

news release

3 November 2021

CHAIR'S ADDRESS TO ANNUAL MEETING OF SHAREHOLDERS

10am Wednesday, 3 November 2021
Oaks Hotel 89 Courtenay Place,
Wellington NZ 6011, and online / virtually

Samuel Kellner
Chair

Good morning ladies and gentlemen and welcome to the 2021 annual meeting of shareholders.

We have a busy agenda so I will keep my remarks brief.

When I delivered my remarks virtually at this meeting a year ago, we hoped that we would be meeting in person this year. Unfortunately travel restrictions make that impossible.

We are hopeful, however, that we are finally emerging from the COVID 19 crisis. And while we are likely to be living with the virus for many years to come, we are beginning to see the world and New Zealand open up. We are looking forward to a year of increased mobility and increased economic activity. The company is proud to help deliver the energy to support that activity.

Andrew Jefferies will provide you with a more detailed update shortly. I want to touch briefly on a few points.

At our meeting last year, I noted the extreme pressure that most E&P companies faced as a result of the COVID 19 crisis. It was our hope a year ago that this would create attractive investment opportunities for New Zealand Oil & Gas.

I am pleased that we have been able to find just such an opportunity, having purchased an interest in producing gas assets in the Australia's onshore Amadeus Basin. These assets fit the criteria we were seeking – current production from well-established fields, delivering product into a strong Australian gas market, while also providing significant upside from ongoing development and exploration activity.

Acquiring these assets is a big step forward for the company and will provide a foundation for future growth in Australia.

We have also had positive developments in our existing portfolio of assets.

At Kupe, the compression project has been successfully completed, with production now coming back to plateau as anticipated. And just in time, as the New Zealand gas market has been tight throughout 2021. With increased production from existing wells and discussions about a new development well underway, Kupe gas will continue to be an important part of the New Zealand energy mix for years to come.

Our subsidiary Cue Energy has seen a significant increase in production and reserves, with a new producing asset oil asset in Indonesia – Mahato – coming online this year. Cue’s net production is nearly double what it was a year ago. And they are benefiting from strong Brent oil prices, which have doubled since July 2020. As our partners in the Amadeus Basin and with the continued development of the Mahato field, Cue is poised to continue growing.

Not everything was successful in 2021 of course. A year ago, we were looking forward to the results from Ironbark. Unfortunately, that well did not turn out as we had hoped.

While we were excited about the Ironbark opportunity, it was never our sole focus. We have begun executing on our strategic plan this year, acquiring new producing assets with development and exploration upside. We are continuing our hunt for more assets to add to those in the Amadeus basin. And we are seeing organic growth in our existing portfolio, especially Cue’s Mahato interest.

While we have faced many challenges this year, we are looking ahead to 2022 with many reasons for confidence. We have added valuable new assets. Our existing assets are performing as planned. World energy markets are strong. We have a team that can continue to build on our successes this year.

I am excited about our potential and am pleased that the market has started to take notice over the last few months.

On that note, I want to thank our staff for their hard work this year and my fellow directors for their commitment and dedication. And I would like to thank the shareholders for your continued support of the company.

I wish you all good health. I will now turn the meeting over to our CEO, Andrew Jefferies.

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