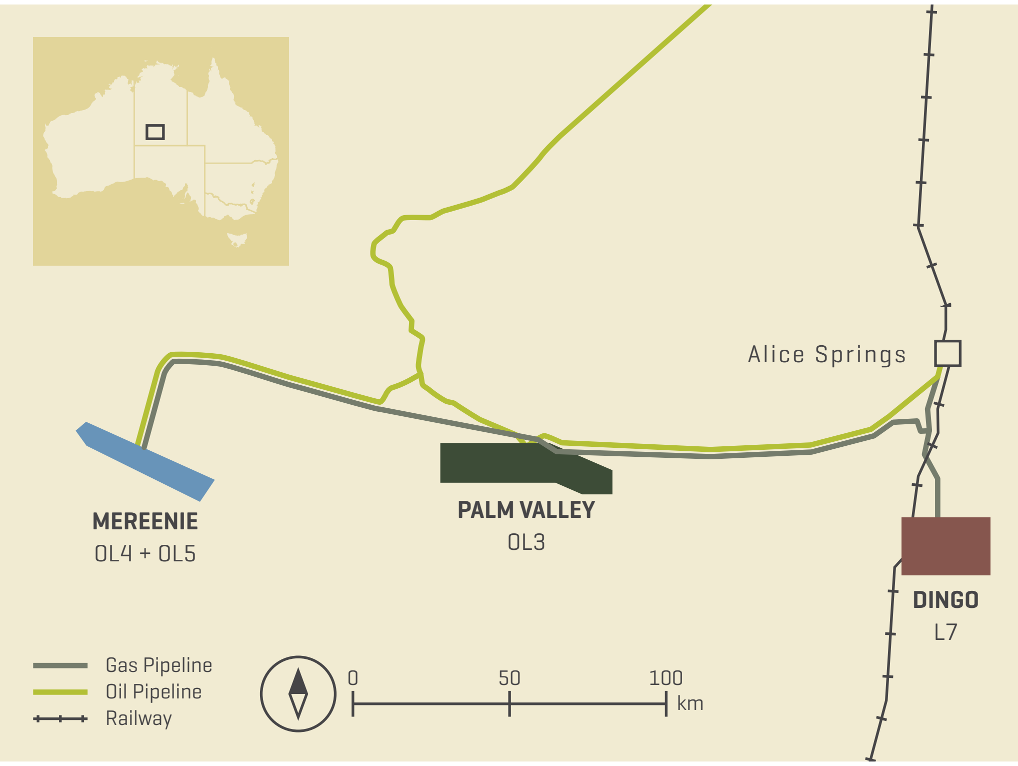
17. RESOURCES AND RESERVES STATEMENT

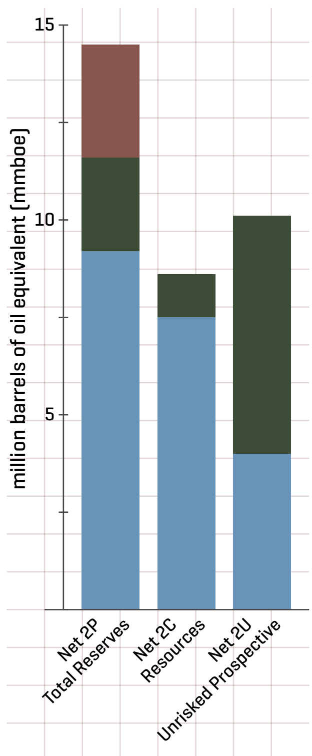
Resources and reserves presented below are materially consistent with Central Petroleum's statement of resources and reserves, disclosed in its annual report for the financial year ended 30 June 2020.

ASSET, PROSPECT AND PERMIT TYPE

Entity	Net Equity*	Permit # & Type	Production Level	Net 2P Total Reserves mmboe	Contingent Resources Level	Net 2C Resources mmboe	Prospective Resources Level	Net 2U Unrisked Prospective mmboe
Mereenie	25%	OL4 & OL5 Production Licences	Pacoota	9.2	Stairway	7.5	-	0.0
Palm Valley	50%	OL3 Production Licence	Pacoota	2.4	Pacoota	1.1	Arumbera	6.1
Dingo	50%	L7 Production Licence	Arumbera	2.9	Arumbera	0.0	Pioneer + Areyonga	4
Total				**14.5**		**8.6**		**10.1**

*This table, and following tables, include 100% of Cue's share.

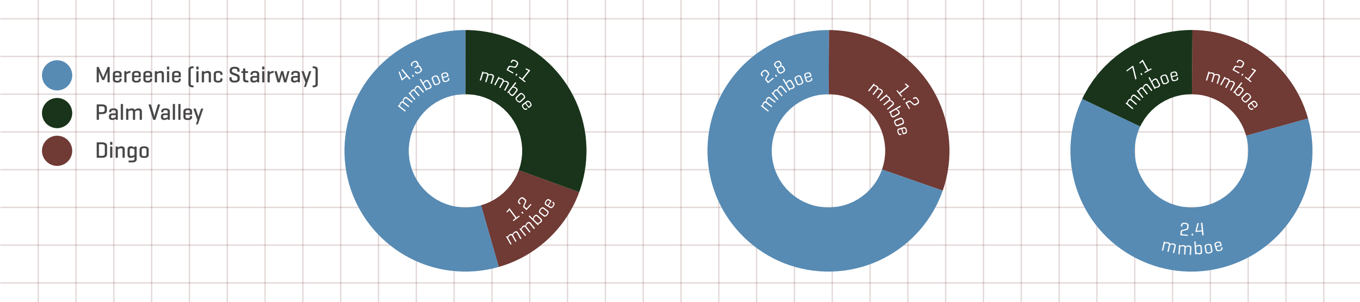




SUMMARY RESERVES

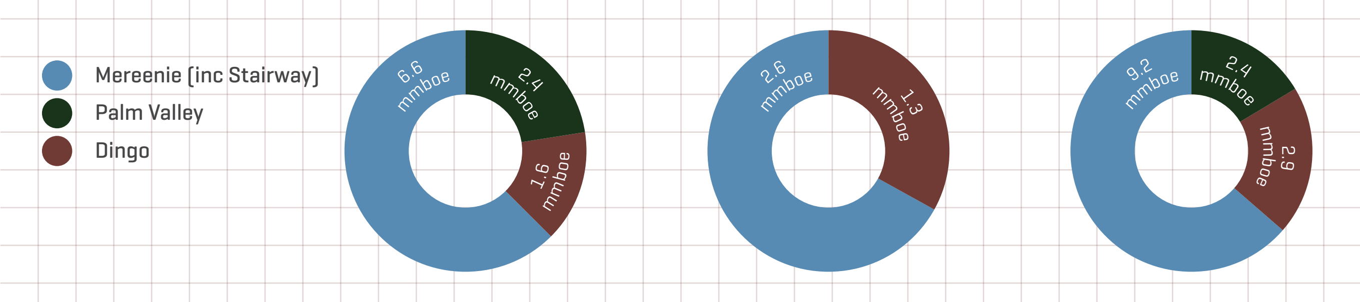
Net 1P Developed, Undeveloped and Total

		DEVELOPED			UNDEVELOPED			TOTAL		
Field	Net Equity	Gas PJ	Oil mmstb	Equivalent mmboe	Gas PJ	Oil mmstb	Equivalent mmboe	Gas PJ	Oil mmstb	Equivalent mmboe
Mereenie (inc Stairway)	25%	24.6	0.3	4.3	16.2	0.1	2.8	40.9	0.4	7.1
Palm Valley	50%	12.9	0.0	2.1	0.0	0.0	0.0	12.9	0.0	2.1
Dingo	50%	7.2	0.0	1.2	7.5	0.0	1.2	14.7	0.0	2.4
Total		**44.7**	**0.3**	**7.6**	**23.7**	**0.1**	**4.0**	**68.4**	**0.4**	**11.6**



Net 2P Developed, Undeveloped and Total

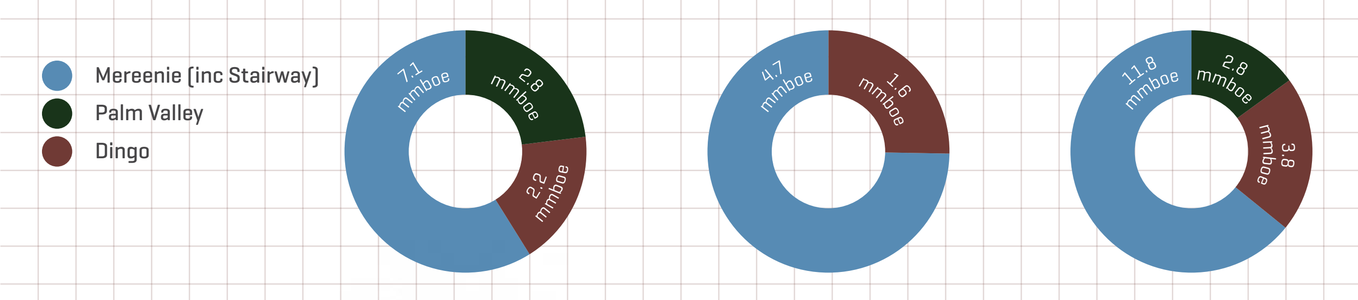
		DEVELOPED			UNDEVELOPED			TOTAL		
Field	Net Equity	Gas PJ	Oil mmstb	Equivalent mmboe	Gas PJ	Oil mmstb	Equivalent mmboe	Gas PJ	Oil mmstb	Equivalent mmboe
Mereenie (inc Stairway)	25%	37.9	0.4	6.6	15.5	0.1	2.6	53.4	0.5	9.2
Palm Valley	50%	14.4	0.0	2.4	0.0	0.0	0.0	14.4	0.0	2.4
Dingo	50%	10.0	0.0	1.6	8.0	0.0	1.3	18.1	0.0	2.9
Total		**62.3**	**0.4**	**10.6**	**23.5**	**0.1**	**3.9**	**85.8**	**0.5**	**14.5**

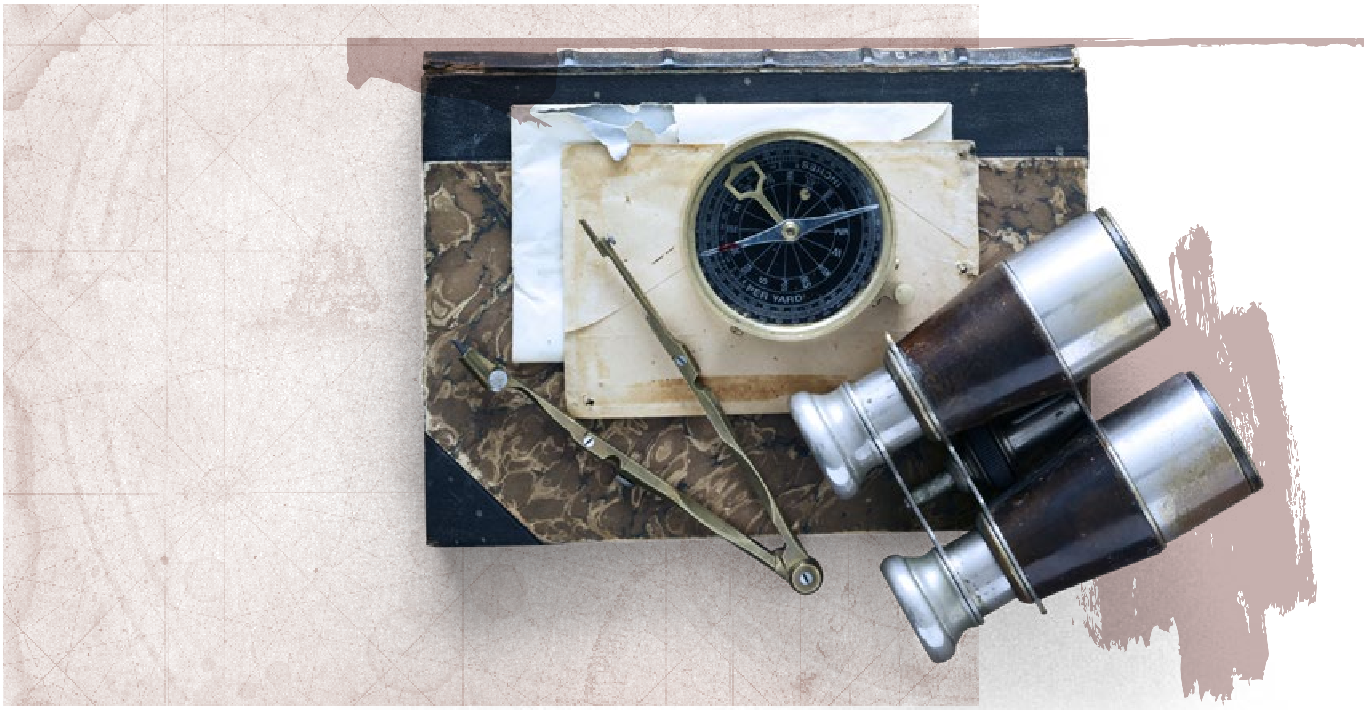


SUMMARY RESERVES (CONTINUED)

Net 3P Developed, Undeveloped and Total

		DEVELOPED			UNDEVELOPED			TOTAL		
Field	Net Equity	Gas PJ	Oil mmstb	Equivalent mmboe	Gas PJ	Oil mmstb	Equivalent mmboe	Gas PJ	Oil mmstb	Equivalent mmboe
Mereenie (inc Stairway)	25%	40.3	0.5	7.1	28.0	0.1	4.7	68.3	0.6	11.8
Palm Valley	50%	17.3	0.0	2.8	0.0	0.0	0.0	17.3	0.0	2.8
Dingo	50%	13.3	0.0	2.2	9.8	0.0	1.6	23.1	0.0	3.8
Total		**70.8**	**0.5**	**12.1**	**37.8**	**0.1**	**6.3**	**108.7**	**0.6**	**18.4**

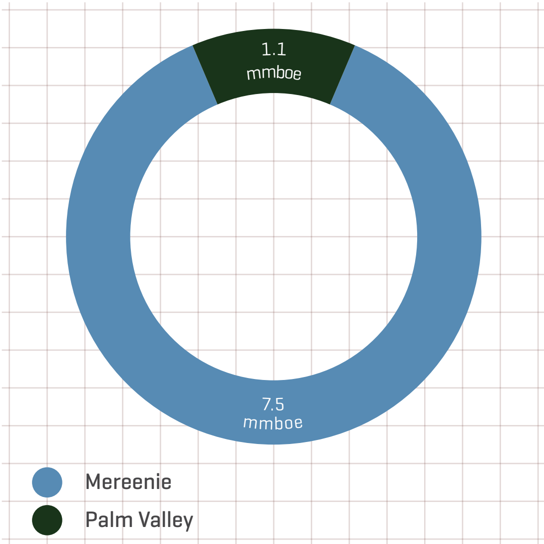




SUMMARY CONTINGENT RESOURCES

Net 2C

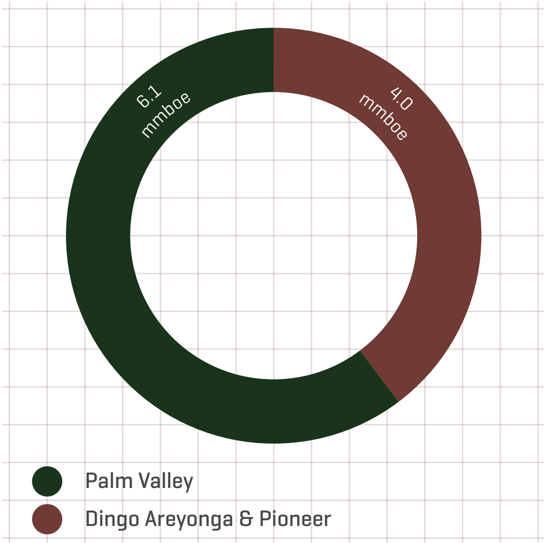
Field	Net Equity	Gas PJ	Oil mmstb	Equivalent mmboe
Mereenie	25%	45.6	0.1	7.5
Palm Valley	50%	6.9	0.0	1.1
Dingo	50%	0.0	0.0	0
Total		**52.5**	**0.1**	**8.6**



SUMMARY UNRISKED PROSPECTIVE RESOURCES

Net Unrisked Prospective

					2U PROSPECTIVE UNRISKED		
Field	Level	Geological Chance of Success	Chance of Development Success	Equity	Gas PJ	Oil mmstb	Equivalent mmboe
Palm Valley	Arumbera	24%	90%	50%	37.5	0.0	6.1
Dingo	Areyonga	19%	90%	50%	16.0	0.0	2.6
Dingo	Pioneer	19%	90%	50%	8.5	0.0	1.4
Total					**62.0**	**0.0**	**10.1**



RESOURCES AND RESERVES COMPLIANCE STATEMENTS

Details of each of these projects were first included in the New Zealand Oil & Gas news release of 25 May 2021. New Zealand Oil & Gas is not aware of any new information that materially affects the information included in the news release. All material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Oil and gas reserves, and contingent and prospective resources, are reported as at 30 June 2020 and follow the SPE PRMS Guidelines (2018). The volumes presented are net to New Zealand Oil & Gas, including Cue Energy's share, i.e., net 25% in Mereenie, net 50% in Palm Valley and net 50% Dingo and their associated exploration prospects. All fields and prospects are non-operated. The operator is Central Petroleum.

Mereenie, Palm Valley and Dingo reserves are based on historical field production data and various well intervention and drilling campaigns. This data has been combined with available seismic data, analytical and numerical analysis methods, and deterministic reservoir simulation and network models. In place volumes have been developed using probabilistic methods, with deterministic workflows used for recoverable volumes. The resource and reserves volumes stated have not been adjusted for risk.

For the conversion to equivalent units, standard industry factors have been used of 6Bcf to 1mmboe, 1Bcf to 1.05PJ, 1 tonne of LPG to 8.15 boe and 1TJ of gas to 163.4 boe.

Proven (1P) reserves
are those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations. Typically considered as 90% or more likely.

Probable 2P reserves
are those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. Typically considered as 50% likely.

Known accumulations
are reserves or contingent resources that have been discovered by drilling a well and testing, sampling or logging a significant quantity of recoverable hydrocarbons.

Developed reserves
are expected to be recoverable from existing wells and facilities.

Undeveloped reserves
will be recovered through future investments (e.g. through installation of compression, new wells into different but known reservoirs, or infill wells that will increase recovery).

Total reserves
are the sum of developed and undeveloped reserves at a given level of certainty.

Contingent resources
are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.

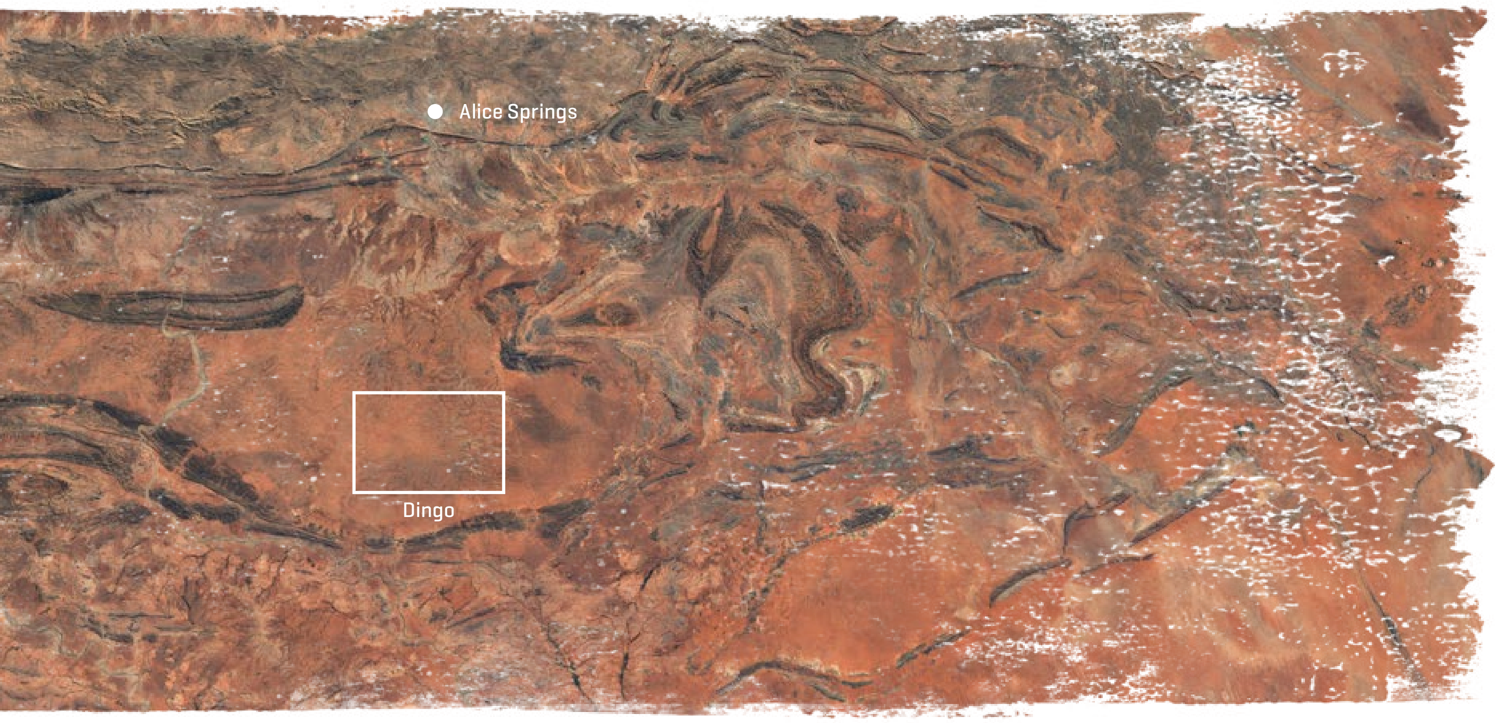
Prospective resources
are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

All reserves and resources reported refer to hydrocarbon volumes post-processing, net of fuel, and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F. The extraction method is via the Mereenie, Dingo and Palm Valley Gas Plants, which includes compression and dehydration.

Tables combining reserves have been compiled arithmetically and some differences may be present due to rounding.

This resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Assets & Engineering Manager Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Masters degrees in Petroleum and Mechanical Engineering, as well as a Diploma in Business Management, and has over 10 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand.



New Zealand Oil & Gas Ltd
Level 1, 36 Tennyson Street
Wellington 6011, New Zealand
+64 4 495 2424

www.nzog.com

FIND OUT MORE

New Zealand Oil & Gas shareholder information line:
Phone: (+64) 04 495 2424
Email: enquiries@nzog.com