

# New Zealand Oil & Gas Limited Equity Raising and Corporate Update

Up to \$25m Capital Raising

New Zealand Oil & Gas, 26 April 2022



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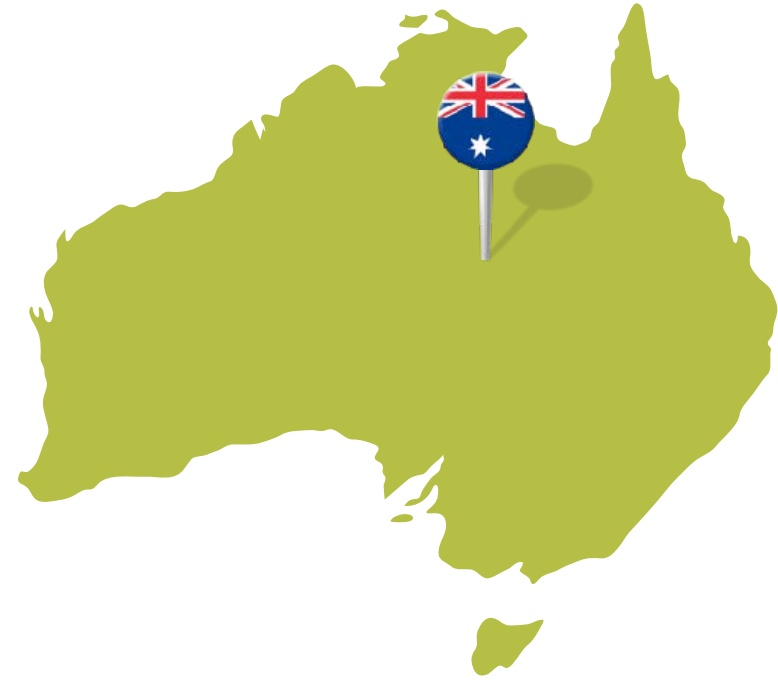
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# Company Snapshot & Areas Of Operation

# ● New Zealand Oil & Gas at a Glance



## AMADEUS BASIN, NORTHERN TERRITORY, AUSTRALIA

- MEREENIE:** New Zealand Oil & Gas 17.5% Cue Energy Resources 7.5%
- PALM VALLEY:** New Zealand Oil & Gas 35% Cue Energy Resources 15%
- DINGO:** New Zealand Oil & Gas 35% Cue Energy Resources 15%

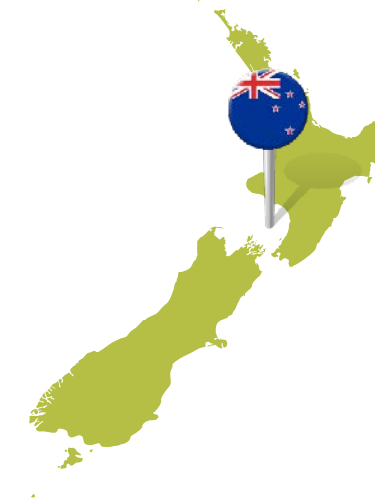
## SUMATRA, INDONESIA

**MAHATO PSC:** Cue Energy Resources 12.5%



## EAST JAVA, INDONESIA

**SAMPANG PSC:** Cue Energy Resources 15%



## OFFSHORE SOUTH TARANAKI, NEW ZEALAND

- KUPE:** New Zealand Oil & Gas 4%
- MAARI:** Cue Energy Resources 5%

**CUE ENERGY RESOURCES (ASX: CUE)**

NEW ZEALAND OIL & GAS 50.04%



# Company Snapshot

## CLEAR STRATEGY

Invest in high quality assets, low-cost operating model.  
Focus on current production with attractive development opportunities.  
Near-field, lower-risk exploration provides upside.  
Non-operated positions in quality assets.  
Globally connected cornerstone shareholder.

## GROWTH FOCUS

Transformative acquisition led to near 5x increase in 2P reserves in 2021.  
Amadeus assets provide direct link to East Coast Australia gas market.  
Amadeus development campaign ongoing.  
Exploration drilling aimed at approximately doubling Amadeus reserves.  
Kupe development well will bring gas into a healthy NZ gas market.\*  
Cue assets adding significant reserves and value.

\*Subject to final investment decision

## ACTIVE IN STABLE REGIONS

Listed on both ASX and NZX.  
Established in 1981, headquartered in Wellington, New Zealand.  
Low risk regional exposure to healthy oil and gas markets.  
4% interest in Kupe and 50.04% interest in ASX-listed Cue Energy.  
Acquired a material interest in the Amadeus gas fields in 2021.  
Focused on growing in Australia.

## STRONG FUNDAMENTALS

Share Price <small>(based on closing price on 22 April 2022)</small>	52 cents per share
Market cap <small>(based on closing price on 22 April 2022)</small>	\$85.5 million
Debt	Nil
Consolidated cash balance <small>(31 Dec 21)</small>	\$33.4 million
2P reserves	18.0 mmboe**
2P reserves + 2C + 2U upside potential	38.0 mmboe**

\*\*Reserves are as at 1 Jan 2022.  
See Reserves Statement in Appendix.  
mmboe = million barrels of oil equivalent

# Good to Grow

AMADEUS ACQUISITION CHANGED THE GAME  
MAHATO DELIVERING FOR CUE

## Near-Term Growth Catalysts

Financial years. Indicative.

Mereenie flare gas recovery project

Palm Valley and Dingo exploration/development wells. Ongoing Mahato Drilling

Further Palm Valley appraisal and potential Mereenie infill wells. Ongoing Mahato Drilling

Kupe development well and potential Mereenie and Palm Valley infill wells

Cashflow Positive. Potential Mereenie infill wells.

1H22

2H22

1H23

2H23

1H24



# Summary of Opportunity & Equity Raising Overview



# Summary of the Opportunity

## STRONG PORTFOLIO OF PRODUCING ASSETS WITH DEVELOPMENT UPSIDE

Three profitable, producing segments:

- Amadeus in Australia.
- Kupe in New Zealand.
- A strategic 50.04% interest in ASX-listed subsidiary Cue Energy Resources.

## MARKETS ARE HEALTHY, WITH HIGH PRICES, HIGH DEMAND, AND SUPPLY CONSTRAINED

Oil prices are at the highest levels since the oil price crash in 2014. Gas supplies are constrained in Australia, New Zealand and Indonesia, while demand is healthy as gas replaces coal in the energy mix.

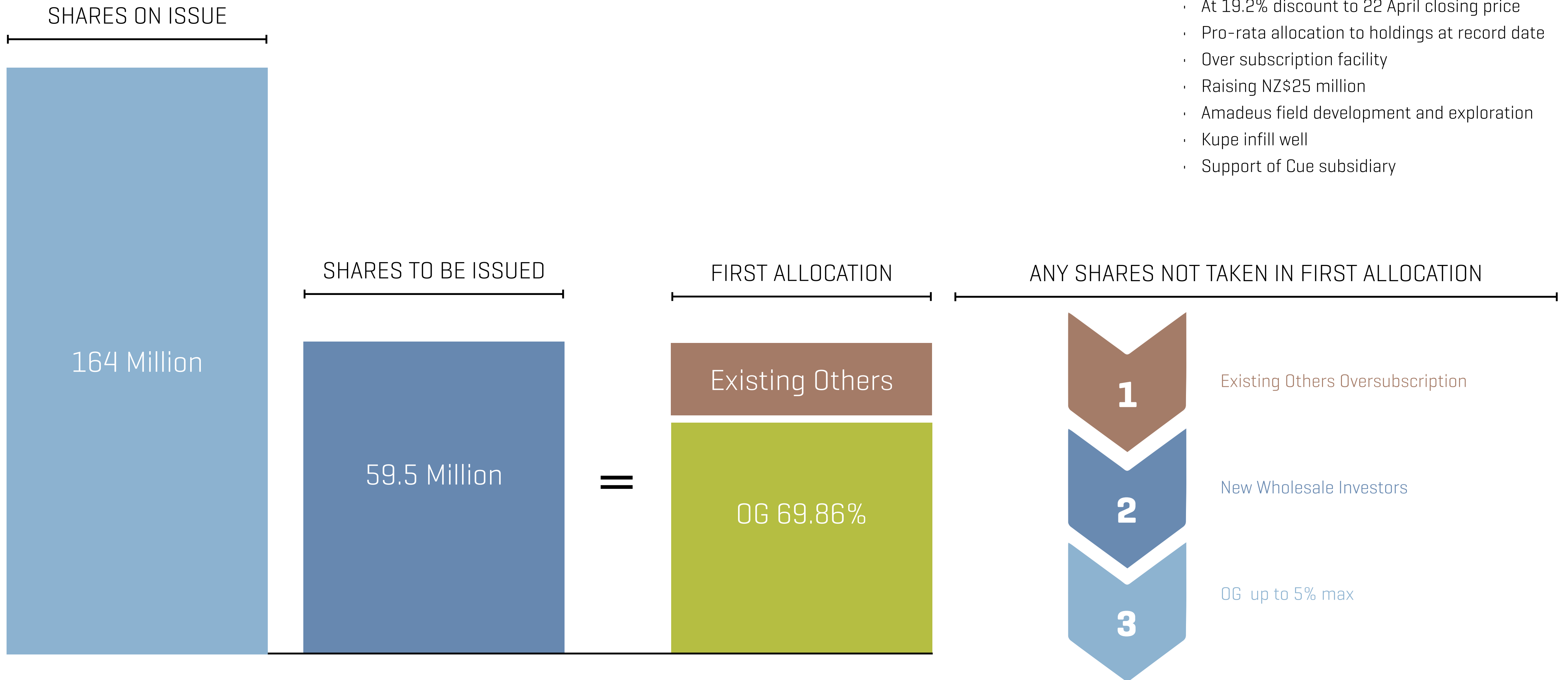
## ESG CONCERNS ARE LIKELY TO PREFERENCE ETHICAL PRODUCTION

Our opportunities are in stable democracies in our region. We are a values-based, ethical producer, with carbon-conscious operations, a Rainbow Tick, and contributions to recognised community tree-planting and scientific research.

Ethically sourced oil and gas reduces risk and potentially earns a premium at a time of increased emphasis on ESG performance.

# Equity Raise Overview

- Targeting total shares on issue 224 Million
- Issuing 59.5 Million new shares
- At 19.2% discount to 22 April closing price
- Pro-rata allocation to holdings at record date
- Over subscription facility
- Raising NZ\$25 million
- Amadeus field development and exploration
- Kupe infill well
- Support of Cue subsidiary





# Corporate Update

# Delivering Strategy

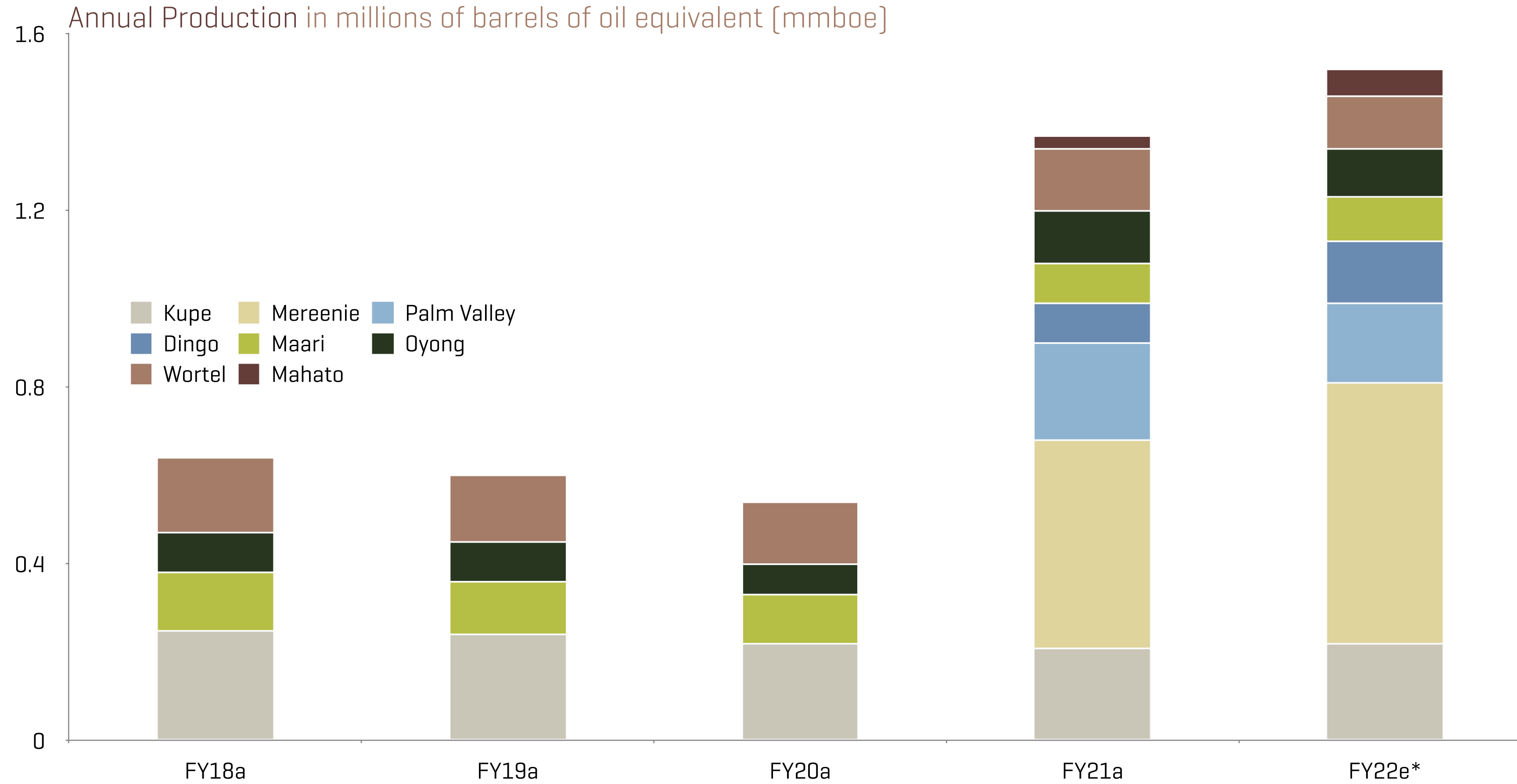
## WHAT WE PROMISED IN JUNE 2020

Focus Areas	Australia and New Zealand.
Actively Pursuing Investments	Acquire high quality producing assets with development and exploration upside.
Prudent Financial Management	Working within our means.

## DELIVERED BY THE END OF 2021

✓ Focus Areas	Amadeus Acquisition [Australia], Kupe Compression project [NZ].
✓ Actively Pursuing Investments	Acquired Amadeus, high quality producing assets and development projects, as well as exploration prospects.
✓ Prudent Financial Management	Purchase completed leveraging NZO and Cue balance sheets with further funding required for development work.

# Significant Production Added

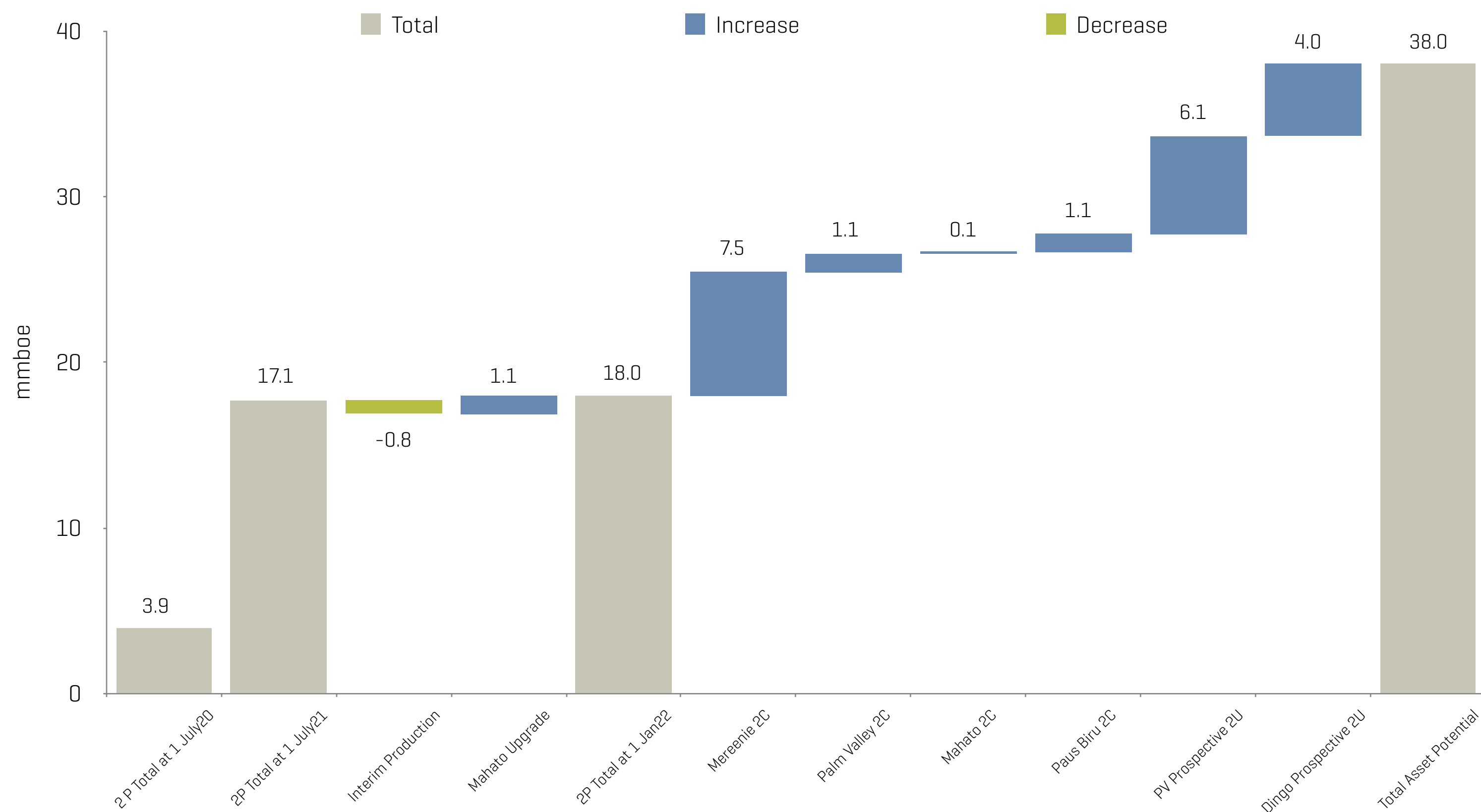


\*FY22 estimated production is as per the company's 2021 annual report. Graphic reports 100% of Cue's interest. New Zealand Oil & Gas has a 50.04% interest in Cue.

# Solid Recent Reserves Additions With Upside Opportunities

## 2P Total Reserves + 2C Contingent & 2U Prospective Resources

as at 1 Jan 2022, mmboe net to NZO [including Cue share]



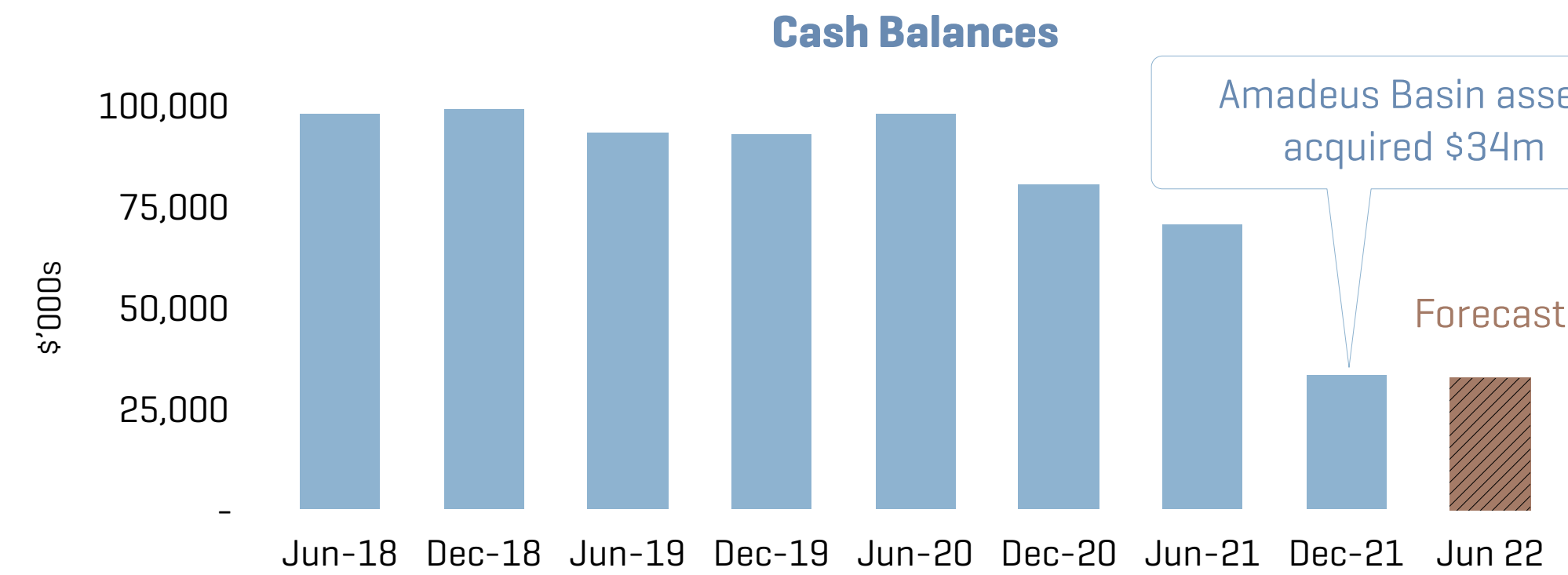
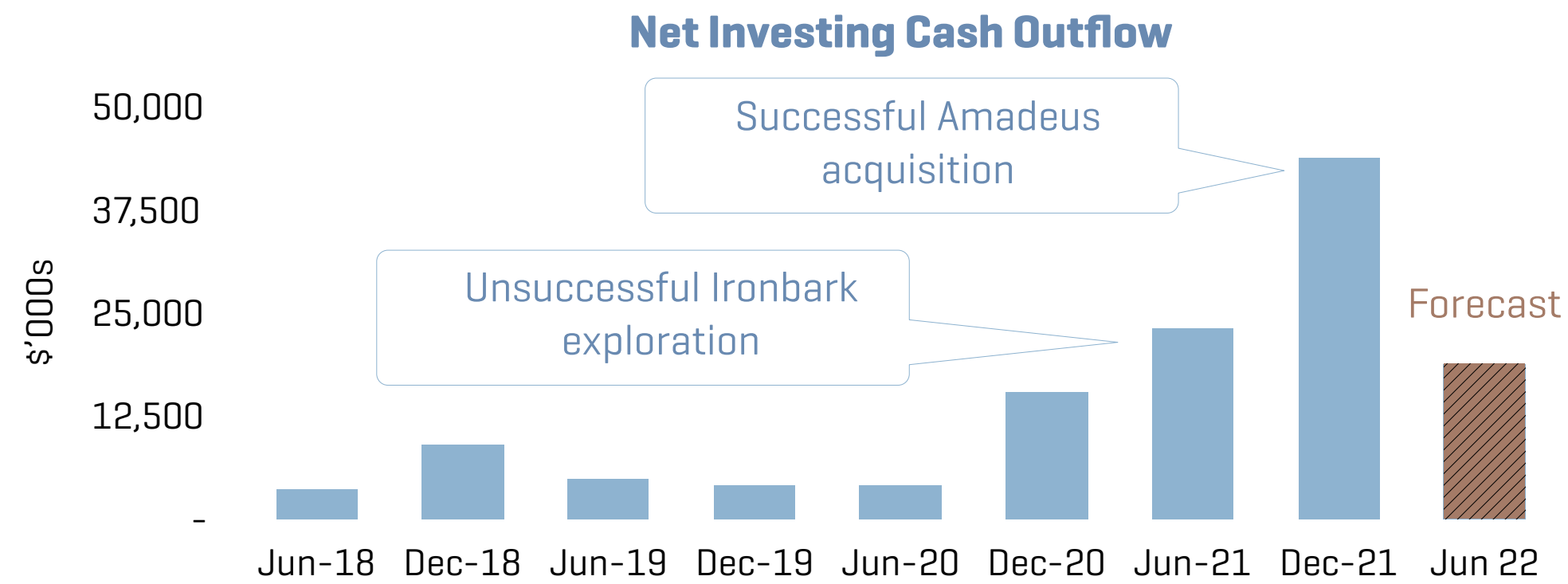
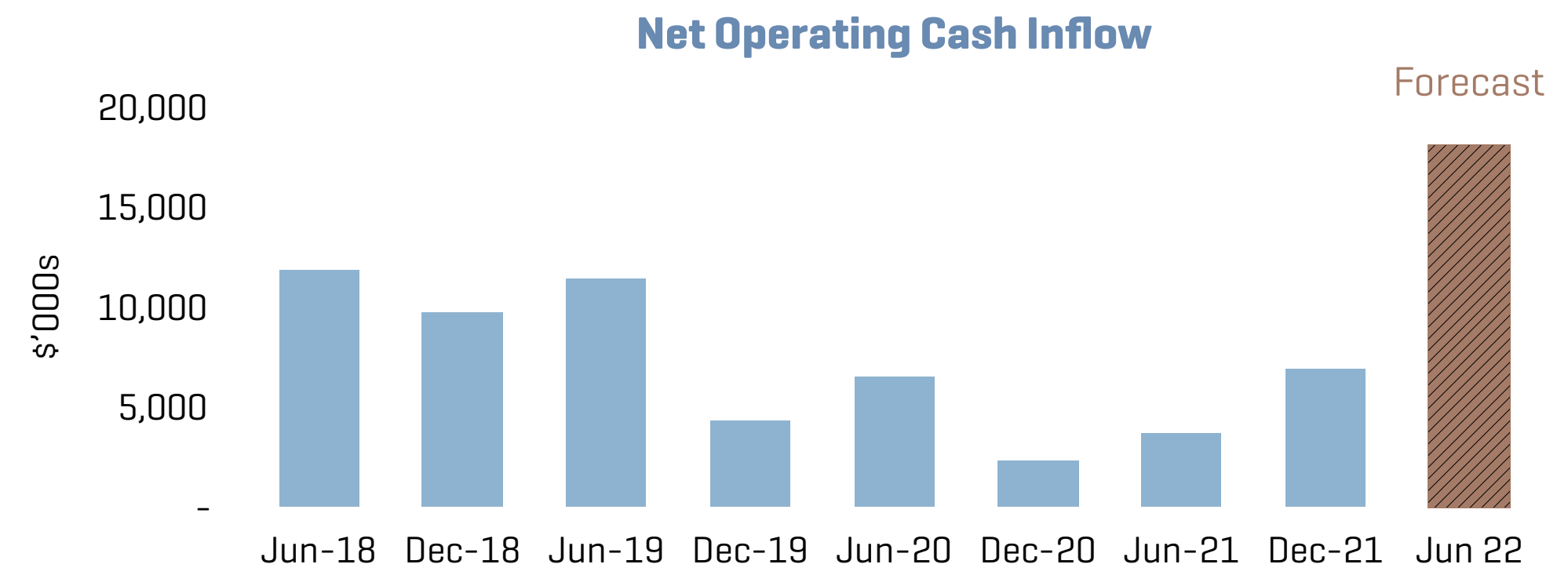
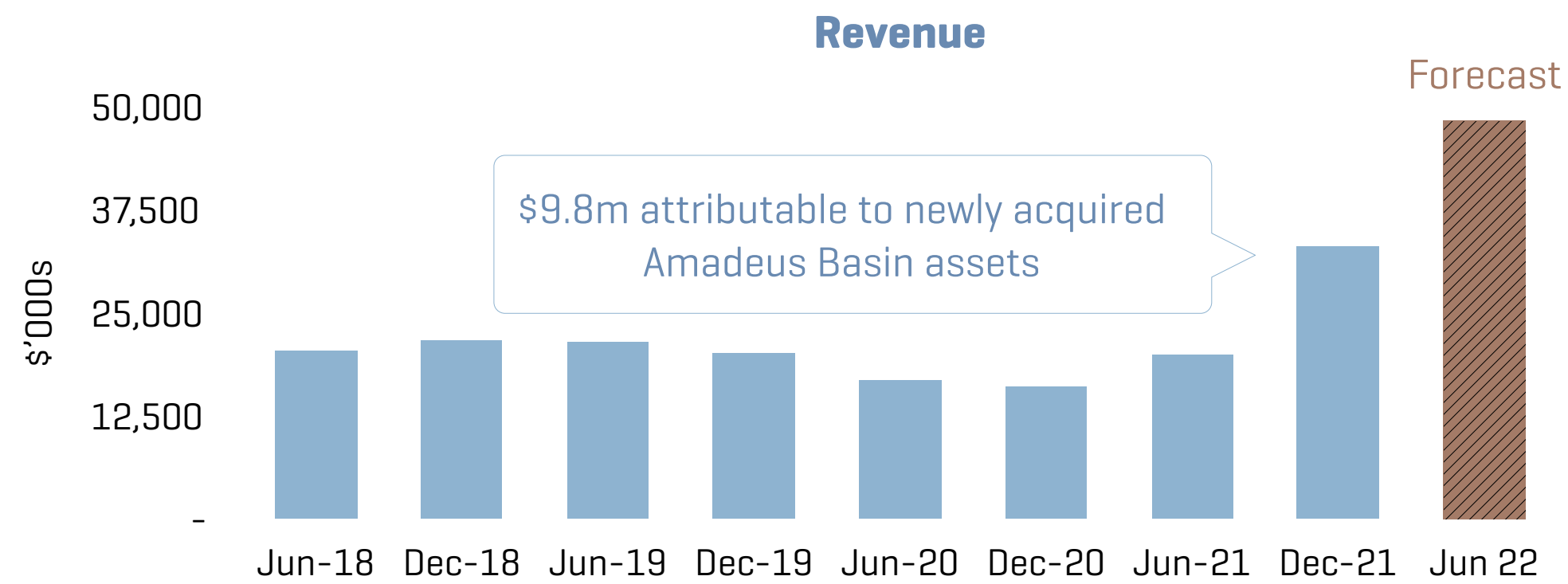
	GCoS*	2U**
Palm Valley- Arumbera. Expected 1HFY23	24%	37.5
Dingo- Areyonga. Expected 1HFY23	19%	16.0
Dingo- Pioneer Expected 1HFY23	19%	8.5

\* GCoS: Geological Chance of Success

\*\* 2U: Net 2U Unrisked Prospective Gas [PJ]

The above 2P reserves, 2C contingent and 2U prospective resources included are as per the Mahato PSC Update –Reserves Upgrade and company reserves as at 1 January 2022 release, dated 29 March 2022. New Zealand Oil & Gas confirms it is not aware of any new information or data that materially affects the information included in that 29 March 2022 release and all the material assumptions and technical parameters underpinning the 2P reserves, 2C contingent and 2U prospective resources continue to apply and have not materially changed. New Zealand Oil & Gas 1P Total Reserves as at 1 Jan 2022 are 13.0mmboe. See the reserves statement in the Appendix. Graphic reports 100% of Cue’s interest. New Zealand Oil & Gas has a 50.04% interest in Cue.

# Production Feeding the Bottom Line



The Amadeus Basin assets contributed revenues of \$9.8 million from acquisition on 1 October 2021 to 31 December 2021. If the Amadeus Basin assets were included for the full six months, the Group pro forma revenues would have been \$41.2 million and net profit before tax would have been \$3.1 million higher. The effective date of the transaction was 1 July 2020. Revenue earned between the effective date and completion date was recognised as a change to the purchase price adjustment. See the company's financial statements for the half year ended 31 December 2021 [here](#).

# Notional Activities Timeline

WHERE AMADEUS BASIN, AUSTRALIA CUE, INDONESIA KUPE, NEW ZEALAND

WHAT	WHEN	2021	2022	2023	2024
PRODUCTION ENHANCEMENT			 Mereenie Coil Tubing Mereenie Flare Gas Compressor	 Amadeus De-Bottlenecking	
M&A		 Amadeus Acquisition			
DEVELOPMENT		 Kupe Compression		 Kupe Drilling	
		 Mereenie Drilling	 PV-12  Dingo-5	 PV Drilling  Mereenie Drilling	 Stairway appraisal or exploration success follow on
		 9 Mahato wells	 4 Mahato wells  More Mahato wells	 Sampang Development	
EXPLORATION			 PV-12 Deep    PV-12 and Dingo-5 are exploration and development wells.  Dingo-5 Deep		

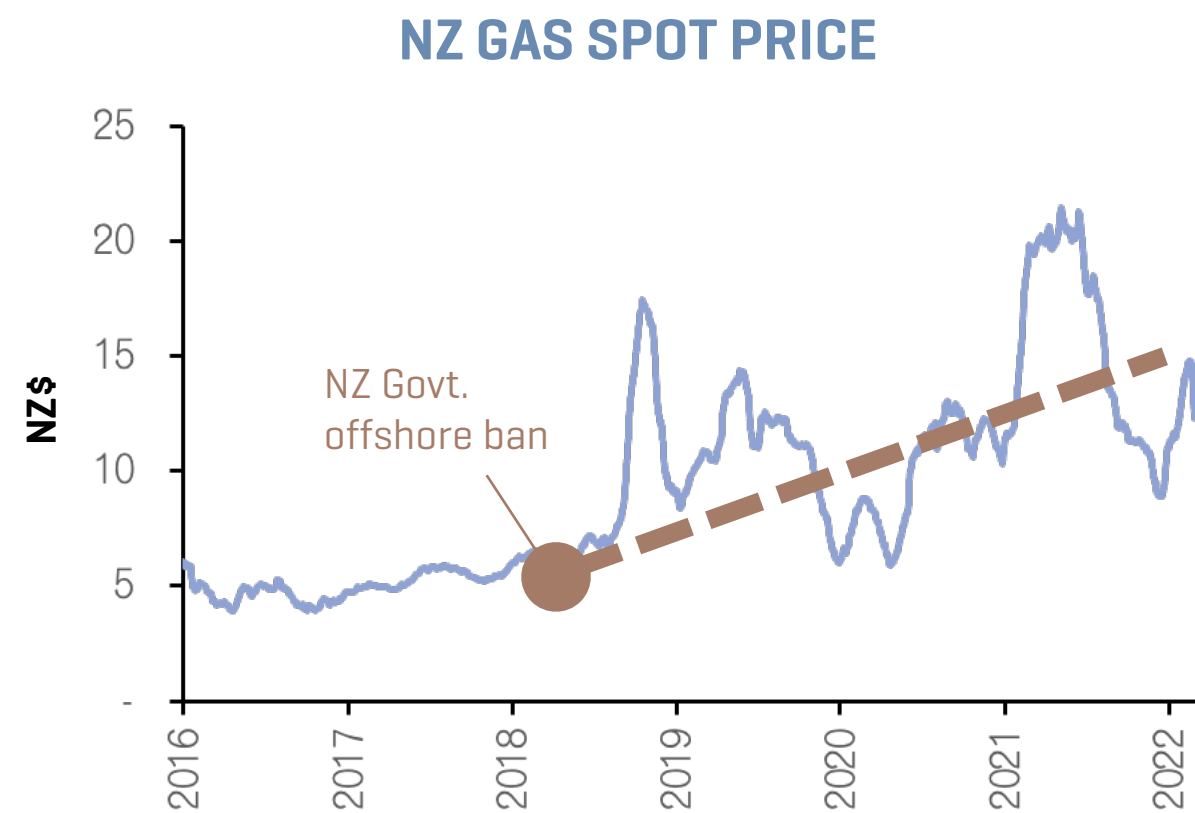
 Completed   
  Firm, Final Investment Decision Taken   
  Firm, No Final Investment Decision   
  Not Firm



# Healthy Energy Markets

## KUPE RE-CONTRACTING OPPORTUNITY OCTOBER 2023

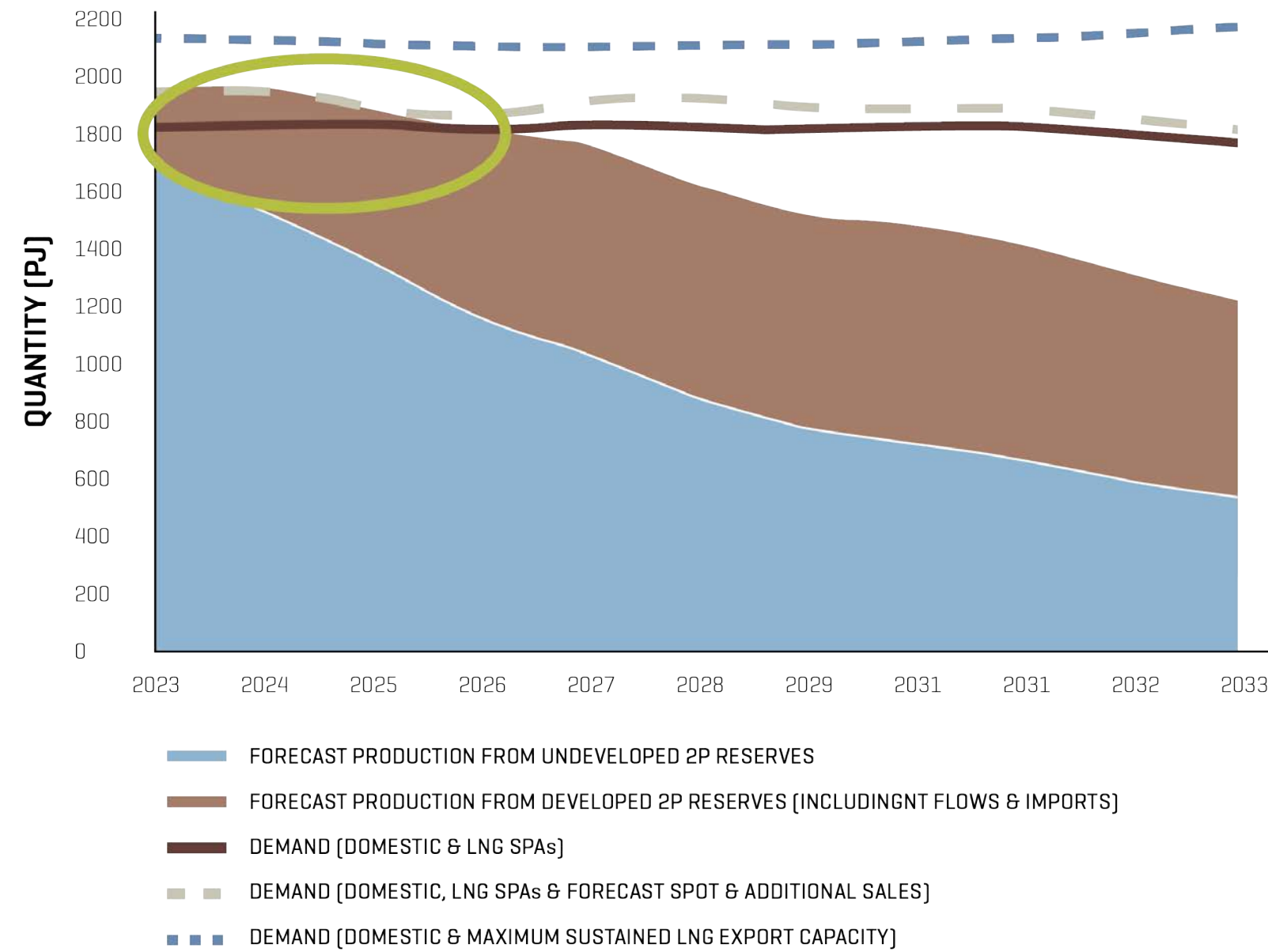
New Zealand gas prices are healthy



Source: Enerlytica

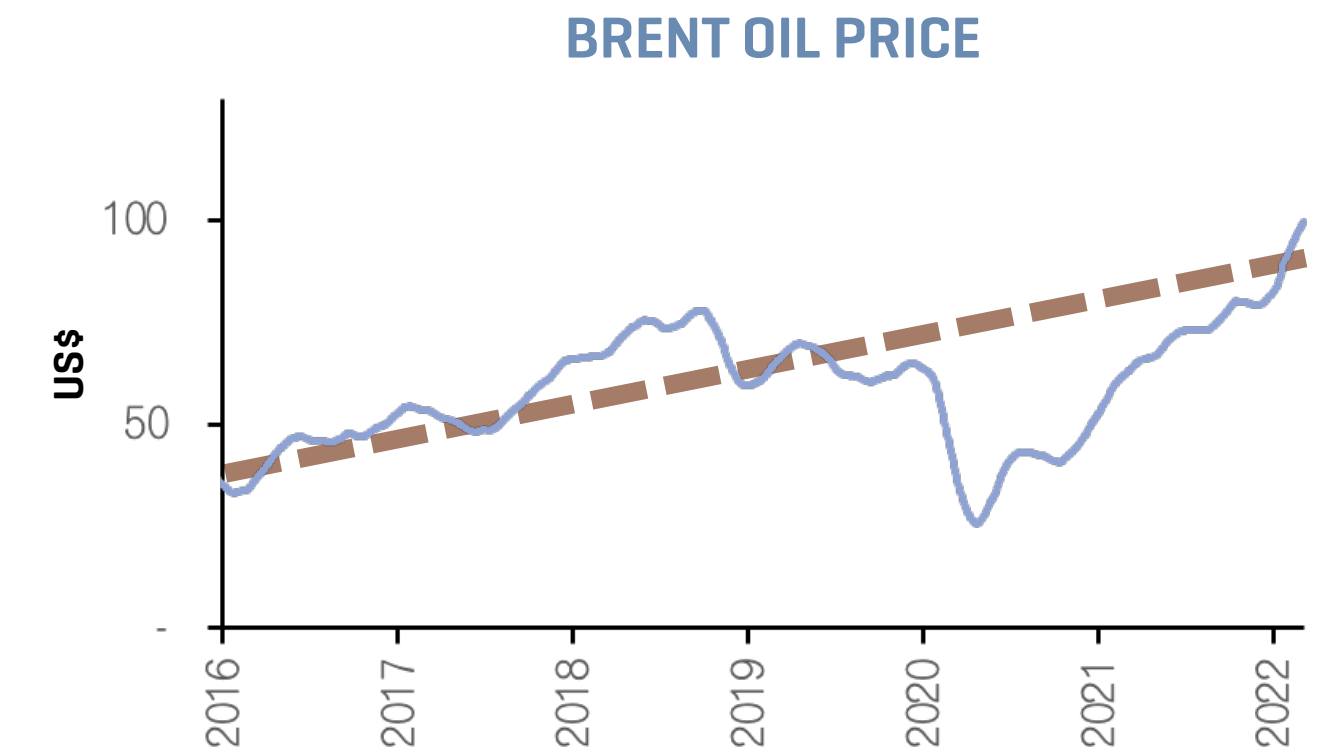
## AMADEUS GAS SALES LINKED TO AUSTRALIA EAST COAST MARKET

Forecast supply constraints are anticipated to create price pressure



Source: 2023-33 ACCC forecast supply from 2P reserves and demand in the east coast, ACCC Gas inquiry 2017 - 2025 : Interim (January 2022)

## OIL PRICE TRENDING UPWARDS POSITIVELY IMPACTING MAHATO REVENUES



Source: Rystad

# Let's Look at the Activities This Equity Raise Is Targeting

## PALM VALLEY & DINGO INFILL DRILLING

Targeting 6.6PJ [net to NZO and Cue] of 2P reserves or converting 2C resources

## PALM VALLEY & DINGO DEVELOPMENT AND EXPLORATION DRILLING

Targeting 62PJ [net to NZO & Cue] of 2U unrisked prospective resources

## DEVELOPMENT WELL MOVING TOWARDS FID AT KUPE

Targeting 1.8PJ [net to NZO] of 2P reserves to reinstate plateau production rates

## MEREENIE INFILL WELLS

Targeting 8.2PJ [net to NZO & Cue] of 2P undeveloped reserves

## STAIRWAY MEREENIE

Appraisal of 27PJ [net to NZO & Cue] of 2C contingent resources

## MAHATO

Ongoing drilling contributing to producing rates of 1,100 boepd [net to Cue, including Sampang]. Reserves recently upgraded to 1.42mmboe

## KUPE RE-CONTRACTING

Kupe gas available to re-contract from 1st October 2023, with replacement GSA to be contracted in a healthy gas market

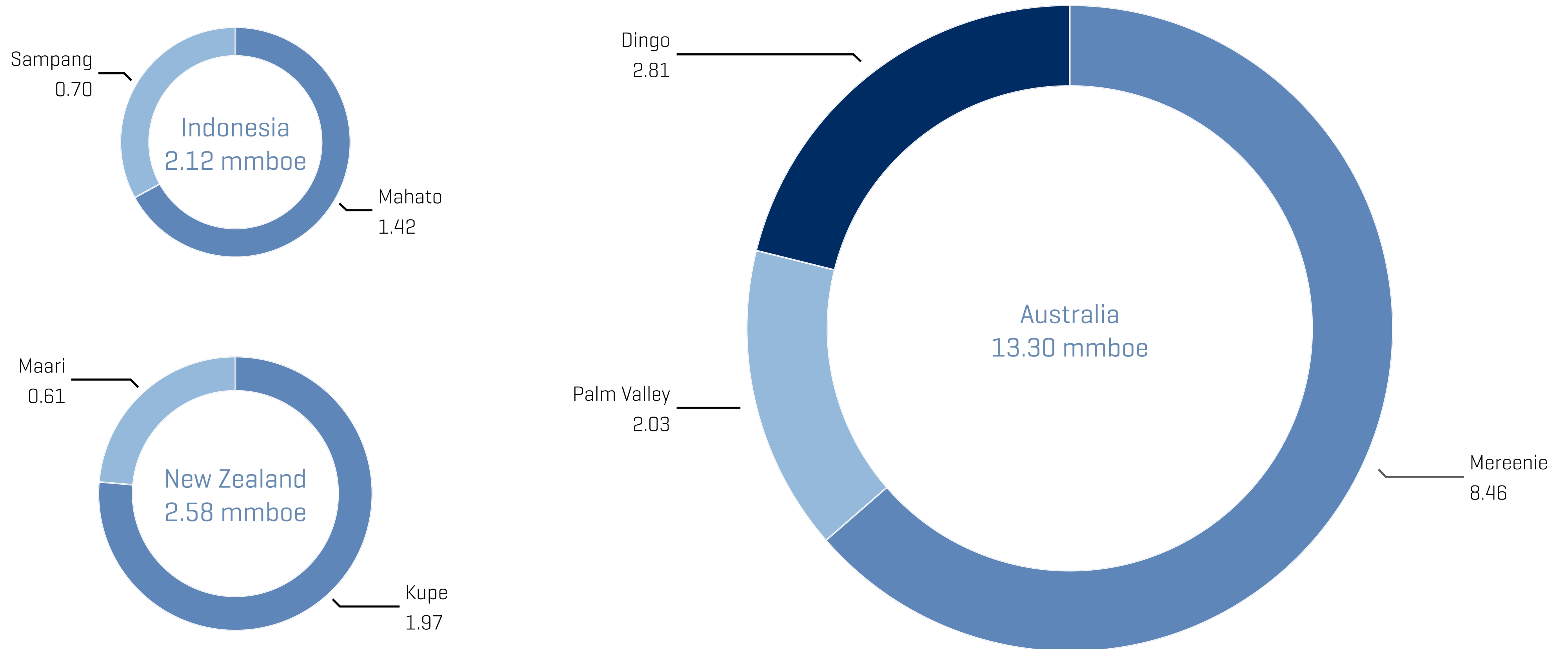




# Section 3

## Asset Overview

# Total 2P Reserves By Country



Mahato reserves are from the reserves statement included in the Mahato PSC update 29 March 2022. Reserves are effective from 1 January 2022 and include 100% of Cue's interest. New Zealand Oil & Gas has a 50.04% interest in Cue. See the reserves statement in the Appendix.

# Palm Valley and Dingo Development & Exploration

## NZO/CUE FUNDING WELLS

Cost-carry of wells

## TWO WELL EXPLORATION AND DEVELOPMENT PROGRAMME (2022)

Low cost exploration, deepening only

## ADD MATERIAL RESERVES

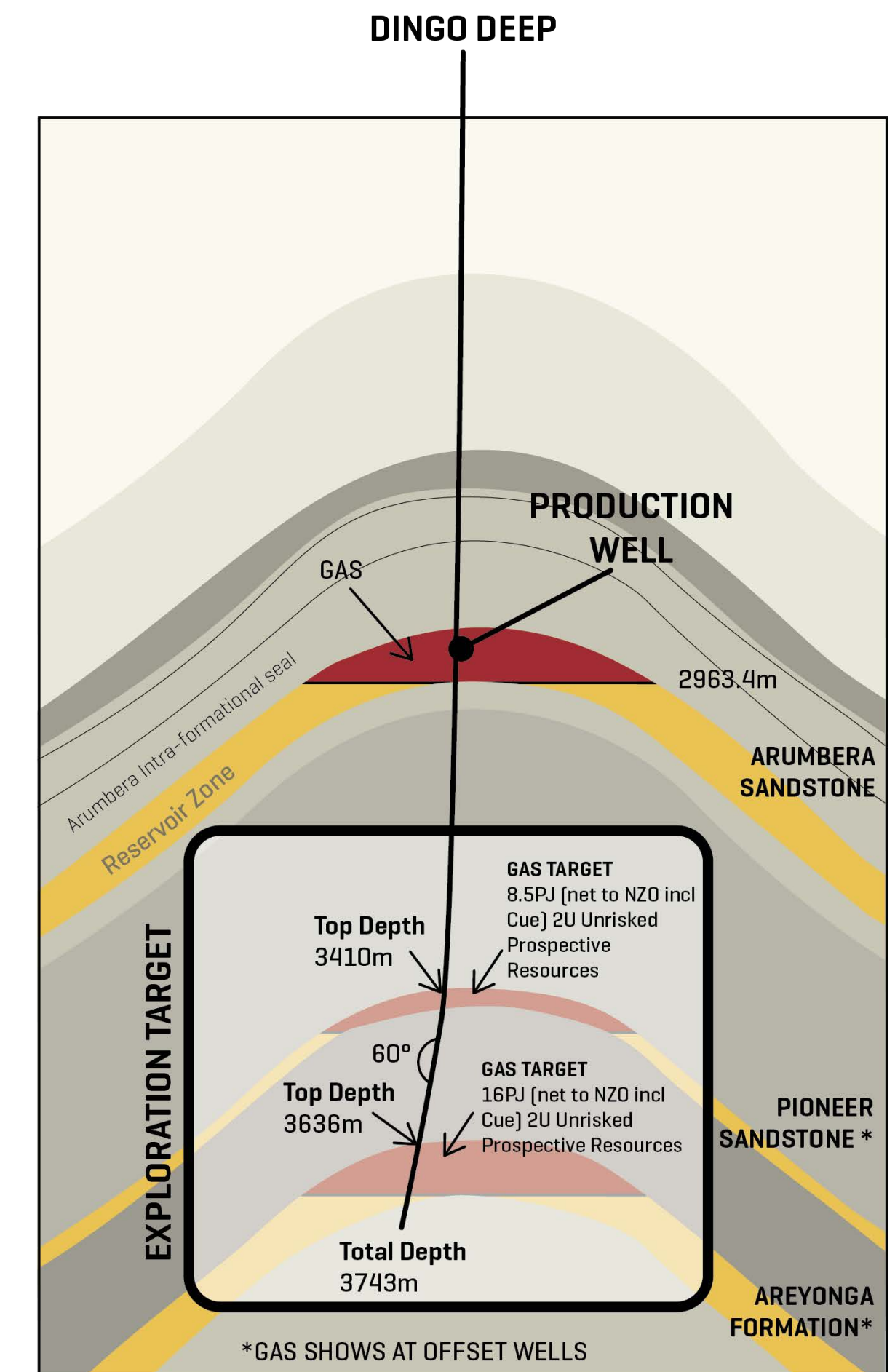
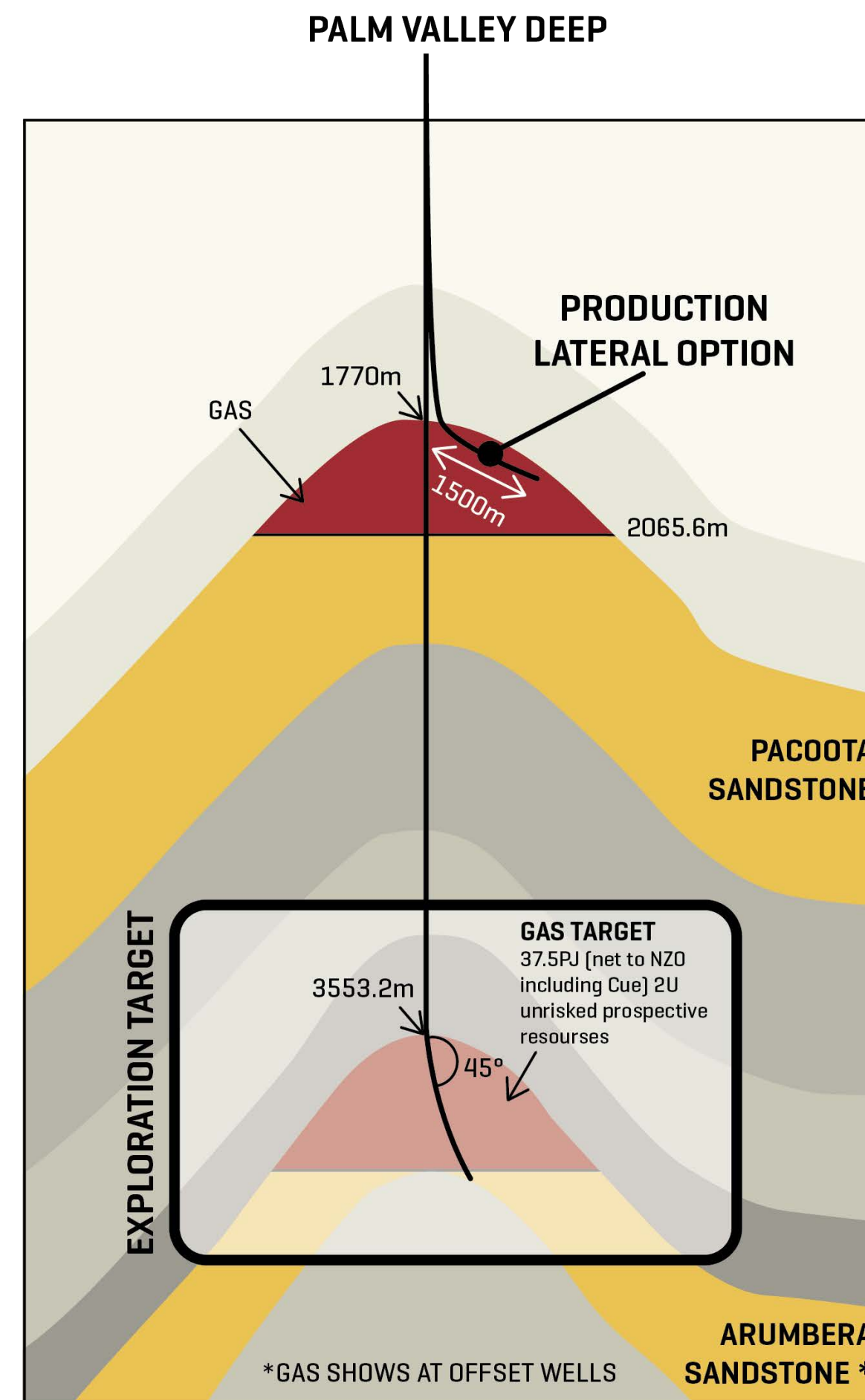
Targeting 6.6PJ net 2P reserves or conversion of 2C resources

Exploring 62PJ net 2U un-risked prospective resources

## PLAN FOR DEVELOPMENT IF EXPLORATION UNSUCCESSFUL

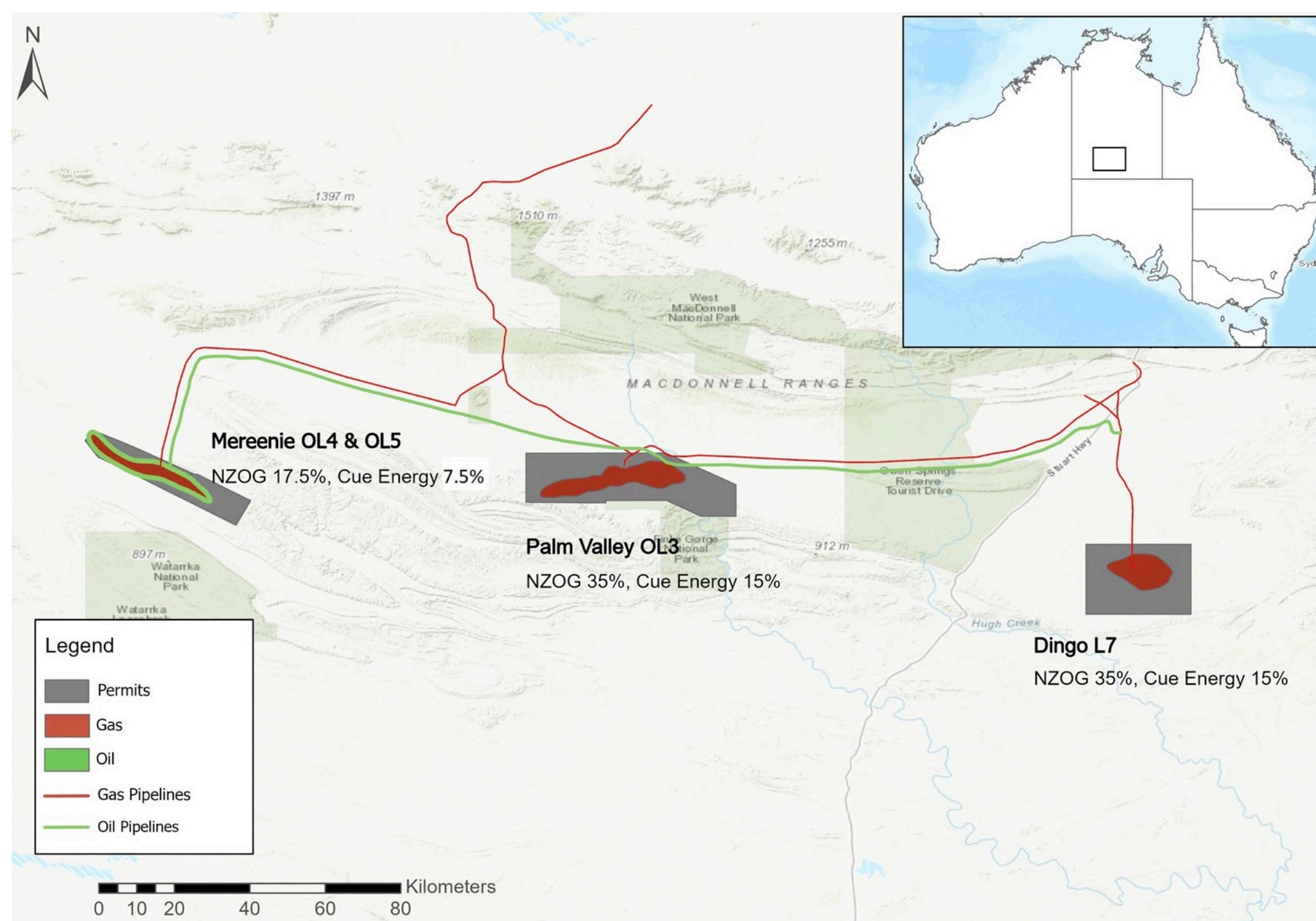
Producing formation will be drilled through on way down

Spare plant capacity available



See the Reserves Statement in Appendix for important qualifications regarding reserves information.

# Amadeus Basin, Australia - Mereenie gas field



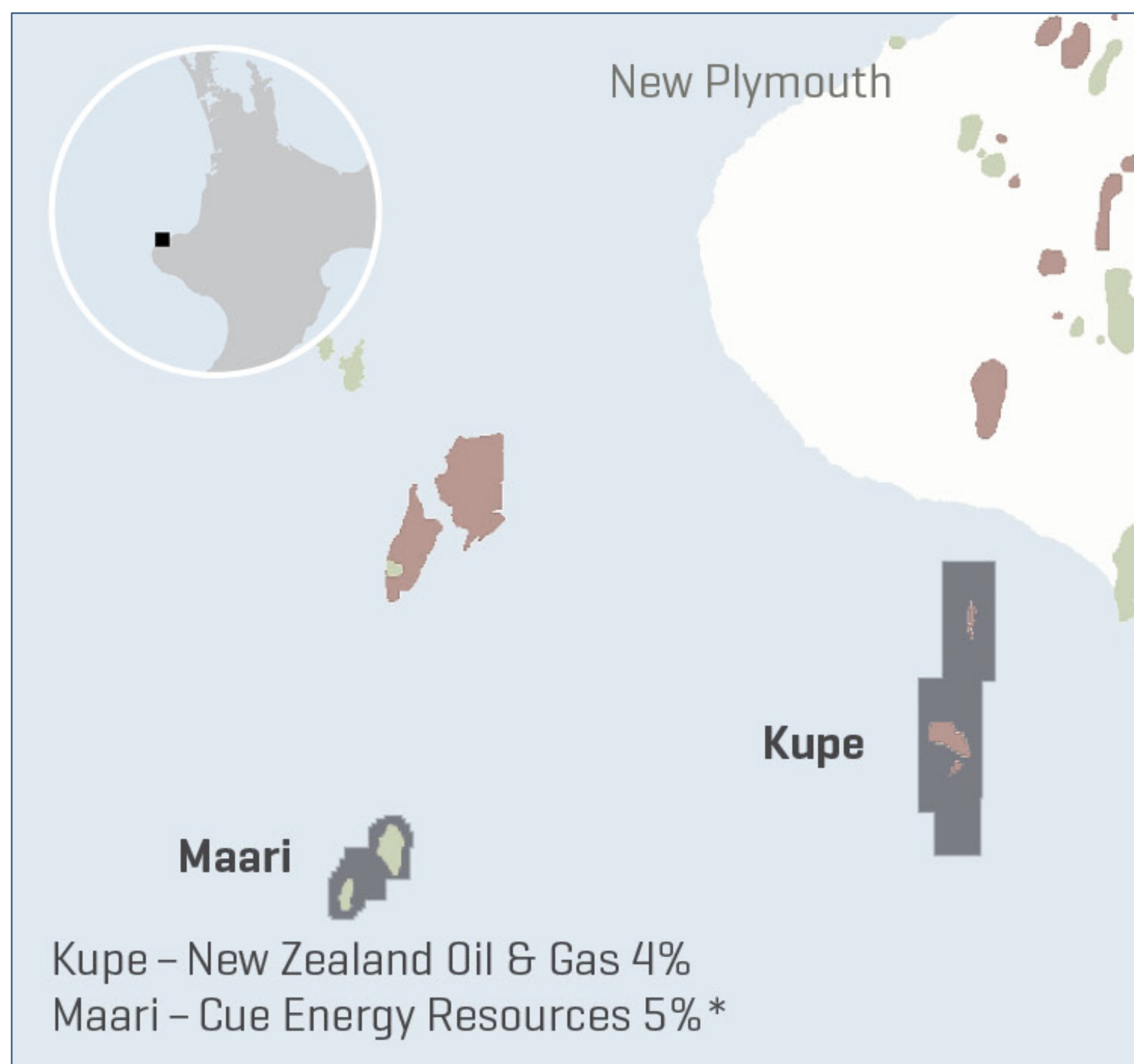
## ADD RESERVES (2023)

Mereenie Infill Drilling (~ 8.2PJ of net 2P undeveloped reserves)  
Appraise Stairway to unlock resource (~ 27PJ of net 2C Contingent)

## PRODUCTION ENHANCEMENT (2022-2023)

Coiled Tubing campaign (+ 1 TJ/d)[net]  
Mereenie Flare Gas Compression (+ 0.25 TJ/d [net] plus lower Scope 1 CO<sub>2</sub> emissions)  
De-bottlenecking opportunities

# Taranaki New Zealand - Kupe gas field



## DEVELOPMENT DRILLING (2023 ONWARDS)

Potential KS-9 well targeting 1.8PJ of net 2P resources, to reinstate plateau production [Subject to FID, expected soon]

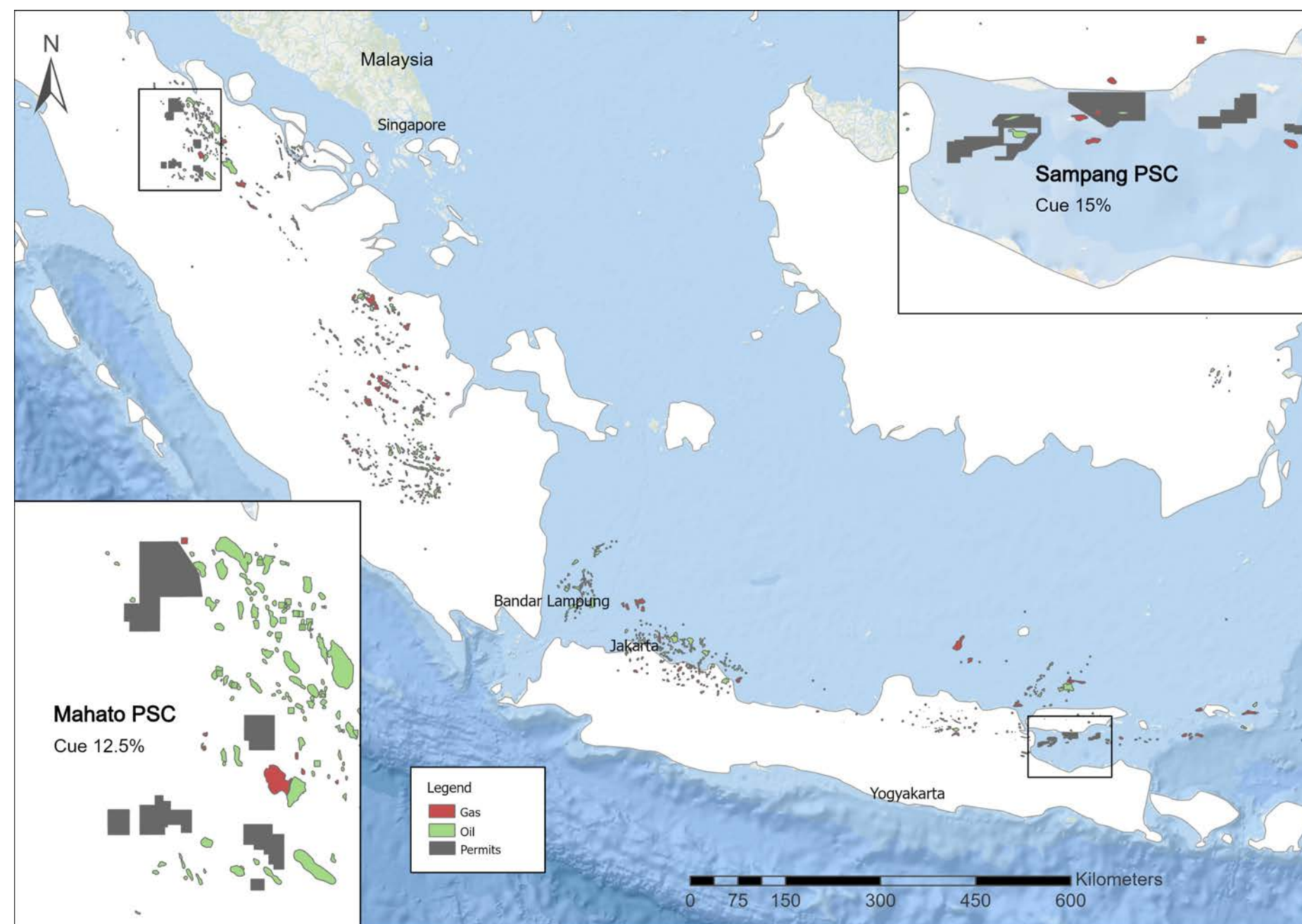
## IMPROVING COMMERCIAL OUTCOMES (2023 ONWARDS)

Significant future uncontracted gas in a healthy market  
Kupe gas re-contracting opportunity from October 2023

## PRODUCTION ENHANCEMENT (2022 ONWARDS)

12 emission reduction activities [targeting net 660t/ year of CO<sub>2</sub>e emissions]  
Potential for re-perforation of existing wells

# Cue Developments in Indonesia



## MAHATO- ONGOING AND FUTURE ONSHORE DEVELOPMENT DRILLING (2022 ONWARDS)

- 92.8 million barrels [in place] field discovered in 2020
- 9 production wells delivered to date production at ~5,500bopd
- Ongoing drilling of a further 4 development wells
- Analysis suggests further potential
- Recently announced material increase in 2P total reserves to 1.4mmstb net to Cue

## SAMPANG OFFSHORE GAS DEVELOPMENT OPPORTUNITY (2023 ONWARDS)

- Current production 680 boepd
- Paus Biru FID expected mid-2022 [~7PJ 2C contingent resources net to Cue]

See the Reserves Statement in Appendix for important qualifications regarding reserves information.

\*NZOG [through Cue] also hold reserves in the Maari oil field, offshore New Zealand at net equity to Cue of 5%. New Zealand Oil & Gas holds a 50.04% interest in Cue. Cue's full interest is shown.

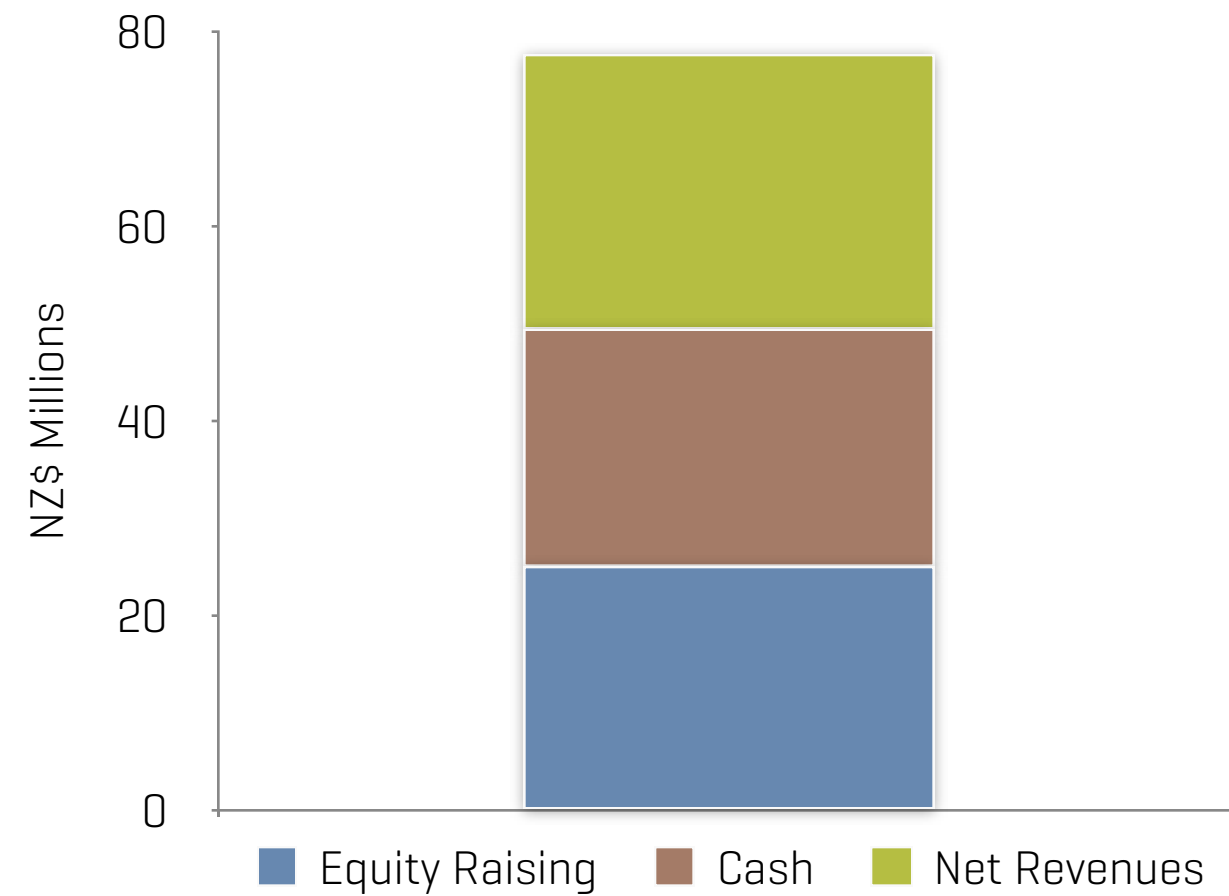




# Equity Raise Details

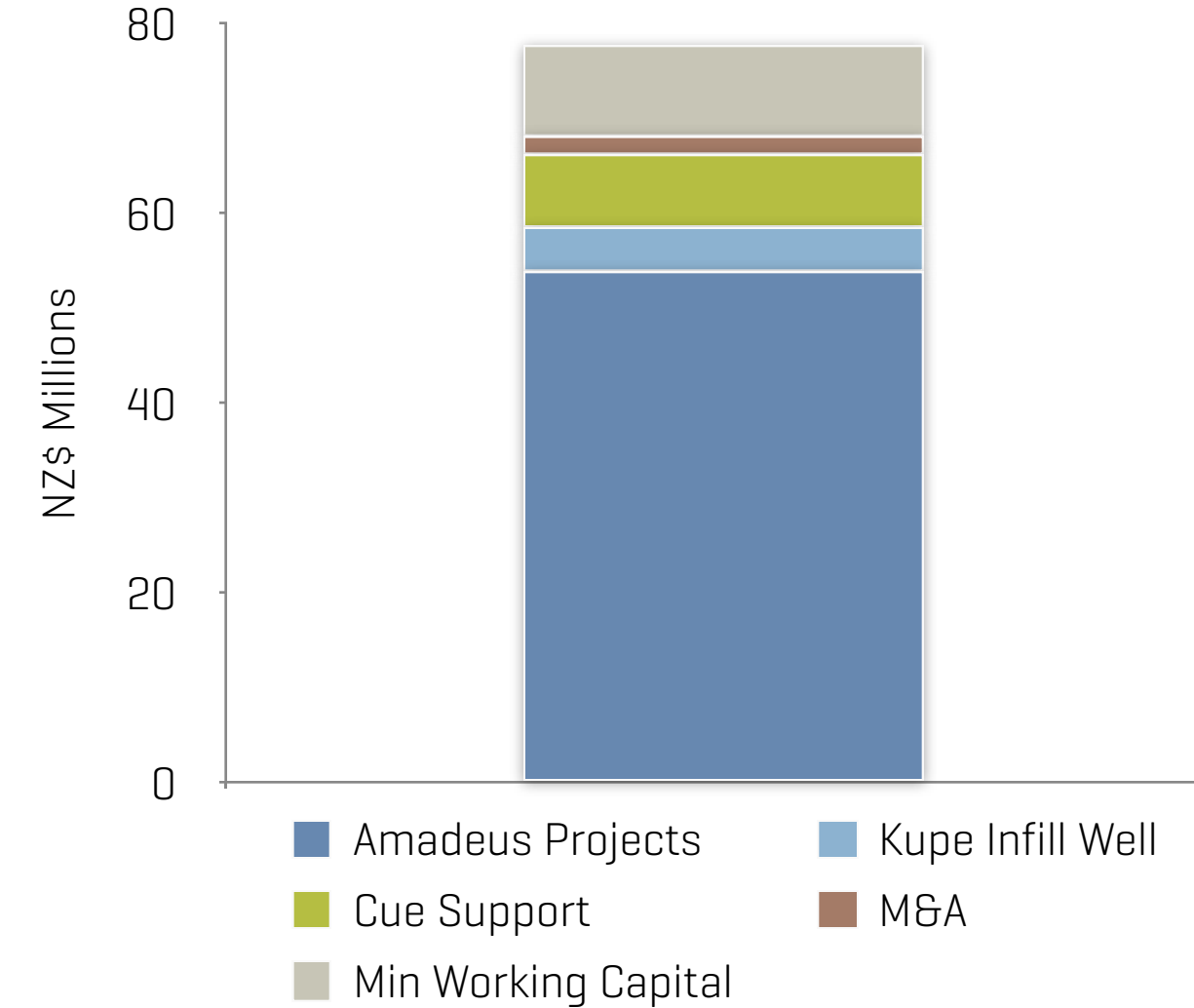
New Zealand Oil & Gas is seeking to raise up to \$25 million in a pro-rata offer of new shares to existing shareholders in New Zealand and Australia, and such other investors as New Zealand Oil & Gas may allow to participate in compliance with applicable laws.

# Sources and Uses of Funds



## SOURCES

- New equity provides shareholders with exposure to growth
- Pro-rata offer is fair chance for all to participate



## USES

- Amadeus project commitments
- Kupe Infill Well participation to reinstate plateau production
- Cue support via provision of inter-company loan
- Continue hunt for additional acquisitions
- Maintain minimum working capital threshold for Treasury management

NOTE: These figures represent New Zealand Oil & Gas' cash balances and net revenues only. Sources do not include Cue's cash balance or net revenues.

# Equity Raise Overview

## Offer size and structure

The amount to be raised under the Offer is up to NZ\$25 million.

- Pro-rata offer of new shares to existing shareholders.
- Any shortfall will be allocated first to an oversubscription facility [see below] for existing shareholders [other than OGOG], then to selected new wholesale investors, then to OGOG's underwrite [subject to regulatory restrictions].

## Application price

NZ\$0.42 cents per new share, a discount of 19.2% to the closing price at 22 April 2022.

The Australian dollar application price will be set using the RBNZ published exchange rate for the Offer record date.

## Oversubscription facility

Shareholders who accept their full entitlement under the Offer [other than OGOG] may apply for additional shares under an oversubscription facility.

The shares available under this facility will be limited to any shortfall in the Offer.

## New shares

New shares will be ordinary shares and rank equally with existing ordinary shares.

## Major shareholder/underwrite

The major shareholder in New Zealand Oil & Gas, OGOG, has committed to acquire its full entitlement up to any limit imposed by regulatory restrictions [i.e., its shareholding cannot increase >5%]. OGOG has also agreed to underwrite the Offer if there is a shortfall [subject to the same regulatory restrictions].

## Impact of equity raise

Up to 59.5 million new shares will be issued

New shares rank pari passu to existing shares

Cash on balance sheet \$39.1 million now and \$64.1million after

# ASX Focused Future

Looking forward the Company intends to play a more active role on the ASX platform and intends to convert its listing status so it holds a full ASX listing

## KEY POINTS YOU NEED TO KNOW NOW:

- The Offer website [www.shareoffer.co.nz/nzog](http://www.shareoffer.co.nz/nzog) will include an option for shareholders who participate in the Offer to elect to automatically shunt their shares from the NZX to the ASX.
- The Company intends to convert its listing status, after the close of the Offer, to have a full listing on the ASX and a foreign exempt listing on the NZX.

## ATTRACTION OF THE MOVE TO FULL ASX LISTING

- Access to a more dynamic market
- Higher number of industry participants
- Greater market knowledge of the industry and activities
- High level of corporate governance requirements

NZO is engaging with both NZX and ASX in relation to moving from a full listing to a foreign exempt listing on NZX and moving from a foreign exempt to a full listing on ASX. Assuming that both NZX and ASX approve the change in listing status, NZO expects that the change in listing status will occur on the same day on both ASX and NZX. The change in listing status is expected to take place by mid-June 2022. NZO is not aware of any reasons why the change in listing status would not be approved. NZO will provide a further update on the timing of the change as the process progresses.

# ● Important Dates

Event	Date
Announcement of the Offer	27 April 2022
Record Date for determining eligibility	7pm 5 May 2022
Opening Date and mailing/emailing of Offer documentation	9 May 2022
Closing Date [last day for online applications with payment]	5pm 23 May 2022
Allotment and issue of New Shares	27 May 2022
Quotation of NewShares on NZX	27 May 2022
Quotation of NewShares on ASX	30 May 2022
Statements mailed/emailed	By 3 June 2022

These dates are subject to change and are indicative only. NZO reserves the right to amend this timetable (including by extending the Closing Date) subject to applicable laws, the rules of the NZX Main Board and the ASX Listing Rules. NZO reserves the right to withdraw the Offer at any time before the date of allotment and issue of New Shares in its absolute discretion.



- This is an opportunity to invest in the growth of our company.

In a time of global instability, in a world needing our energy, ethically-sourced oil and gas from Australia, Indonesia and New Zealand offers new opportunities for continued growth at an attractive balance of risk and return.

Funding will strengthen the New Zealand Oil & Gas balance sheet and provide cashflow to deliver for investors through development of producing assets with the chance of exploration upside.

# Key Investment Risks

The Company does not guarantee any particular rate of return or its performance. An investment in the Company's securities is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. Key risks to the Company and the Offer include:

1. **Cost escalation:** Prices for goods and services involved in future capital works have been increasing due to COVID related supply line issues, as well as increasing commodity prices. These could continue to impact the cost of carrying out projects described in this presentation. The Company has made reasonable efforts to ensure the estimates include sufficient scope for cost movements, but estimates of future costs are inherently unreliable.
2. **Exploration and drilling results:** Exploration is by nature uncertain, a high-risk activity, with positive outcomes in the order of 1 in 5 cases. In the case of the Palm Valley Deep and Dingo Deep exploration prospects, the risks of failure are mitigated by the low cost of deepening the wells and ability to plug back and reuse the wells as producers in the shallower producing formations. Development drilling is less risky but there is always a finite chance of either a poor result or lost well.
3. **Contracting uncertainty:** Gas is sold from the Amadeus fields via multiple contracts of different terms [volume weighted average 2 years excluding Dingo], taking advantage of the healthy East Coast Australian gas market and retaining flexibility. The existing Kupe gas sale agreements will terminate by October 2023 and will be remarketed over the coming year. In both cases the prices for products are constrained by supply and demand of the respective gas systems they sell into. While the overall market picture is positive that does not guarantee commercial terms in future will exceed those that are currently contracted.
4. **Inability to raise the sum sought:** If the issue is undersubscribed, OGOG's participation will provide sufficient funds for the Company to continue to meet all its obligations, though there may be a requirement to obtain some additional funds through other means, and at a higher cost than if raised under the Offer.
5. **JV partner risk:** Some of the activities described in this presentation have not yet been approved by JV partners, notably the Kupe development well, and the additional Mereenie wells. It is expected that approval of these will be forthcoming in due course, but this is not certain.
6. **Failure of producing/transmission plant:** New Zealand Oil & Gas carries no business Interruption insurance. Loss of production or failure of transmission plant or pipelines would reduce revenues impacting cash flow. With the acquisition of the Amadeus assets New Zealand Oil & Gas has a number of revenue streams so loss of any one would not mean a total loss of revenue.
7. **Production profiles and reserves uncertainty:** The nature of the reservoirs which produce hydrocarbons is an inherently uncertain subject. New Zealand Oil & Gas routinely uses standard industry methodology to review field performance and forecast estimation of the productivity and recovery from our assets and provides guidance to the market through the range of reserves and resources recoverable from the various fields. More information on these uncertainties and the assumptions is provided through the reserves guidance and compliance statement in the Appendix.



# • Appendices

1. Reserves Statement
2. Financial Results and Projections
3. Asset Summary Sheets



# Reserves Statement

Oil and gas reserves, and contingent and prospective resources, are reported as at 1 January 2022, unless otherwise stated, and follow the SPE PRMS Guidelines [2018]. The volumes presented are net to New Zealand Oil & Gas, including Cue's reserves and resources at 100% [noting New Zealand Oil & Gas holds 50.04% of the shares in Cue].

In the Amadeus basin, all fields and prospects are non-operated by New Zealand Oil & Gas, with the operator being Central Petroleum Limited. New Zealand Oil & Gas holds 17.5% equity in Mereenie and Cue holds 7.5%. At Palm Valley and Dingo, New Zealand Oil & Gas holds 35% and Cue holds 15% equity.

In New Zealand, all fields and prospects are non-operated by New Zealand Oil & Gas. The operator at Kupe is Beach Energy and at Maari the operator is OMV.

Cue currently holds an equity position of 5%, 15% and 12.5% in the Maari, Sampang and Mahato assets respectively, though Production Sharing Contract (**PSC**) adjustments at the Sampang and Mahato fields affect the net equity differently across reserve categories.

The Paus Biru discovery, sits on the Sampang PSC where the field is operated by Medco and Cue holds 15% equity.

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 and evaluated using analytical and numerical analysis methods, combined with a set of deterministic reservoir simulation and network models. In place volumes have been calculated using probabilistic methods, with deterministic workflows used for recoverable volumes. The reserves and resource volumes stated have not been adjusted for risk.

Kupe reserves are determined by deterministic reservoir simulation modelling conducted by the operator Beach Energy. At Maari, a combination of deterministic and analytical methods have been applied by New Zealand Oil & Gas in determining remaining reserves.

At Sampang deterministic methods are used to evaluate the reserves on the basis of historical production.

Mahato reserves and resources are based on the available historical field production data and drilling results in the first 8 wells in the field. This data has been combined with available seismic and petrophysical models along with a network reservoir model. In place volumes have been developed using probabilistic methods, with deterministic workflows used for recoverable volumes. The reserves and resource volumes stated have not been adjusted for risk. The Mahato volumes reflect the SKK Migas approved Plan of Development [PoD] and the approved 2022 work program and budget for 5 additional wells [taking the total producers to 13], as well as a view of further potential drilling opportunities beyond this which will require further evaluation and approvals prior to drilling and hence are placed in contingent resources [development pending]. The extraction method for Mahato is via an export pipeline to local pipeline networks [ultimately through to the Dumai terminal].

Paus Biru contingent resources have been sub-classified as "Development Unclassified" under the PRMS Guidelines by Lemigas [who are the competent person for those resources], which represents a discovered accumulation where project activities are under evaluation, the potential for a commercial development is unknown based on available information and plans to develop are not yet considered near-term. As such, further work is required on the development and commercialisation options before bringing forward to reserves status. A deterministic methodology was used to categorise the contingent resources.

The Amadeus 2C contingent and 2U prospective resources [best estimate] included are as per the Amadeus notice of special meeting released to NZX on 25 May 2021. New Zealand Oil & Gas confirms it is not aware of any new information or data that materially affects the information included in that 25 May 2021 release and all the material assumptions and technical parameters underpinning the 2C contingent and 2U prospective resources continue to apply and have not materially changed.

For the Amadeus prospective resources, 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. These risks for discovery and development for the prospective resources are as stated in the 25 May 2021 announcement, they will be evaluated through the drilling of the upcoming Palm Valley-12 and Dingo-5 wells.

The Paus Biru 2C contingent resources are as per the market announcement made by Cue on 19 August 2020. New Zealand Oil & Gas confirms it is not aware of any new information or data that materially affects the information included in the 19 August 2020 release and all the material assumptions and technical parameters underpinning the 2C contingent resources continue to apply and have not materially changed.

Net reserves are net of equity portion, government take under all relevant agreements net of royalties, taxes, fuel and flare [as applicable].

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.

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

At all fields, economic modelling has been conducted to determine the economically recoverable quantities. 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.

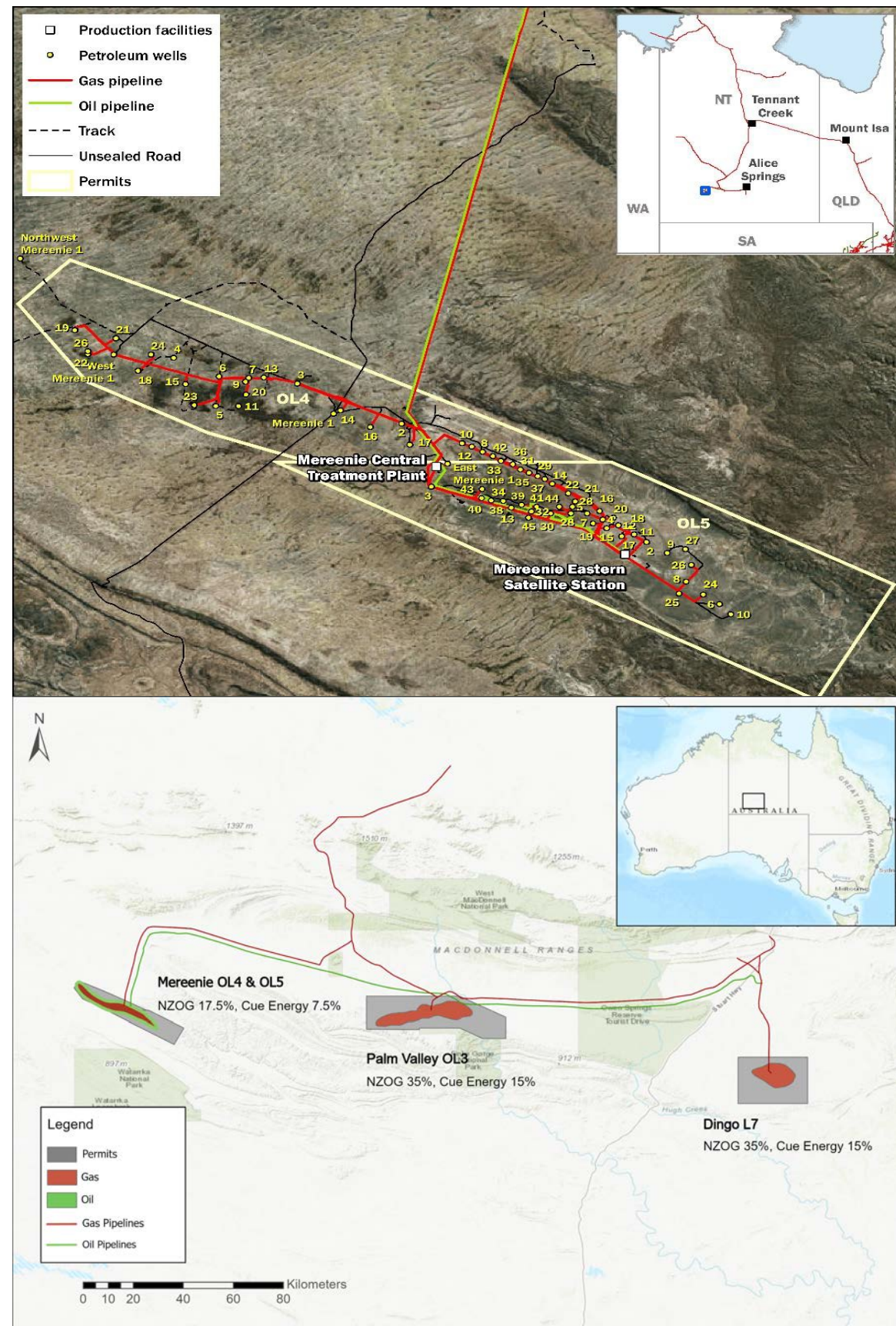
This reserves and resources statement is approved by, based on, and fairly represents information and supporting documentation [for all fields other than Paus Biru] prepared by New Zealand Oil & Gas General Manager Assets & Engineering Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Master's 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 reviews reserves holdings at least twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled meetings. Daniel is currently an employee of New Zealand Oil & Gas.

# Condensed Statement of Financial Position

For the half year ended 31 December 2021

\$000	Unaudited Half Year 31 Dec 2021	Audited Full Year 30 Jun 2021		Unaudited Half Year 31 Dec 2021	Audited Full Year 30 Jun 2021
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and cash equivalents	33,444	70,730	Payables	8,123	7,283
Funds held in escrow	-	28	Lease provision	272	215
Receivables and prepayments	11,981	9,144	Contract liabilities	5,217	-
Inventories	4,078	1,137	Deferred consideration	25,368	-
Right of use assets	-	151	Current tax liabilities	3,259	2,164
<b>Total current assets</b>	<b>49,503</b>	<b>81,191</b>	<b>Total current liabilities</b>	<b>42,239</b>	<b>9,662</b>
<b>Non-current assets</b>			<b>Non-current liabilities</b>		
Exploration and evaluation assets	1,202	-	Rehabilitation provision	42,759	26,088
Oil and gas assets	150,097	53,477	Contract liabilities	5,439	-
Property, plant and equipment	206	173	Deferred consideration	4,250	-
Right of use assets	524	330	Lease provision	279	282
Other intangible assets	2,953	1,875	Deferred tax liability	945	3,391
Deferred tax asset	6,846	-	<b>Total non-current liabilities</b>	<b>53,672</b>	<b>29,761</b>
Other financial assets	6,363	6,276	<b>Total liabilities</b>	<b>95,911</b>	<b>39,423</b>
<b>Total non-current assets</b>	<b>168,191</b>	<b>62,131</b>	<b>Net assets</b>	<b>121,783</b>	<b>103,899</b>
<b>Total assets</b>	<b>217,694</b>	<b>143,322</b>	<b>EQUITY</b>		
			Share capital	211,901	211,901
			Reserves	6,756	4,961
			Retained earnings	(105,947)	(117,543)
			<b>Attributable to shareholders of the Group</b>	<b>112,710</b>	<b>99,319</b>
			Non-controlling interest in subsidiaries	9,073	4,580
			<b>Total equity</b>	<b>121,783</b>	<b>103,899</b>
			<b>Net asset backing per share (cents)</b>	<b>73.0</b>	<b>61.9</b>
			<b>Net tangible asset backing per share (cents)</b>	<b>67.0</b>	<b>60.8</b>

# Amadeus Basin, Australia



## IMPROVING COMMERCIAL OUTCOMES

Multiple short and medium term gas contracts

Improving average realised price

Near and medium term development opportunities

Pipeline linked to Northern Territory and East Coast

## MERREENIE GAS FIELD

Acreeage of 281km<sup>2</sup> on two permits

71 existing wells

Two production facilities

## MERREENIE FIELD DEVELOPMENT PROGRAM

ENHANCED PRODUCTION

Coiled Tubing campaign in targeted wells

DEVELOPMENT

Merreenie Flare Gas Compression  
[reduces CO<sub>2</sub> emissions]

Potential low-cost de-bottlenecking

Further infill wells

Appraise Stairway  
27PJ of 2C Contingent  
[net to NZO]

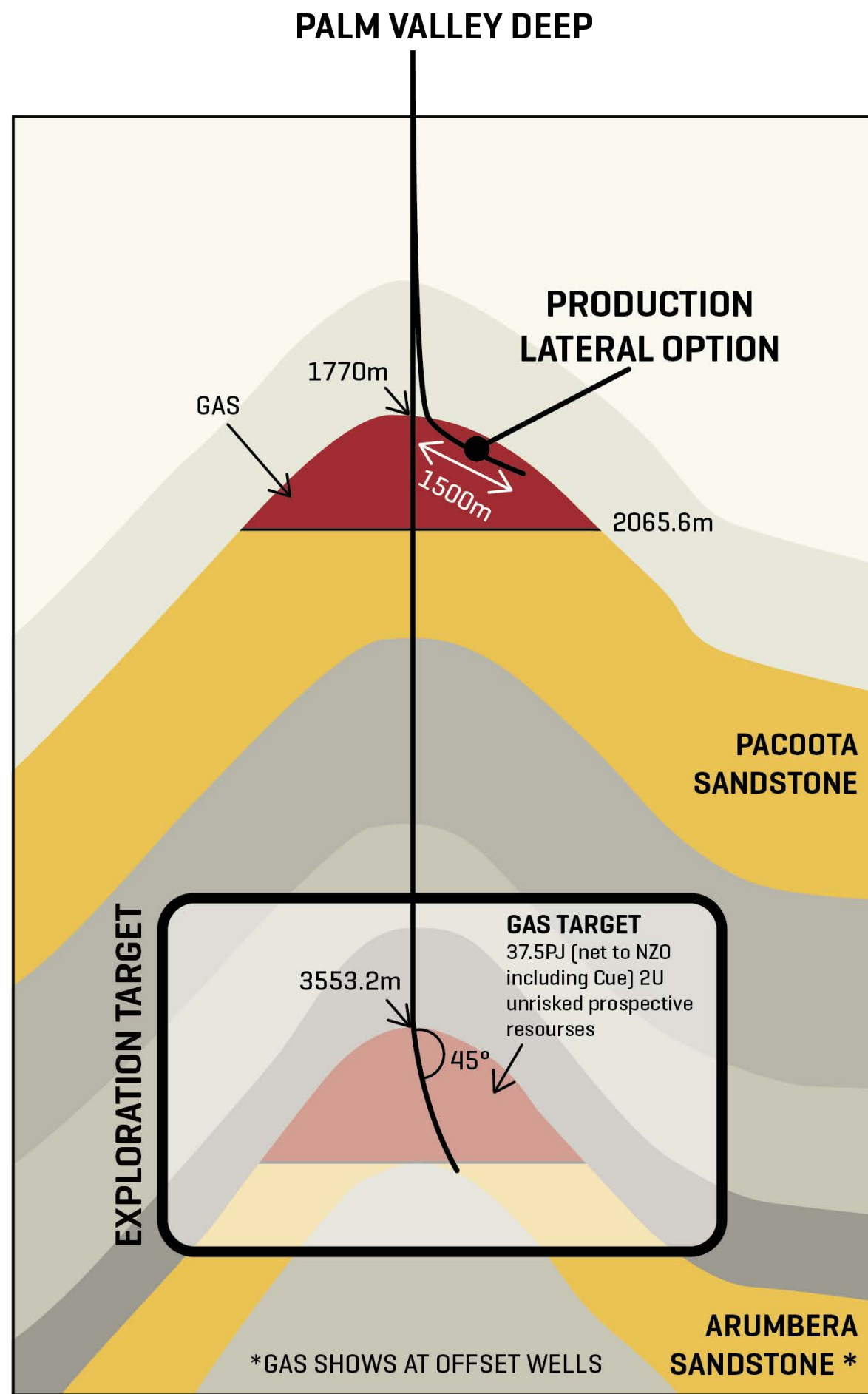
2021

2022

2023

2024

# Amadeus Basin, Australia



## PALM VALLEY GAS FIELD

Acreage of 616km<sup>2</sup>

10 existing wells

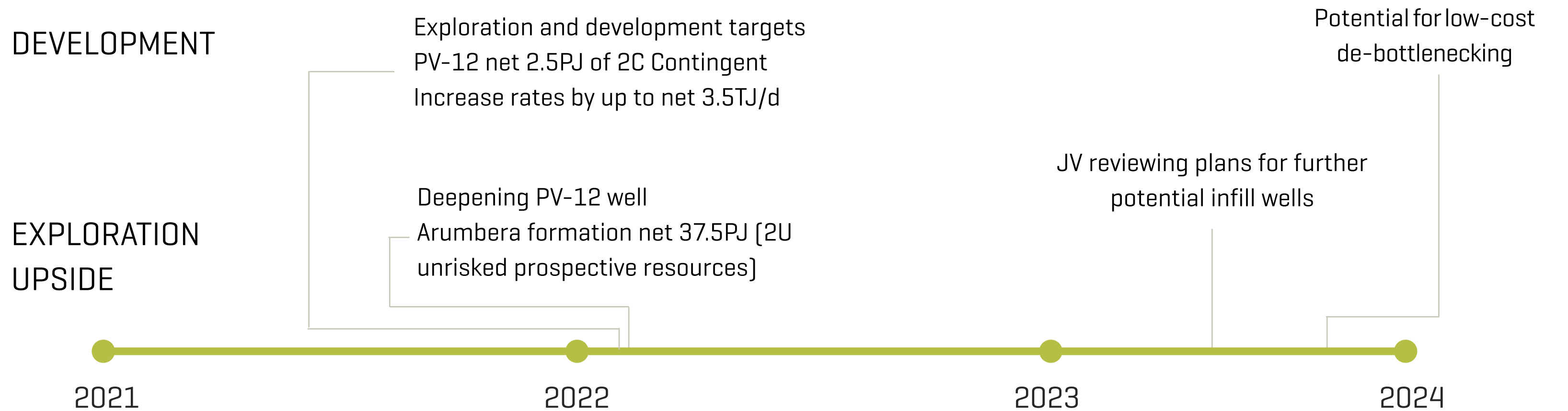
Production facility

Pipeline linked to Northern Territory and East Coast

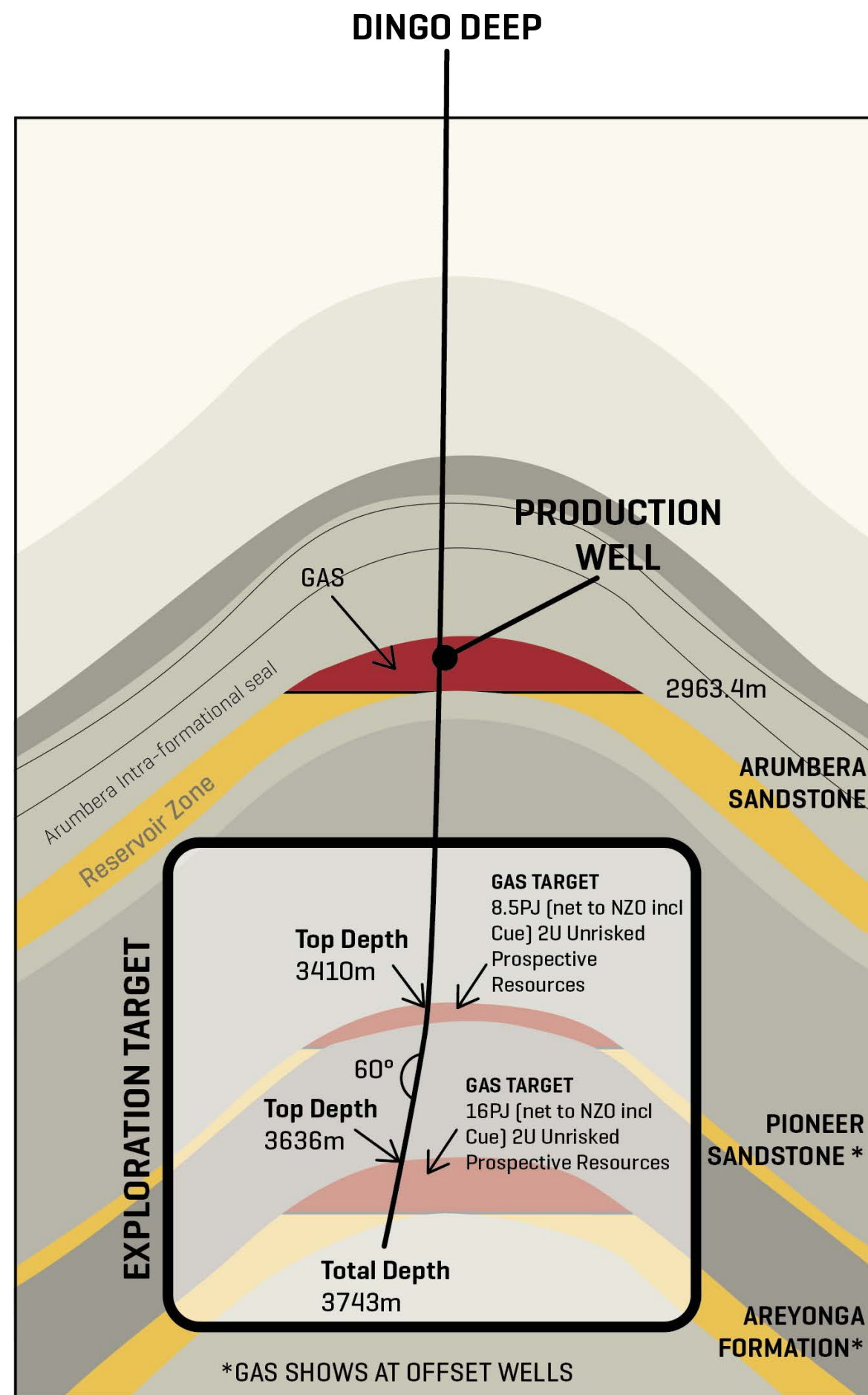
### KEY OPPORTUNITIES

- Near term development and exploration drilling
- Improving commercial opportunities
- Multiple short and medium term gas contracts
- Improving average realised price

### PALM VALLEY FIELD EXPLORATION, APPRAISAL AND DEVELOPMENT PROGRAM



# Amadeus Basin, Australia



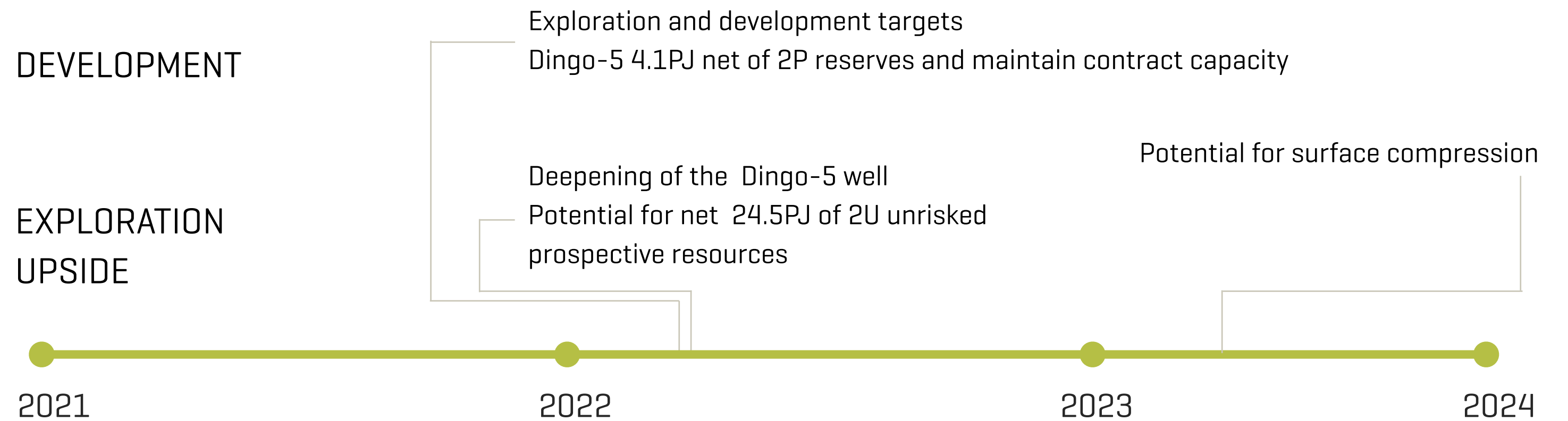
## KEY OPPORTUNITIES

Near term development and exploration drilling  
 Long-term take-or-pay gas contract with Power and Water Corporation providing power for Alice Springs

## DINGO GAS FIELD

Acreeage of 468km<sup>2</sup>  
 Two existing wells  
 Production facility  
 Linked to local markets

## DINGO FIELD EXPLORATION AND DEVELOPMENT PROGRAM



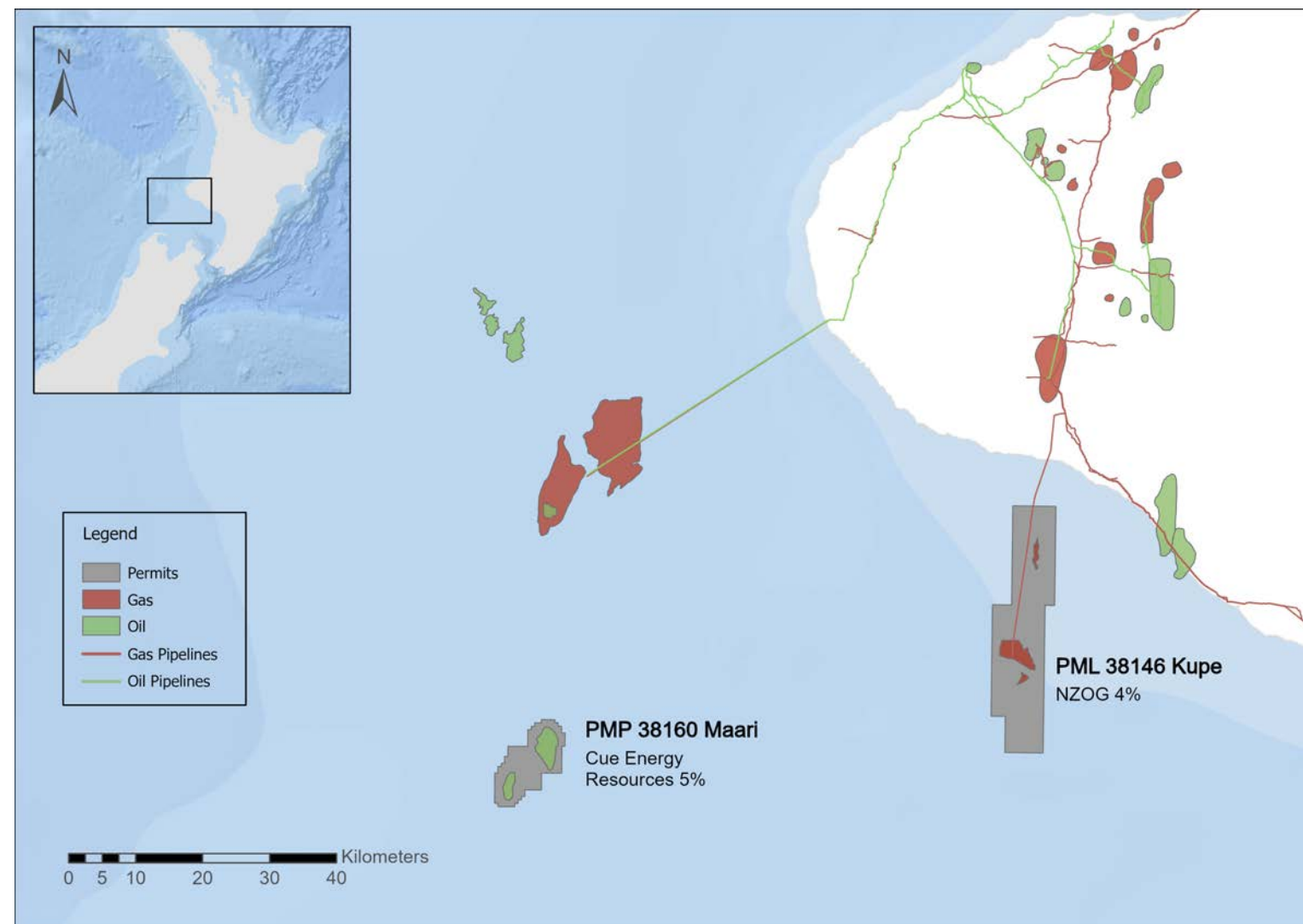
# Taranaki, New Zealand

## KEY OPPORTUNITIES

- Improving commercial opportunities
- Significant future un-contracted gas in a healthy market
- Kupe re-contracting opportunity October 2023

## KUPE GAS AND CONDENSATE GAS FIELD

- Acreage of 256km<sup>2</sup>
- 3 existing production wells
- Dedicated production facilities extracting gas, LPG and condensate
- Pipeline linked to domestic market

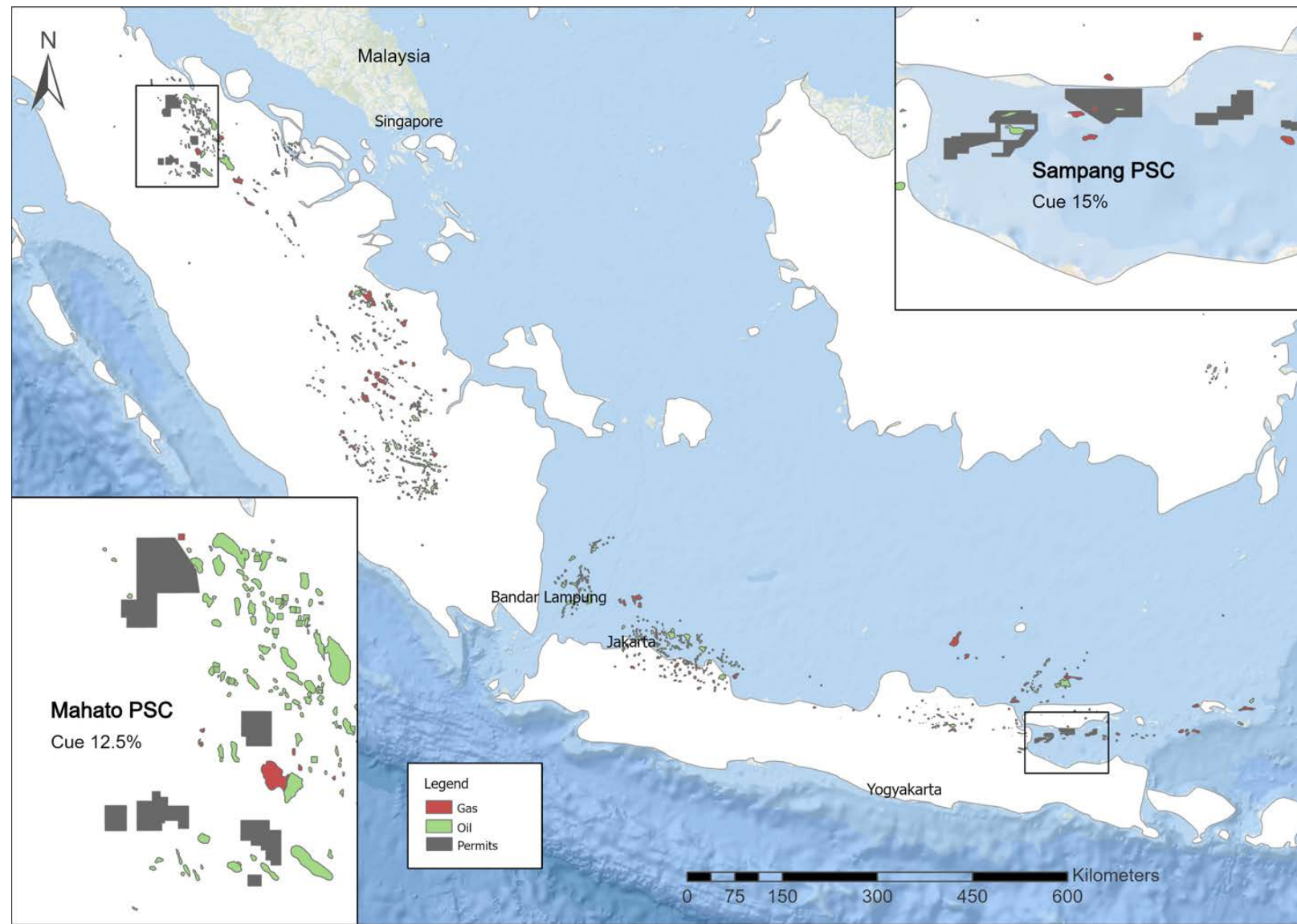


## KUPE FIELD DEVELOPMENT PROGRAM

- Gas sales from Kupe since the inlet compressor was brought online have been higher than forecast. This has accelerated sales of gas, LPG and condensate in strong markets, resulting in an inability of the field to continually deliver to 77TJ/d. Field performance continues to deliver strong volumes.
- The operator is investigating further opportunities to accelerate sales including potential in-well work and drilling the potential KS-9 infill well.
- 12 emission reduction initiatives targeting a reduction of net 660t/year of CO<sub>2</sub>e emissions



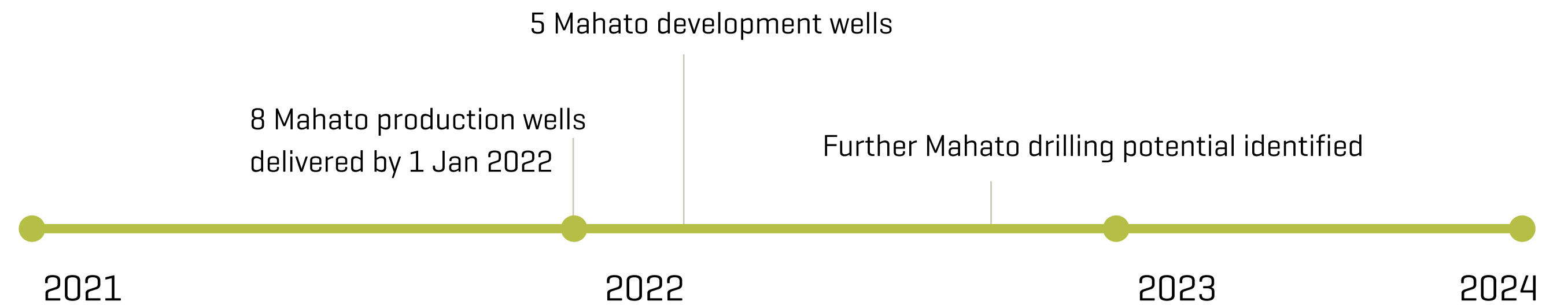
# Cue Developments in Indonesia



## MAHATO PSC Cue 12.5%

ONGOING and Future Onshore Development Drilling

92.8 million barrels [in place] field discovered in 2020.  
8 production wells delivered [1 Jan 22]. Production up from 0 to 5,500 bopd.  
Recently announced material increase in 2P Total Reserves to 1.4mmstb net to Cue.



## SAMPANG PSC

**Cue 15%**

Offshore gas Development Opportunity

Paus Biru discovery, ~7PJ 2C resources net to Cue. Development through the existing Sampang infrastructure and on to gas-to-electricity market. Final investment decision mid-2022.