

news release

20 March 2023

NEW ZEALAND OIL & GAS FINALISES FARM IN WITH TRIANGLE ENERGY

- **New Zealand Oil & Gas and Triangle sign binding farm out agreement for L7 and EP437.**
- **All confirmatory due diligence complete.**
- **New Zealand Oil & Gas to pay A\$1.9 million in back costs.**
- **Regulatory approval process to commence.**
- **Planning underway to secure drilling slots in 1H 2024.**

New Zealand Oil & Gas Limited (NZO or the Company) is pleased to announce that it has executed a binding Farm Out Agreement (FOA) with Triangle Energy (Global) Ltd (Triangle) (ASX: TEG), to acquire a 25% participating interest in the L7 Production License (L7) and the EP 437 Exploration Permit (EP 437) (together, the Permits).

NZO has completed all confirmatory due diligence, to its satisfaction and will proceed with the deal, including paying a 50% share of the Bookara 3D seismic costs totaling A\$1.9 million (subject to customary regulatory approvals including DMIRS and FIRB).

In addition to these upfront costs, and consistent with the binding Term Sheet signed in January <https://www.nzog.com/news/new-zealand-oil-and-gas-executes-perth-basin-farm-in-agreement-with-triangle-energy> NZO will fund an uplift on the costs of three exploration wells to be drilled in 2024, with forecast expenditure of ~A\$9.96 million, net to NZO, paid as costs are incurred.

The exploration wells will target the highly prospective Early Permian-aged reservoirs identified by the Bookara 3D seismic survey, which are analogous to recent discoveries in adjacent permits, including Lockyer Deep, Waitsia, West Erregulla and South Erregulla.

The cost of all existing rehabilitation and restoration obligations for L7 and EP 437 are to be borne exclusively by Triangle.

After completion the Permits' joint ventures will comprise Triangle (50% and Operator); NZO (25%) and, subject to completion of their own farm out agreement, Talon Energy Ltd (Talon, ASX: TPD: 25%).

Chief Executive Andrew Jefferies says entry to the Perth Basin via farm in to L7 and EP 437 provides low-cost exposure to onshore prospects in an exciting area with joint venture partners the Company knows well.

“With this farm in we are continuing to execute our Board’s strategy. It’s great to be partnering with Triangle and Talon. These are companies that share a similar corporate and technical ethos with NZO, and we will be working closely together to leverage our combined expertise to drive shareholder value through successful exploration.”

Details of the farm in terms and prospectivity of the permits are provided in the [investor presentation](#) released on the 17th January 2023.

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